(Please scan this QR code to view the Draft Red Herring Prospectus)

DRAFT RED HERRING PROSPECTUS
Dated: June 7, 2024
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

BAJAJ HOUSING FINANCE LIMITED

CORPORATE IDENTITY NUMBER: U65910PN2008PLC132228

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune 411 035, Maharashtra, India	5th Floor, B2, Cerebrum IT Park, Kumar City, Kalyani Nagar, Pune 411 014 Maharashtra, India	Atul Patni *Company Secretary and Compliance Officer*	**Email:** bhflinvestor.service@bajajfinserv.in **Telephone:** +91 20 71878060	www.bajajhousingfinance.in

THE PROMOTERS OF OUR COMPANY: BAJAJ FINANCE LIMITED AND BAJAJ FINSERV LIMITED

DETAILS OF THE OFFER TO THE PUBLIC

TYPE	FRESH ISSUE SIZE^	OFFER FOR SALE SIZE	TOTAL OFFER SIZE^	ELIGIBILITY AND SHARE RESERVATION AMONG QUALIFIED INSTITUTIONAL BIDDERS, RETAIL INDIVIDUAL BIDDERS, NON-INSTITUTIONAL BIDDERS, ELIGIBLE EMPLOYEES AND ELIGIBLE SHAREHOLDERS
Fresh Issue and Offer for Sale	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹40,000.0 million	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹30,000.0 million	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹70,000.0 million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). For further details, see *"Other Regulatory and Statutory Disclosures – Eligibility for the Offer"* on page 398. For details in relation to the share reservation among Qualified Institutional Buyers ("**QIBs**"), Retail Individual Bidders ("**RIBs**"), Non-Institutional Bidders ("**NIBs**"), Eligible Employees and Eligible Shareholders (*each as defined hereinafter*), see "*Offer Structure*" on page 425.

DETAILS OF THE SELLING SHAREHOLDER, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED / AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*
Bajaj Finance Limited	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹30,000.0 million	12.2

**As certified by the Statutory Auditors of our Company, by way of their certificate dated June 7, 2024.*

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 the Equity Shares is ₹10 each. The Floor Price, Cap Price and Offer Price as determined by our Company, in consultation with the Book Running Lead Managers ("**BRLMs**"), and on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations and as stated in *"Basis for Offer Price"* on page 102 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 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 Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 33.

(Please scan this QR code to view the Draft Red Herring Prospectus)

COMPANY'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft 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 Draft 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 Draft 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.

The Promoter Selling Shareholder accepts responsibility for and confirms only the statements expressly and specifically made by it in this Draft Red Herring Prospectus to the extent of information specifically pertaining to it 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 statement in this Draft Red Herring Prospectus, including, *inter alia,* any of the statements made by or relating to our Company or our business.

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges, being BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). For the purposes of the Offer, [●] shall be the Designated Stock Exchange. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC (*as defined hereinafter*) in accordance with Sections 26(4) and 32(2) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 460.

BOOK RUNNING LEAD MANAGERS

NAME AND LOGO OF THE BRLMS		CONTACT PERSON	TELEPHONE AND E-MAIL
	Kotak Mahindra Capital Company Limited	Ganesh Rane	**Tel**: +91 22 4336 0000 **E-mail:** bhfl.ipo@kotak.com
	BofA Securities India Limited	Ayush Khandelwal	**Tel**: +91 22 66328000 **E-mail:** dg.bajaj_housing_finance_ipo@bofa.com
	Axis Capital Limited	Pavan Naik	**Tel**: +91 22 43252183 **E-mail:** bhfl.ipo@axiscap.in
	Goldman Sachs (India) Securities Private Limited	Mukarram Rajkotwala	**Tel**: +91 22 6616 9000 **E-mail:** bhflipo@gs.com
	SBI Capital Markets Limited	Karan Savardekar / Sambit Rath	**Tel**: +91 22 4006 9807 **E-mail:** bhfl.ipo@sbicaps.com
	JM Financial Limited	Prachee Dhuri	**Tel**: +91 22 66303030 **E-mail:** bhfl.ipo@jmfl.com
	IIFL Securities Limited	Mansi Sampat / Pawan Jain	**Tel**: +91 22 46464728 **E-mail:** bhfl.ipo@iiflcap.com

REGISTRAR TO THE OFFER

NAME OF THE REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE
KFin Technologies Limited	M. Murali Krishna	**Tel**: +91 40 67162222/ 18003094001 **E-mail:** bhfl.ipo@kfintech.com

BID/ OFFER PERIOD

ANCHOR INVESTOR BID/ OFFER PERIOD OPENS/ CLOSES ON	[●](1)
BID/OFFER OPENS ON	[●]
BID/OFFER CLOSES ON	[●](2)*

(1) *Our Company, in consultation with the BRLMs, may 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.*

(2) *Our Company, in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

^ *Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under applicable law,, at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("**Pre-IPO Placement**"). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

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

BAJAJ HOUSING FINANCE LIMITED

Our Company was originally incorporated as 'Bajaj Financial Solutions Limited' at Pune, Maharashtra as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 13, 2008, issued by the Registrar of Companies, Maharashtra at Pune ("**RoC**") and was granted its certificate for commencement of business on September 24, 2008 by the RoC. Thereafter, the name of our Company was changed to 'Bajaj Housing Finance Limited' with a fresh certificate of incorporation dated November 14, 2014 issued by the Assistant Registrar of Companies, Pune. Our Company has also been granted a certificate of registration dated September 24, 2015 by the NHB bearing registration number 09.0127.15 to commence/carry on the business of a housing finance institution without accepting public deposits. For details, please see "*History and Certain Corporate Matters*" *on page 228.*

Registered Office: Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune 411 035, Maharashtra, India; **Corporate Office:** 5th Floor, B2, Cerebrum IT Park, Kumar City, Kalyani Nagar, Pune 411014, Maharashtra, India
Tel: 020 71878060 **Website**: www.bajajhousingfinance.in; **Contact person**: Atul Patni, Company Secretary and Compliance Officer; **E-mail**: bhflinvestor.service@bajajfinserv.in
Corporate Identity Number: U65910PN2008PLC132228

THE PROMOTERS OF OUR COMPANY: BAJAJ FINANCE LIMITED AND BAJAJ FINSERV LIMITED

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF BAJAJ 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 ₹70,000.0 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AGGREGATING UP TO ₹40,000.0 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE (THE "OFFER FOR SALE") OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AGGREGATING UP TO ₹30,000.0 MILLION BY BAJAJ FINANCE LIMITED ("PROMOTER SELLING SHAREHOLDER") ("OFFERED SHARES"). 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 ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL) FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION") AND A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH, AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL) FOR SUBSCRIPTION BY ELIGIBLE SHAREHOLDERS ("SHAREHOLDERS RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION AND THE SHAREHOLDERS RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

OUR COMPANY, IN CONSULTATION WITH THE BRLMS, MAY CONSIDER AN ISSUE OF SPECIFIED SECURITIES, AS MAY BE PERMITTED UNDER APPLICABLE LAW, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, SHALL NOT EXCEED 20% OF THE SIZE OF THE FRESH ISSUE. PRIOR TO THE COMPLETION OF THE OFFER, OUR COMPANY SHALL APPROPRIATELY INTIMATE THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT TO THE PRE-IPO PLACEMENT, THAT THERE IS NO GUARANTEE THAT OUR COMPANY MAY PROCEED WITH THE OFFER OR THE OFFER MAY BE SUCCESSFUL AND WILL RESULT INTO LISTING OF THE EQUITY SHARES ON THE STOCK EXCHANGES. FURTHER, RELEVANT DISCLOSURES IN RELATION TO SUCH INTIMATION TO THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT (IF UNDERTAKEN) SHALL BE APPROPRIATELY MADE IN THE RELEVANT SECTIONS OF THE RED HERRING PROSPECTUS AND THE PROSPECTUS.

THE FACE VALUE OF THE 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 SHALL 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, [●], ALL EDITIONS OF HINDI NATIONAL DAILY NEWSPAPER, [●], AND [●] EDITIONS OF THE MARATHI DAILY NEWSPAPER [●], (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, 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 ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company, in consultation with the BRLMs, may for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Day, 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, shall 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**"), the 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. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein in terms of Regulation 32(1) of the SEBI ICDR Regulations, 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**") provided that our Company, in consultation with the BRLMs, may 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**"), of which at least 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 Net 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 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. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one-third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, 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 and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders ("**RIBs**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank accounts (including UPI ID for UPI Bidders using UPI Mechanism) (*as defined hereinafter*) in which the Bid amount 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 of the Offer through the ASBA process. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. Furthermore, up to [●] Equity Shares, aggregating up to ₹[●] million shall be made available for allocation on a proportionate basis only to Eligible Shareholders bidding in the Shareholders Reservation Portion, subject to valid Bids being received at or above the Offer Price. For details, see "*Offer Procedure*" on page 430.

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 the Equity Shares is ₹10 each. The Floor Price, Cap Price and Offer Price as determined by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, and on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in "*Basis for Offer Price*" on page 102 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 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 Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire 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 SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" on page 33.

COMPANY'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft 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 Draft 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 Draft 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. The Promoter Selling Shareholder accepts responsibility for and confirms only the statements expressly and specifically made by them in this Draft 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. The Promoter Selling Shareholder assumes no responsibility for any other statement in this Draft Red Herring Prospectus, including without limitation, any of the statements made by or relating to our Company or our Company's business or any other person(s) in this Draft Red Herring Prospectus.

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges, being BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, 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 dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 460.

BOOK RUNNING LEAD MANAGERS							REGISTRAR TO THE OFFER
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:** bhfl.ipo@kotak.com **Website:** https://investmentbank.kotak.com **Investor Grievance ID:** kmccredressal@kotak.com **Contact Person:** Ganesh Rane **SEBI Registration Number:** INM000008704	**BofA Securities India Limited** 18th Floor, A Wing, One BKC, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India **Tel:** +91 22 66328000 **E-mail:** dg.bajaj_housing_finance_ipo@bofa.com **Website:** www.ml-india.com **Investor Grievance E-mail:** dg.india_merchantbanking@bofa.com **Contact Person:** Ayush Khandelwal **SEBI Registration Number:** INM000011625	**Axis Capital Limited** 1st Floor, Axis House, C-2 Wadia International Centre, P.B. Marg, Worli, Mumbai 400 035, Maharashtra, India **Tel:** +91 22 43252183 **E-mail:** bhfl.ipo@axiscap.in **Website:** www.axiscapital.co.in **Investor Grievance E-mail:** investor.grievance@axiscap.in **Contact Person:** Pavan Naik **SEBI Registration No.:** INM000012029	**Goldman Sachs (India) Securities Private Limited** 951-A, Rational House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India **Tel:** +91 22 6616 9000 **E-mail:** bhflipo@gs.com **Website:** www.goldmansachs.com **Investor Grievance E-mail:** india-client-support@gs.com **Contact Person:** Mukarram Rajkotwala **SEBI Registration Number:** INM000011054	**SBI Capital Markets Limited** 1501, 15th Floor, A & B Wing, Parinee Crescenzo, Bandra Kurla Complex, Bandra (East) Mumbai 400 051, Maharashtra, India **Tel:** +91 22 41968300 **E-mail:** bhfl.ipo@sbicaps.com **Website:** www.sbicaps.com **Investor Grievance E-mail:** investor.relations@sbicaps.com **Contact Person:** Karan Savardekar / Sambit Rath **SEBI Registration No.:** INM000003531	**JM Financial Limited** 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India **Tel:** +91 22 66303030 **E-mail:** bhfl.ipo@jmfl.com **Website:** www.jmfl.com **Investor Grievance E-mail:** grievance.ibd@jmfl.com **Contact Person:** Prachee Dhuri **SEBI Registration No.:** INM000010361	**IIFL Securities Limited** 24th Floor, One Lodha Place, Senapati Bapat Marg Lower Parel (West), Mumbai 400 013, Maharashtra, India **Tel:** +91 22 46464728 **E-mail:** bhfl.ipo@iiflcap.com **Website:** www.iiflcap.com **Investor Grievance E-mail:** ig.ib@iiflcap.com **Contact Person:** Mansi Sampat / Pawan Jain **SEBI Registration No.:** INM000010940	**KFin Technologies Limited** Selenium Tower B, Plot No. 31 and 32, Financial District, Nanakramguda, Serilingampally Hyderabad-500 032, Telangana, India **Tel**: +91 40 6716 2222/18003094001 **E-mail**: bhfl.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 PERIOD	
BID/ OFFER OPENS ON	[●](1)
BID/ OFFER CLOSES ON	[●](2)*

(1) Our Company in consultation with the BRLMs, may 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.
(2) Our Company in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.
**The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft 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, circulars, notifications, clarifications, 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 Draft Red Herring Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI Act, the SEBI Listing Regulations, the Companies Act, the SCRA, the SCRR, the Depositories Act and the rules and regulations notified thereunder, as applicable. Further, the Offer-related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document (as defined hereinafter). In case of any inconsistency between the definitions used in this Draft Red Herring Prospectus and the definitions included in the General Information Document, the definitions used in this Draft Red Herring Prospectus shall prevail.

Notwithstanding the foregoing, the terms not defined herein but used in "Basis for Offer Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "History and Certain Corporate Matters", "Restated Financial Information", "Financial Indebtedness", "Outstanding Litigation and Material Developments", "Other Regulatory and Statutory Disclosures", "Offer Procedure" and "Main Provisions of Articles of Association" on pages 102, 127, 133, 216, 228, 273, 379, 382, 398, 430, and 452, respectively, shall have the meanings ascribed to such terms in the relevant sections.

General Terms

Term	Description
"our Company" or "the Company"	Bajaj Housing Finance Limited, a public limited company incorporated under the Companies Act, 1956, having its Registered Office at Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune 411 035, Maharashtra, India, and its corporate office at 5th Floor, B2, Cerebrum IT Park, Kumar City, Kalyani Nagar, Pune 411 014, Maharashtra, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
"Articles of Association" or "AoA" or "Articles"	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, guidelines issued by RBI from time to time and as described in "*Our Management – Committees of our Board – Audit Committee*" on page 238
"Board" or "Board of Directors"	The board of directors of our Company or a duly constituted committee thereof, where applicable or implied by context
Chairman	The chairman and non-executive non-independent director of our Board, namely, Sanjivnayan Bajaj
"Chief Financial Officer" or "CFO"	The chief financial officer of our Company, namely, Gaurav Kalani
Committee(s)	Duly constituted committee(s) of our Board
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely, Atul Patni
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in "*Our Management – Committees of the Board – Corporate Social Responsibility Committee*" on page 240
Corporate Office	The corporate office of our Company, situated at 5th Floor, B2, Cerebrum IT Park, Kumar City, Kalyani Nagar, Pune 411 014, Maharashtra, India
Director(s)	The directors on our Board, as appointed from time to time
Equity Shares	Unless otherwise stated, equity shares of face value of ₹10 each of our Company
"ESOP 2024" or "ESOP Scheme"	Bajaj Housing Finance Limited Employee Stock Option Scheme 2024
Group Companies	The group companies of our Company in accordance with Regulation 2(1)(t) of SEBI ICDR Regulations, as described in "*Our Group Companies*" on page 253
Independent Director(s)	The independent director(s) of our Company, appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, as described in "*Our Management*" on page 232
IPO Committee	The IPO committee of our Board
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, as described in "*Our Management – Key Managerial Personnel*" on page 243

Term	Description
"Managing Director" or "MD"	Managing Director on our Board, namely Atul Jain, as described in "*Our Management*" on page 232
"Memorandum of Association" or "MoA"	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, guidelines issued by RBI from time to time and as described in "*Our Management – Committees of the Board – Nomination and Remuneration Committee*" on page 239
Non-Executive Director(s)	Non-executive directors on our Board, as described in "*Our Management*" on page 232
Promoters	Promoters of our Company, namely, Bajaj Finance Limited and Bajaj Finserv Limited
Promoter Group	Individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 247
Promoter Selling Shareholder	Bajaj Finance Limited
Registered Office	The registered office of our Company, situated at Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune 411 035, Maharashtra, India
"Registrar of Companies" or "RoC"	The Registrar of Companies, Maharashtra at Pune
Restated Financial Information	The Restated Financial Information of our Company comprising the Restated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 and Restated Statement of Profit and Loss (including Other Comprehensive Income), and Restated Statement of Cash Flows and Restated Statement of Changes in Equity for each of the years ended March 31, 2024, March 31, 2023 and March 31, 2022, summary of material accounting policies and other explanatory information for each of the years ended March 31, 2024, March 31, 2023 and March 31, 2022, derived from the audited financial statements as at and for each of the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with Ind AS 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 in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time
Risk Management Committee	The risk management committee of our Board constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, guidelines issued by RBI from time to time and as described in "*Our Management – Committees of the Board – Risk Management Committee*" on page 241
"Senior Management Personnel" or "SMP"	Senior Management Personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as described in "*Our Management – Senior Management Personnel*" on page 243
Shareholder(s)	The shareholder(s) of our Company from time to time
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, guidelines issued by RBI from time to time and as described in "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 240
"Statutory Auditors", "Auditors" or "Joint Statutory Auditors"	The current joint statutory auditors of our Company, namely, G.D. Apte & Co. Chartered Accountants, and Khandelwal Jain & Co. Chartered Accountants

Offer Related Terms

Term	Description
Abridged Prospectus	The memorandum containing such salient features of a prospectus as may be specified by SEBI in this regard
Acknowledgement Slip	The slip or document 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 of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the BRLMs during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	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 the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Managers will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed

Term	Description
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the 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 decided by our Company, in consultation with the BRLMs
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 which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLMs, 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, in accordance with the SEBI ICDR Regulations
"Application Supported by Blocked Amount" or "ASBA"	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorise an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders where the Bid Amount will be blocked by the SCSB upon acceptance of the UPI Mandate Request by UPI Bidders
ASBA Account	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 which is blocked upon acceptance of a UPI Mandate Request in relation to a Bid made by the UPI Bidders
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder(s)	All Bidders except Anchor Investors
ASBA Form	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 the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Bankers to the Offer	Collectively, Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure*" on page 430
Bid(s)	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 or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto in accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	In relation to each Bid, the highest value of 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 Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid. Eligible Employees applying in the Employee Reservation Portion can apply at the Cut Off Price and the Bid amount shall be the Cap Price, multiplied by the number of Equity Shares Bid for 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. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. 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, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Eligible Shareholders applying in the Shareholders Reservation Portion (subject to the Bid Amount being up to ₹200,000) can apply at the Cut-off Price and the Bid Amount shall be the Cap Price, multiplied by the number of Equity Shares Bid for by such Eligible Shareholder and mentioned in the Bid cum Application Form
Bid cum Application Form	The 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 [●], which shall be notified in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper, and [●] edition of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation.

Term	Description
	Our Company, in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be widely disseminated by notification to the Stock Exchanges by issuing a public notice, and also by notifying on the websites of the BRLMs and at the terminals of the Syndicate Members and communicating 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. In case of any revisions, the extended 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 Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Banks and shall also be notified in an advertisement in the same newspapers in which the Bid/ Offer Opening Date was published, as required under 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 [●], which shall be notified in all editions of [●], an English national daily newspaper, all editions of [●] and a Hindi national daily newspaper, and [●] edition of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation
Bid/ Offer Period	Except in relation to 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 the 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. Our Company, in consultation with the Book Running Lead Managers may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
“Bidder” or “Applicant”	Any prospective investor who makes a Bid pursuant to the terms of the 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	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
BofA Securities	BofA Securities India Limited
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”	Book running lead managers to the Offer, namely, Kotak Mahindra Capital Company Limited, BofA Securities India Limited, Axis Capital Limited, Goldman Sachs (India) Securities Private Limited, SBI Capital Markets Limited, JM Financial Limited and IIFL Securities Limited
Broker Centres	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 contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
“CAN” or “Confirmation of Allocation Note”	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid/ Offer Period
Cap Price	Higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	The cash escrow and sponsor bank agreement to be entered into amongst our Company, the Promoter Selling Shareholder, the BRLMs, the Bankers to the Offer, the Syndicate Member(s) 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, refund of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars
Client ID	Client identification number maintained with one of the Depositories in relation to dematerialised account
“Collecting Depository Participant” or “CDP”	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and other applicable circulars issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
CRISIL MI&A	CRISIL Market Intelligence and Analytics (MI&A), a division of CRISIL Limited
CRISIL Report	The report titled “*Analysis of Housing Finance Market in India*” dated June 2024 prepared by CRISIL MI&A, appointed by our Company pursuant to an engagement letter dated May 6, 2024, commissioned for by our Company. The CRISIL Report is available on the website of

Term	Description
	our Company at www.bajajhousingfinance.in/offer-documents, and has also been included in "*Material Contracts and Documents for Inspection – Material Documents*" on page 460
Cut-off Price	Offer Price, finalised by our Company, in consultation with the BRLMs, which shall be any price within the Price Band. Only RIBs Bidding in the Retail Portion, Eligible Employees Bidding in the Employee Reservation Portion, and Eligible Shareholders Bidding in the Shareholders Reservation Portion (subject to the Bid Amount being up to ₹200,000) are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors), Non-Institutional Bidders and Eligible Shareholders Bidding for a Bid Amount of more than ₹200,000 under the Shareholders Reservation Portion 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/husband, investor status, occupation, bank account details, PAN and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from relevant Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
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 respective 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 Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders, instruction issued through the Sponsor Banks) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs 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, Eligible Employees Bidding in the Employee Reservation Portion by authorising an SCSB to block the Bid Amount in the ASBA Account and HNIs bidding with an application size of up to ₹500,000 (not using the UPI Mechanism) 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, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs (excluding Anchor Investors) and Non-Institutional Bidders (not using the UPI mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB 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?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated June 7, 2024 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible Shareholders	Individuals and HUFs who are public equity shareholders of our Promoters, excluding such other persons not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines and any depository receipt holder of our Promoters, as on the date of the Red Herring Prospectus
Eligible Employees	Permanent employees, working in India or outside India (excluding such employees who are not eligible to invest in the Offer under applicable laws), of our Company or our Promoters; or a Director of our Company, whether whole-time or not; as on the date of the filing of the Red Herring Prospectus with the RoC and on date of submission of the Bid cum Application Form, but not including (i) our Promoters; (ii) persons belonging to the Promoter Group; and (iii) 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. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of under-

Term	Description
	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, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000
Eligible FPI(s)	FPI(s) that are eligible to participate in the Offer in terms of applicable law and 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 the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered thereby
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 the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares of face value of ₹10 each (comprising up to [●]% of our post Offer Equity Share capital), aggregating up to ₹[●] 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 our Company
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding ASBA Bidders) will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The 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 [●]
"First Bidder" or "Sole Bidder"	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear 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(s) 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
Fraudulent Borrower	A company or person, as the case may be, categorised as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrowers issued by the RBI and as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fresh Issue	Fresh issue of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹40,000.0 million by our Company. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.
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 (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, 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 Book Running Lead Managers
Goldman Sachs	Goldman Sachs (India) Securities Private Limited
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company
IIFL	IIFL Securities Limited
JM Financial	JM Financial Limited
Kotak	Kotak Mahindra Capital Company Limited
Materiality Policy	The policy adopted by our Board in its meeting dated June 7, 2024 for identification of Group Companies, determination of material outstanding civil litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Monitoring Agency	[●], being a credit rating agency registered with SEBI
Monitoring Agency Agreement	The agreement dated [●] to be entered into between and amongst our Company and the Monitoring Agency prior to filing of the Red Herring Prospectus
Mutual Fund Portion	Up to 5% of the Net QIB Portion or [●] Equity Shares which shall be available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer, less the Employee Reservation Portion and the Shareholders Reservation Portion

Term	Description
Net Proceeds	The proceeds of the Fresh Issue less our Company's share of the Offer related expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" on page 96
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Bidders" or "NIBs"	All Bidders that are not QIBs, RIBs, Eligible Employees Bidding in the Employee Reservation Portion or Eligible Shareholders Bidding in the Shareholders Reservation Portion 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 to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, in the following manner: (a) One-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) Two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹1,000,000. Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Bidders
"Non-Resident Indians" or "NRI(s)"	A non-resident Indian as defined under the FEMA Non-debt Instruments Rules
Offer	The initial public offer of up to [●] Equity Shares of face value of ₹10 each for cash consideration at a price of ₹[●] each, aggregating up to ₹70,000.0 million comprising the Fresh Issue and the Offer for Sale, comprising Net Offer, Employee Reservation Portion, and Shareholders Reservation Portion. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus. For further information, see "*The Offer*" on page 68
Offer Agreement	The offer agreement dated June 7, 2024 entered into amongst our Company, the Promoter Selling Shareholder and the BRLMs, pursuant to which certain arrangements have been agreed upon in relation to the Offer
Offer for Sale	Offer for Sale of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹30,000.0 million by the Promoter Selling Shareholder
Offer Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders (except for the Anchor Investors) in terms of the 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 in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company, in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and in terms of the 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 information about use of the Offer Proceeds, see "*Objects of the Offer*" on page 96
Offered Shares	Up to [●] Equity Shares of face value of ₹10 each aggregating to ₹30,000.00 million offered by the Promoter Selling Shareholder in the Offer for Sale
Pre-IPO Placement	Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue.

Term	Description
	Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus
Price Band	Price band of a minimum price of ₹[●] per Equity Share (i.e., the Floor Price) and maximum price of ₹[●] per Equity Share (i.e., the Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation and will be made 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 BRLMs will finalise the Offer Price
Prospectus	Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, 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
Public Offer Account	The 'no-lien' and 'non-interest bearing' account to be opened with the Public Offer Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts maintained with the SCSBs on the Designated Date
Public Offer Account Bank(s)	A bank which is a clearing member and which is registered with SEBI as a banker to an issue and with which the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer consisting of [●] Equity Shares of face value of ₹10 each which shall be available for allocation on a proportionate basis to QIBs (including the Anchor Investor Portion in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price
"Qualified Institutional Buyers" or "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" or "RHP"	Red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Offer and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	The stock brokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The registrar agreement dated June 7, 2024 entered into amongst 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 and Share Transfer Agents" or "RTAs"	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 NSE at www.nseindia.com and BSE at www.bseindia.com
"Registrar to the Offer" or "Registrar"	KFin Technologies Limited
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Resident Indian	A person resident in India, as defined under FEMA
Retail Portion	Portion of the Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares of face value of ₹10 each which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price)
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Form(s) or any previous Revision Form(s), as applicable. QIB Bidders, Non-Institutional Bidders and Eligible Shareholders Bidding under the Shareholders Reservation Portion for a Bid Amount of more than ₹200,000 are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders, Eligible Employees Bidding in the Employee Reservation

Term	Description
	Portion, can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
SBICAPS	SBI Capital Markets Limited
"Self-Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, which offer the facility (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at https://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 is provided as Annexure 'A' to the 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 may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=4 0) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	The share escrow agreement to be entered into amongst our Company, the Promoter Selling Shareholder, and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Promoter Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Shareholders Reservation Portion	Reservation of up to [●] Equity Shares of face value of ₹10 each, available for allocation to Eligible Shareholders, on a proportionate basis. Such portion shall not exceed 10% of the size of the Offer
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
Sponsor Banks	[●] and [●], being the Bankers to the Offer, 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 and carry out other responsibilities, in terms of the UPI Circulars
Sub Syndicate	The sub syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms
"Syndicate" or "Members of the Syndicate"	Collectively, the BRLMs and the Syndicate Members
Syndicate Agreement	The syndicate agreement to be entered into amongst our Company, the Promoter Selling Shareholder, the BRLMs, the Syndicate Members and the Registrar, in relation to collection of Bids by the Syndicate
Syndicate Member(s)	Intermediaries (other than BRLMs) registered with SEBI who are permitted to carry out activities in relation to collection of Bids and as underwriters, namely, [●]
Underwriters	[●]
Underwriting Agreement	The underwriting agreement to be entered into amongst our Company, the Promoter Selling Shareholder, and the Underwriters on or after the Pricing Date, but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders Bidding in the Retail Portion, (ii) Eligible Employees Bidding in Employee Reservation Portion; (iii) Eligible Shareholders Bidding in the Shareholders Reservation Portion; and (iv) Non-Institutional Bidders with an application size of up to ₹500,000, Bidding 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 Registrar and Share Transfer Agents. 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 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 no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no.

Term	Description
	SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/ HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 (to the extent that such circular pertains to the UPI Mechanism), along with the circulars issued by the National Stock Exchange of India Limited having reference no. 23/2022 dated July 22, 2022 and having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE Limited having reference no. 20220722-30 dated July 22, 2022 and having reference no. 20220803-40 dated August 3, 2022, and any subsequent circulars or notifications issued by SEBI or the 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 Bidders by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders 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	The bidding mechanism that may be used by a UPI Bidder in accordance with the UPI Circulars to make an ASBA Bid in the Offer
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and 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. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. In respect of 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 in India, as per circulars issued by SEBI

Technical, Industry Related Terms or Abbreviations

Term	Description
% SORP	Self-occupied residential property mix which is composition of active loans of loan against property, where the collateral is used for self-occupation purposes as a proportion to total active LAP loans as at the last day of the relevant fiscal year
Active Intermediaries	Partners with whom we have conducted at least one transaction in the last 12 months
Active developer relationships (funded by DF)	Active developer relationships represent the unique count of developers whose construction finance loans are active as at the last day of the relevant fiscal year
Active Projects (funded by DF)	Represents number of active project against which loan is active as at the last day of the relevant fiscal year
Amount of Loans Acquired	Amount of loans acquired from other banks or other regulated entities basis the direction of 'Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021' notified by the RBI
Amount of Loans Transferred	Amount of loans transferred to other banks/ other regulated entities basis the direction of 'Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021' notified by the RBI
Approved project financiers (APF)	Represents number of projects, which are assessed and approved for future disbursement for new customers
APF	Approved Project Finance
Assigned Assets	Aggregate amount of future principal outstanding and overdue principal outstanding for off book loan assets (which have been transferred by our Company by way of assignment) as at the last day of the relevant fiscal year
Assigned Assets to AUM	Ratio of Assigned asset to AUM as at the last day of relevant fiscal year
ATS	Average ticket size
Average AUM	Simple average of AUM as at the last day of the relevant fiscal year and AUM of the last day of the preceding fiscal year
Average Borrowings	Simple average of borrowings as at the last day of the relevant fiscal year and borrowings as at the last day of the preceding fiscal year
Average Cost of Borrowing / Cost of Funds	Ratio of the finance cost to average borrowings for the relevant fiscal year
Average Loan Assets	Simple average of loan assets as at the last day of the relevant fiscal year and loan assets of the last day of the preceding fiscal year

Term	Description
AUM	Asset under management is the aggregate of (i) Loan Assets (Loans), which is aggregate amount of loan receivable from customer and includes future principal outstanding and overdue principal outstanding after considering the impairment allowances, and (ii) Assigned Assets (Off Book), which represents aggregate amount of future principal outstanding and overdue principal outstanding for off book loan assets (which have been transferred by our Company by way of assignment) as at the last day of the relevant fiscal year
AUM Growth	Percentage growth in AUM as at the last day of the relevant fiscal year over the AUM of the last day of the preceding fiscal year
AUM per Branch	AUM per branch represents AUM as at the last day of the relevant fiscal year divided by the aggregate number of our branches as at the last day of relevant fiscal year
AUM per Employee	AUM per employee represents AUM as at the last day of the relevant fiscal year divided by the number of our employees as at the last day of relevant fiscal year
Bank Borrowings	Sum of borrowings taken from private sector banks, public sector banks and other parties in form of term loans, cash credit and overdraft facility as at the last day of relevant fiscal year
Basic Earnings Per Equity Share	Calculated by dividing the profit after tax attributable to equity shareholders by Weighted average number of equity shares outstanding during the relevant fiscal year
Book Value per Share	Calculated by dividing outstanding equity share capital of the company to total number of outstanding shares as at the last day of relevant fiscal year.
Borrowings	Sum of debt securities, borrowings (other than debt securities) and deposits as at the last day of the relevant fiscal year
Borrowing mix (Bank Borrowing)	Represents the composition of borrowings raised through term loans (including working capital loans) as a proportion to our total borrowings
Borrowing mix (CP)	Represents the composition of borrowings raised through commercial papers as a proportion to our total borrowings
Borrowing mix (ICD)	Represents the composition of borrowings raised through inter corporate deposits as a proportion to our total borrowings
Borrowing mix (NCD)	Represents the composition of borrowings raised through non convertible debentures as a proportion to our total borrowings
Borrowing mix (NHB)	Represents the composition of borrowings raised through National Housing Bank under its refinance scheme as a proportion to our total borrowings
Cost of Borrowings (%)	Represents the ratio of the finance cost to average borrowings for the relevant fiscal year
CRAR (%)	CRAR is computed by dividing our Tier I and Tier II capital by total risk weighted assets, each as computed in accordance with relevant RBI guidelines applicable as at the last day of relevant fiscal year
CRAR (%) - Tier 1	CRAR is computed by dividing our Tier I capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines applicable as at the last day of relevant fiscal year
Credit Cost (%)	Represents the ratio of impairment on financial instrument to Average loan asset for the relevant fiscal year
Credit Costs to Average Loans	Ratio of impairment on financial instrument to average loan asset for the relevant fiscal year
Credit Rating	Credit rating issued by a/multiple registered rating agency/ies with the SEBI for long term and short term borrowing facilities of our Company as at the last day of relevant fiscal year
D2C	Direct-to-Consumer
Debt to Equity Ratio	Represents ratio of total borrowings to total equity as at the last day of the relevant fiscal year
Deposits	Inter corporate deposits as at the last day of relevant fiscal year
DF	Developer Finance
DF ATS (at Origination)	Represents the ratio of total amount of developer financing loans sanctioned against a project funded, whose loan are active as at the last day of the relevant fiscal year to numbers of projects funded which has active developer financing loans at the last day of the relevant fiscal year
DF (AUM)	Represents ratio of the AUM for our developer financing product to the total AUM as at the last date of the relevant fiscal year
DF GNPA %	Represents gross NPA pertaining to our developer financing product divided by total gross carrying value loan asset pertaining to developer financing as at the last day of the relevant fiscal year
DF NNPA %	Represents net NPA pertaining to our developer financing product divided by total gross carrying value loan asset after reducing impairment loan allowances on stage 3 loan assets pertaining to developer financing product as at the last day of the relevant fiscal year
DF Product-wise Stage 1	Represents the gross carrying value of loan assets pertaining to our developer financing in stage 1 as at the last day of the relevant fiscal year
DF Product-wise Stage 2	Represents the gross carrying value of loan assets pertaining to our developer financing in stage 2 as at the last day of the relevant fiscal year
DF Provision Coverage the ratio (%)	Represents the ratio of impairment loss allowance provided on gross NPA pertaining to developer financing product to gross stage 3 loan assets pertaining to developer financing product
Diluted Earnings per Equity Share	Calculated by dividing the profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the relevant fiscal year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.
Disbursements	Represents the total sanction amount of the new loans disbursed during the relevant fiscal year
Disbursements Growth	Represents percentage growth in disbursement for the relevant fiscal year over disbursement of the preceding fiscal year.

Term	Description
DSA	Direct Selling Agents
ECL	Expected Credit Loss or Impairment loss allowance
EMI	Equated monthly instalments
Finance Costs	Total finance costs for the relevant fiscal year
Finance cost as a percentage of Average Borrowings	Ratio of finance costs to average borrowings for the relevant fiscal year
Finance Costs to Average Loans	Ratio of finance costs to average loan assets for the relevant fiscal year
Gross NPA	Gross carrying value of stage 3 loan assets as at the last day of relevant fiscal year
Gross NPA (%)	Ratio of Gross NPA to gross carrying value of loan asset as at the last day of the relevant fiscal year
HFC	Housing Finance Companies
HL % of AUM with CIBIL Score >750 (at Origination)	Represents the ratio of AUM of home loans sanctioned to the customers with cibil > 750 as at the date of sanction, whose loan was active as at the last date of relevant fiscal year to AUM of active home loans at the last day of the relevant fiscal year
HL ATS (at origination)	Represents the ratio of total amount of home loans sanctioned to the customer, whose home loan is active as at the last day of the relevant fiscal year to numbers of active home loans at the last day of the relevant fiscal year
HL (AUM)	Represents ratio of the AUM for our home loan product to total AUM as at the last date of the relevant fiscal year
HL AUM Mix (by Customer Type)	Represents mix of Housing Loan AUM by type of Customers i.e. Salaried, Professionals or Self-employed as at the last day of the relevant fiscal year
HL AUM Mix (by Sourcing Channel)	Represents mix of Housing Loan AUM basis the channel from which AUM has been originated i.e. Direct or Indirect. In case of Indirect channels Loans are originated via Intermediaries as at the last day of the relevant fiscal year
HL NNPA %	Represents net NPA pertaining to our home loan product divided by total gross carrying value loan asset after reducing impairment loan allowances on stage 3 loan assets pertaining to home loan product as at the last day of the relevant fiscal year
HL GNPA %	Represents gross NPA pertaining to our home loan product divided by total gross carrying value of loan asset pertaining to home loan as at the last day of the relevant fiscal year
HL LTV (at origination)	Represents the average of HL LTV for active Home loans customer whose home loan is active as at the last day of the relevant fiscal year, weighted basis Home Loan AUM. LTV represents the ratio of total secured loans sanctioned to the customer against value of collateral(s) mortgaged
HL Product-wise Stage 1	Represents the gross carrying value of loan assets pertaining to our home loan product in stage 1 as at the last day of the relevant fiscal year
HL Product-wise Stage 2	Represents the gross carrying value of loan assets pertaining to our home loan product in stage 2 as at the last day of the relevant fiscal year
HL Provision Coverage the ratio (%)	Represents the ratio of impairment loss allowance provided on gross NPA pertaining to home loan product to gross stage 3 loan assets pertaining to home loan product
HNI	High Net Worth Individual
Impairment on Financial Instruments	Impairment allowance on gross carrying value of loan assets and other financial assets and bad-debts written off for the relevant fiscal year
Impairment on financial instruments as a percentage of Average Loans	Ratio of impairment on financial instrument to Average loan asset for the relevant fiscal year
LAP	Loans Against Property
LAP (AUM)	Represents ratio of the AUM for our loan against property product to the total AUM as at the last date of the relevant fiscal year
LAP ATS (at origination)	Represents the ratio of amount of total loan against property loans sanctioned to the customer, whose loan against property loan is active as at the last day of the relevant fiscal year to numbers of active loan against property loans at the last day of the relevant fiscal year
LAP GNPA %	Represents gross NPA pertaining to our loan against property product divided by total gross carrying value loan asset pertaining to loan against property as at the last day of the relevant fiscal year
LAP LTV (at origination)	Represents the average of LAP LTV for active Loan Against property customers whose LAP loan is active as at the last day of the relevant fiscal year, weighted basis LAP AUM. LTV represents the ratio of total secured loans sanctioned to the customer against value of collateral(s) mortgaged
LAP NNPA %	Represents net NPA pertaining to our loan against property product divided by total gross carrying value loan asset after reducing impairment loan allowances on stage 3 loan assets pertaining to loan against property product as at the last day of the relevant fiscal year
LAP Product-wise Stage 1	Represents the gross carrying value of loan assets pertaining to our loan against property product in stage 1 as at the last day of the relevant fiscal year
LAP Product-wise Stage 2	Represents the gross carrying value of loan assets pertaining to our loan against property product in stage 2 as at the last day of the relevant fiscal year
LAP Provision Coverage the ratio (%)	Represents the ratio of impairment loss allowance provided on gross NPA pertaining to loan against property product to gross stage 3 loan assets pertaining to loan against property product

Term	Description
LAP SORP (%)	Represents the self occupied residential mix which is composition of active loans of loan against property, where the collateral is used for self-occupation purposes as a proportion to total active LAP loans as at the last day of the relevant fiscal year
LCR	Liquidity Coverage Ratio
Leverage (TA/TE)	Represents the ratio of total assets to total equity as at the last day of relevant fiscal year
Loan Assets	Loans, which is aggregate amount of loan receivable from customer which includes future principal outstanding and overdue principal outstanding after considering the impairment allowances
LRD	Lease Rental Discounting
LRD # of Active Customers	Represents number of customers / customer group whose lease rental discounting loan is active as at the last day of the relevant fiscal year
LRD ATS (at Origination)	Represents the ratio of total amount of lease rental discounting loans sanctioned to the customers / customer group, whose loan are active as at the last day of the relevant fiscal year to numbers of active lease rental discounting loans customers /customer group at the last day of the relevant fiscal year
LRD (AUM)	Represents ratio of the AUM for our lease rental discounting product to the total AUM as at the last date of the relevant fiscal year
LRD GNPA %	Represents gross NPA pertaining to our lease rental discounting product divided by total gross carrying value loan asset pertaining to lease rental discounting as at the last day of the relevant fiscal year
LRD NNPA %	Represents net NPA pertaining to our lease rental discounting product divided by total gross carrying value loan asset after reducing impairment loan allowances on stage 3 loan assets pertaining to lease rental discounting product as at the last day of the relevant fiscal yea
LRD Product-wise Stage 1	Represents the gross carrying value of loan assets pertaining to our lease rental discounting product in stage 1 as at the last day of the relevant fiscal year
LRD Product-wise Stage 2	Represents the gross carrying value of loan assets pertaining to our lease rental discounting product in stage 2 as at the last day of the relevant fiscal year
LRD Provision Coverage the ratio (%)	Represents the ratio of impairment loss allowance provided on gross NPA pertaining to lease rental discounting product to gross stage 3 loan assets pertaining to lease rental discounting product
LTV	Loan to Value is the ratio of total secured loans sanctioned to the customer against value of collateral(s) mortgaged
NBFC	Non-Bank Financial Companies
NCD	Non-Convertible Debentures
NEFT	National Electronic Funds Transfer
Net Total Income (NTI)	Represents total income reduced by finance cost for the relevant fiscal year
Net Total Income as a percentage of Average Loans (Net Interest Margin)	Ratio of net total income to average loan assets for relevant fiscal year
Net NPA	Net carrying value of stage 3 loan assets which is gross stage 3 loan assets reduced by impairment allowances provided on stage 3 loan assets as at the last day of relevant fiscal year
Net NPA (%)	Ratio of Net NPA to gross carrying value of loan asset after reducing impairment loan allowances on stage 3 loan assets as at the last day of the relevant fiscal year
Net Worth	Represents the total equity which comprises of equity share capital and other equity
NHB	National Housing Bank
NIM (Net Interest Margin) (%)	Represents the ratio of net total income to average loan assets for the relevant fiscal year
NPA	Non-Performing Assets
Number of Branches	Represents the total number of branches including corporate offices as at the last day of relevant fiscal year
Number of Employees	Represents the number of employees of our Company as at the last day of relevant fiscal year
Off-book AUM (%)	Represents the ratio of assigned assets to total AUM
On-book AUM (%)	Represents the ratio of loan assets to total AUM
Operating Expenses	Sum of Fees and commission expense, employee benefit expense, depreciation and amortization and other expenses for the relevant fiscal year
Operating Expenses as a percentage of Average Loans	Ratio of Operating Expenses to average loan assets for the relevant fiscal year.
Operating Expenses as a percentage of Net Total Income	Ratio of Operating Expenses to Net total income for the relevant fiscal year.
Operating Expenses to Average Loans	Ratio of Operating Expenses to average loan assets for the relevant fiscal year
Opex to Avg. AR (%)	Represents the ratio of Operating Expenses to average loan assets for the relevant fiscal year
Opex to Net Total Income (%)	Represents the ratio of Operating Expenses to Net total income for the relevant fiscal year
Other Loans	Non Collateralised Loans
Others (AUM)	Represents ratio of the AUM for our non-collateralised loans to the total AUM as at the last date of the relevant fiscal year
Others GNPA %	Represents gross NPA pertaining to our non-collateralised loans divided by total gross carrying value loan asset pertaining to non-collateralised loans as at the last day of the relevant fiscal year

Term	Description
Others NNPA %	Represents net NPA pertaining to our non-collateralised loans divided by total gross carrying value loan asset after reducing impairment loan allowances on stage 3 loan assets pertaining to non-collateralised loans as at the last day of the relevant fiscal year
Others Product-wise Stage 1	Represents the gross carrying value of loan assets pertaining to our non-collateralised loans in stage 1 as at the last day of the relevant fiscal year
Others Product-wise Stage 2	Represents the gross carrying value of loan assets pertaining to our non-collateralised loans in stage 2 as at the last day of the relevant fiscal
Others Provision Coverage the ratio (%)	Represents the ratio of impairment loss allowance provided on gross NPA pertaining to non-collateralised loans to gross stage 3 loan assets pertaining to non-collateralised loans
PCR	Provision Coverage Ratio, which is the impairment loss allowance on stage 3 loan assets as a percentage of gross carrying value of stage 3 loan assets as at the last day of relevant fiscal year
Profit After Tax	Represents profit before tax as reduced by total tax expenses for the relevant fiscal year
Profit After Tax to Average Loans (ROA/ ROAA)	Ratio of profit after tax to average loan assets for the relevant fiscal year
Profit After Tax to Average Net Worth (ROE/ ROAE)	Ratio of profit after tax to average total equity for the relevant fiscal year. Average total equity represents the simple average of total equity, which is aggregate of equity share capital and other equity as at the last day of the relevant fiscal year and total equity of the last day of the preceding fiscal year
Profit Before Tax	Net total income reduced by operating expenses and impairment on financial instruments for the relevant fiscal year
Profit Before Tax to Average Loans	Ratio of profit before tax to average loan assets for the relevant fiscal year
Profit y-o-y Growth (%)	Represents growth in our PAT for the relevant fiscal year as a percentage of PAT of its preceding fiscal year
RoAA (%)	Represents the ratio of return on average assets which is profit after tax (PAT) to average loan assets for the relevant fiscal year
RoAE (%)	Represents the ratio of profit after tax to average total equity for the relevant fiscal year. Average total equity represents the simple average of total equity, which is aggregate of equity share capital and other equity as at the last day of the relevant fiscal year and total equity of the last day of the preceding fiscal year
RTGS	Real Time Gross Settlement
Spreads	Difference between yield on loan assets and cost of borrowings for the relevant fiscal year
Spreads (%)	Represents difference between yield on loan assets and cost of borrowings for the relevant fiscal year
Stage 1 Loans	Financial assets that have not had a significant increase in credit risk since initial recognition. For such assets, expected credit losses resulting from default events that are possible in next 12 months are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit impairment allowance)
Stage 2 Loans	Financial assets that have a significant increase in credit risk since initial recognition but do not have objective evidence of impairment. However, unless identified at an earlier stage, any overdue of more than 1 day past due and up to 90 days past due was considered as an indication of significant increase in credit risk. For these assets, lifetime ECL towards all possible default events over the expected life of financial assets are recognised and interest revenue is calculated on the gross carrying amount of the asset
Stage 3 Loans	Financial assets that have objective evidence of impairment. Unless recognised earlier, stage 3 assets include dues from customers whose principal and /or interest are past due for more than 90 days or whose loans have been restructured where repayment terms are renegotiated as compared to original contracted terms. For these financial assets, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount (i.e., net of credit impairment allowance)
Tier I Capital	Tier I capital computed basis the method provided by the regulator as at the last day of relevant fiscal year
Tier II Capital	Tier II capital computed basis the method provided by the regulator as at the last day of relevant fiscal year
Total Assets	Sum of total financial assets and total non-financial assets as at the last day of the relevant fiscal year
Total Income	Represents the sum of total revenue from operation and other income for the relevant fiscal year
Total Income as a percentage of Average Loans	Ratio of total income to average loans assets for the relevant fiscal year
Total Income to Average Loans	Ratio of total income to average loan assets for the relevant fiscal year
Total Tax Expense	Sum of current tax and deferred tax charge / (credit) for the relevant fiscal year
Total tax expense as a percentage of profit before tax (Effective tax rate or ETR)	Ratio of total tax expense to profit before tax for the relevant fiscal year
UPI	Unified Payments Interface
Yield on Loans	Ratio of interest income to the average Loan assets for the relevant fiscal year
Yield on loan assets (%)	Represents the ratio of interest income to the average Loan assets for the relevant fiscal year

Conventional and General Terms or Abbreviations

Term	Description
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupees
AIFs	Alternative Investment Funds, as defined in, and registered under the SEBI AIF Regulations
AGM	Annual general meeting
BSE	BSE Limited
Category I AIFs	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 AIFs	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 AIFs	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate identification number
Companies Act, 1956	The erstwhile Companies Act, 1956, along with the relevant rules, regulations, clarifications and modifications made thereunder
"Companies Act" or "Companies Act, 2013"	Companies Act, 2013, along with the relevant rules made thereunder, as amended
CPC	Code of Civil Procedure, 1908, as amended
CrPC	Code of Criminal Procedure, 1973, as amended
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996, as amended
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
DP ID	Depository Participant Identification
DP/ Depository Participant	Depository participant as defined under the Depositories Act
ECBs	External commercial borrowings
EGM	Extraordinary general meeting
ESOP	Employee Stock Option Plan
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020, as amended
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder, as amended
FEMA Non-debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended
FEMA Regulations	FEMA Non-debt Instruments Rules, the Foreign Exchange Management (Mode of Payment and Reporting of Non debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable, as amended
"Financial Year" or "Fiscal" or "FY" or "Fiscal Year"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIR	First information report
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
"GoI" or "Government" or "Central Government"	Government of India
GST	Goods and services tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP/ IGAAP	Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
IPC	Indian Penal Code, 1860, as amended
IPO	Initial public offering
IST	Indian Standard Time
IT	Information Technology
IT Act	The Information Technology Act, 2000, as amended

Term	Description
Income Tax Act	The Income Tax Act, 1961, as amended
MCA	Ministry of Corporate Affairs
Mutual Fund(s)	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
"N/A" or "NA"	Not applicable
"NAV" or "Net Asset Value"	Net asset value
NBFC	Non-Banking Financial Company
"NBFC-ND-SI" or "Systemically Important NBFCs"	A non deposit taking non-banking financial company registered with the Reserve Bank of India and recognised as systemically important non-banking financial company by the Reserve Bank of India
NCD	Non-convertible debentures
NEFT	National Electronic Funds Transfer
Net Income	Net Income represents the difference between total income and finance costs for the relevant year.
Net Interest Income	Net interest income represents the difference between interest income and finance costs for the year. Interest income represents the sum of interest income on financial assets measured at amortized cost, interest on deposits with Bank and income on investment, for the relevant year.
NPCI	National Payments Corporation of India
NRE	Non Resident External
NRI	Individual resident outside India, who is a citizen of India
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
PAN	Permanent account number
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
RBI Master Directions - HFC	Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021
Regulation S	Regulation S under the U.S. Securities Act, as amended
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations, as amended
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
TAN	Tax deduction account number
TDS	Tax Deducted at Source
U.S./USA/United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia

Term	Description
USD/US$	United States Dollars
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. Securities Act	U.S. Securities Act of 1933, as amended
UTs	Union Territories
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

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

Certain Conventions

All references to "India" contained in this Draft 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", "USA" or the "United States" are to the United States of America and its territories and possessions.

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

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

Financial Data

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Unless stated otherwise, all references in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year, are to the 12 months period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless stated otherwise or where the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus are derived from the Restated Financial Information.

The Restated Financial Information of the Company comprise the Restated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 and Restated Statement of Profit and Loss (including Other Comprehensive Income), and Restated Statement of Cash Flows and Restated Statement of Changes in Equity for each of the years ended March 31, 2024, March 31, 2023 and March 31, 2022, Summary of material accounting policies and other explanatory information for each of the years ended March 31, 2024, March 31, 2023 and March 31, 2022, derived from the audited financial statements as at and for each of the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with Ind AS 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 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time.

For further information, see "*Restated Financial Information*", "*Other Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 273, 348 and 349, respectively.

There are significant differences between the Ind AS, the IFRS and the Generally Accepted Accounting Principles in the United States of America (the "**U.S. GAAP**"). Accordingly, the degree to which the financial information included in this Draft 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 accounting standards in India, the Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify or identify the impact of the differences between the financial data (prepared under Ind AS and IFRS/ U.S. GAAP), nor have we provided a reconciliation thereof. We urge you to consult your own advisors regarding such differences and their impact on our financial data included in this Draft Red Herring Prospectus.

In this Draft 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 in decimals have been rounded off to the first decimal and all percentage figures have been rounded off to two decimal places.

Unless the context otherwise indicates, any percentage, amounts, or ratios (excluding certain operational metrics), relating to the financial information of our Company as set forth in "*Risk Factors*", "*Our Business*", "*Select Statistical Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 33, 196, 259 and 349, respectively, and in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Financial Information.

Non-GAAP Financial Measures

Certain Non-GAAP measures relating to our financial performance, such as operating expenses, average loans, average interest bearing investment, average borrowings, average equity, total income as a percentage of average loans, finance cost as a percentage of average borrowings, net total income, net total income as a percentage of average loans, operating expenses as a percentage of average loans, operating expenses as a percentage of net total income, impairment on financial instruments as a percentage of average loans, total tax expenses as a percentage of profit before tax, leverage ratio, bank borrowings, and yield on loans assets (together, "**Non-GAAP Measures**"), and other industry metrics relating to our operations and financial performance presented in this Draft Red Herring Prospectus are a supplemental measure of our performance that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures and other industry metrics 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 years/ 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 and other industry metrics are not standardised terms, hence a direct comparison of similarly titled Non-GAAP Measures and other industry metrics between companies may not be possible. Other companies may calculate the Non-GAAP Measures and other industry metrics differently from us, limiting its utility as a comparative measure. Although the Non-GAAP Measures and other industry metrics 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. For further details see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 349 and "*Other Financial Information*" on page 348. For further details see "*Risk Factors – We have in this document included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial condition. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies*" on page 55.

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$" or "$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to one decimal point in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

All figures (other than per share and percentage figures) derived from our Restated Financial Information in decimals have been rounded off to one decimal place.

Exchange Rates

This Draft 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 USD:

Currency	As at		
	March 31, 2024*	March 31, 2023	March 31, 2022
1 USD	83.37	82.22	75.81

Source: www.fbil.org.in
**The previous working day, not being a public holiday, has been considered.*

Industry and Market Data

Unless stated otherwise, information pertaining to the industry in which our Company operates and market data used in this Draft Red Herring Prospectus has been obtained or derived from the CRISIL Report and publicly available information as well as other industry publications and sources.

CRISIL is an independent agency which has no relationship with our Company, our Promoters, any of our Directors, KMPs, SMPs or the Book Running Lead Managers. The CRISIL Report has been commissioned by and paid for by our Company pursuant to an engagement letter with CRISIL dated May 6, 2024, exclusively for the purposes of confirming our understanding of the industry in which the Company operates, in connection with the Offer. The

CRISIL Report is available on the website of our Company at www.bajajhousingfinance.in/offer-documents and has also been included in "*Material Contracts and Documents for Inspection – Material Documents*" on page 460.

The extent to which the market and industry data used in this Draft 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. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us and paid for by us for such purpose.*", on page 55. Accordingly, any investment decision should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" on page 102 includes information relating to our listed peer group companies. Such information has been obtained from publicly available sources believed to be reliable and verified by S K Patodia & Associates LLP, Chartered Accountants, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Accordingly, no investment decisions should be based solely on such information.

References to segments in "*Industry Overview*" beginning on page 133 and information derived from the CRISIL Report are in accordance with the presentation, analysis and categorisation in the CRISIL Report. The segment reporting in the Restated Financial Information is based on the criteria set out in Ind AS 108 (Operating Segments).

Disclaimer of CRISIL

The CRISIL Report is subject to the following disclaimer:

*"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. Bajaj 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."*

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 Draft 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 offered in the Offer have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold within the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act (referred to in this Draft Red Herring Prospectus as "**U.S. QIBs**"). The Equity Shares are being offered and sold 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 jurisdictions where those offers and sales occur.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are "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", "seek to", "shall", "objective", "plan", "project", "propose", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our expected financial condition, results of operations, business, prospects, strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions, in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry, incidence of natural calamities and/or acts of violence.

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

- Our inability to fully recover the collateral value or the sums due from defaulted loans promptly or entirely, could adversely affect our business, results of operations, cash flows and financial condition;
- If we are unable to control the level of Gross Non-Performing Assets/Stage 3 Assets in our portfolio effectively or if we are unable to maintain adequate provisioning coverage or if there is any change in regulatorily-mandated provisioning requirements, our financial condition and results of operations could be adversely affected;
- Our inability to comply with the financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition;
- A majority of our home loan portfolio comprises loans to salaried customers and self-employed customers, who may be adversely affected by various factors such as business failure, insolvency, lack of liquidity, loss of employment or personal emergencies. These factors could lead to increased customer defaults, leading to an increase in the levels of our non-performing assets and possible fall in the rate of loan portfolio expansion;
- We may be impacted by volatility in interest rates, which could cause our Net Interest Income, Net Interest Margins and the value of our fixed income portfolio to decline and adversely affect our business, results of operations, cash flows and financial condition;
- We face interest rate and maturity mismatches between our assets and liabilities in the future, which may cause liquidity concerns;
- If we are unable to secure funding on acceptable terms and at competitive rates when needed, it could have a material adverse effect on our business, results of operations, cash flows and financial condition.
- We are subject to periodic inspections by the National Housing Bank. Non-compliance with observations made during any such inspections could result in penalties and fines, and could adversely affect our reputation, business, financial condition, results of operations and cash flows.
- Our portfolio is significantly exposed to real estate and any significant downturn or any adverse developments in the real estate sector may lead to an increase in impairment losses and adversely affect our business, results of operations, cash flows and financial condition.
- Our business is subject to various operational risks associated with the financial industry, including fraud.

For further discussion on factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 33, 133, 196 and 349, 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 future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. 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.

These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe that the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. None of our Company, our Promoters (including the Promoter Selling Shareholder), our Directors, the BRLMs or 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 requirements of SEBI ICDR Regulations, our Company shall ensure that Bidders in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by it in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer. Further, the Promoter Selling Shareholder shall (solely to the extent of statements specifically made or confirmed by the Promoter Selling Shareholder in relation to the Offered Shares in this Draft Red Herring Prospectus), ensure that Bidders in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings specifically made or confirmed by the Promoter Selling Shareholder in the Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

OFFER DOCUMENT SUMMARY

The following is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, 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 Draft Red Herring Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", "Restated Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Main Provisions of Articles of Association" on pages 33, 68, 83, 96, 133, 196, 247, 273, 349, 382, 430 and 452, respectively.

Summary of the primary business of our Company

We are a non-deposit taking Housing Finance Company registered with the National Housing Bank since September 24, 2015, offering tailored financial solutions for purchasing and renovating residential and commercial properties. We have also been identified and categorized as an "Upper Layer" NBFC by the RBI in India and our comprehensive mortgage products include home loans, loans against property, lease rental discounting and developer financing. We primarily focus on individual retail housing loans, supported by a diverse range of commercial and developer loans, serving customers from homebuyers to large developers.

Summary of the industry in which our Company operates

According to the CRISIL Report, India has very low penetration in terms of housing finance as compared to other economies which shows a high potential for expansion of Indian housing finance companies. The Indian housing finance market clocked a healthy CAGR of 12.6% (growth in credit outstanding) during Fiscals 2019 to 2023, on account of rise in disposable incomes, healthy demand, and greater number of players entering the segment. Going forward, CRISIL MI&A expects overall housing segment to grow at a CAGR of 13-15% from Fiscal 2023 to Fiscal 2027.

Our Promoters

Bajaj Finance Limited and Bajaj Finserv Limited are the Promoters of our Company. For further details, see "*Our Promoters and Promoter Group*" on page 247.

Offer size

The details of the Offer are set out below:

Offer of Equity Shares[(1)(2)(3)(4)]	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹70,000.0 million
of which:	
(i) Fresh Issue[(1)(4)]	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹40,000.0 million
(ii) Offer for Sale[(2)(3)]	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹30,000.0 million
The Offer comprises:	
a) Employee Reservation Portion[(5)]	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹[●] million
b) Shareholders Reservation Portion[(6)]	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹[●] million
Net Offer	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹[●] million

(1) The Offer has been authorised by our Board pursuant to the resolution passed at its meeting held on June 6, 2024 and our Shareholders have authorised the Fresh Issue pursuant to a special resolution passed at their meeting held on June 6, 2024.

(2) Our Board has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholder pursuant to its resolution dated June 7, 2024. For further details, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 68 and 398, respectively.

(3) The Equity Shares being offered by the Promoter Selling Shareholder are eligible for being offered for sale in the terms of SEBI ICDR Regulations. The Promoter Selling Shareholder has confirmed and authorised its participation in the Offer for Sale in relation to its portion of the Offered Shares. The details of such authorisations are provided below:

Name of the Selling Shareholder	***Aggregate proceeds from Offer for Sale***	***Maximum number of Offered Shares***	***Date of board resolution/ authorisation***	***Date of consent letter***
Promoter Selling Shareholder				
Bajaj Finance Limited	*Up to ₹30,000.0 million*	*Up to [●] Equity Shares of face value of ₹10 each*	*June 7, 2024*	*June 7, 2024*

(4) Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

(5) *Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. For further details, see "Offer Procedure" and "Offer Structure" beginning on page 430 and 425, respectively.*

(6) *The Shareholders Reservation Portion shall not exceed [●]% of the post-Issue paid-up Equity Share capital, and in accordance with the SEBI ICDR Regulations shall not exceed 10% of the size of the Offer.*

The Offer and Net Offer shall constitute [●]% and [●]%, respectively, of the post-Offer paid-up Equity Share capital of our Company. For further details, see "*The Offer*" and "*Offer Structure*" beginning on pages 68 and 425, respectively.

Objects of the Offer

The objects for which the Net Proceeds from the Offer shall be utilized are as follows:

Particulars	Amount(1) (₹ in million)
Augmenting our capital base to meet future business requirements of our Company towards onward lending	Up to [●]
Total	Up to [●]

(1) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*
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For further details, see "*Objects of the Offer*" on page 96.

Aggregate pre-Offer shareholding of our Promoters (including the Promoter Selling Shareholder) and members of our Promoter Group as a percentage of our paid-up Equity Share capital

The aggregate pre-Offer shareholding of our Promoters (including the Promoter Selling Shareholder) and members of our Promoter Group as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

Sr. No.	Name	Number of Equity Shares as on the date of this Draft Red Herring Prospectus	Percentage of the pre-Offer paid-up Equity Share capital (%)	Percentage of the post-Offer paid-up Equity Share capital# (%)
Promoters				
1.	Bajaj Finance Limited	7,819,575,273^	100	[●]
Promoter Group				
2.	Sanjivnayan Bajaj	100^	Negligible	[●]

\# *To be updated in the Prospectus.*

^ *Out of the 7,819,575,273 Equity Shares held, Bajaj Finance Limited jointly holds 100 Equity Shares each with Rajivnayan Bajaj, Madhur Bajaj, Sanjivnayan Bajaj, Rajeev Jain, Atul Jain, and V. Rajagopalan, with Bajaj Finance Limited being the first holder of each of such jointly held Equity Shares.*

Summary of Selected Financial Information

The details of our Equity Share capital, other equity, Net Worth, Total Income, profit for the year, earnings per share (basic and diluted), Net Asset Value per Equity Share and total borrowings for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 derived from the Restated Financial Information are as follows:

(₹ in million, unless otherwise stated)

Particulars	As at and for the year ended March 31,		
	2024	2023	2022
Equity Share capital	67,121.6	67,121.6	48,833.3
Other equity	55,213.4	37,910.3	18,580.3
Net Worth(1)	122,335.0	105,031.9	67,413.6
Total Income	76,177.1	56,654.4	37,671.3
Profit for the year	17,312.2	12,578.0	7,096.2
- Earnings per share (basic) (₹)(2)	2.6	1.9	1.5
- Earnings per share (diluted) (₹)(3)	2.6	1.9	1.5
Net Asset Value per Equity Share (₹)(4)	18.2	15.6	13.8
Total borrowings(5)	691,293.2	537,453.9	414,923.2

Notes:

(1) *Net worth has been computed as a sum of Equity Share Capital (paid up share capital) and other equity.*

(2) *Basic earnings per share (₹) = Net profit after tax, as restated/ Weighted average number of Equity Shares.*

(3) *Diluted earnings per share (₹) = Net profit after tax, as restated/ Weighted average number of potential Equity Shares outstanding during the relevant fiscal year.*
(4) *Net asset value per Equity Share = Net worth as at the end of the year/ Number of Equity Shares outstanding as at the last day of the relevant fiscal year.*
(5) *Total borrowings represents the aggregate of debt securities, borrowings (other than debt securities), and deposits as at the last day of the relevant fiscal year.*

Auditor's qualifications which have not been given effect to in the Restated Financial Information

There are no qualifications of our Joint Statutory Auditors which have not been given effect to in the Restated Financial Information**.**

Summary table of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Promoters and Directors, as applicable, as disclosed in the section titled "*Outstanding Litigation and Other Material Developments*" in terms of the SEBI ICDR Regulations and the Materiality Policy as of the date of this Draft Red Herring Prospectus is provided below:

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five financial years, including outstanding action	Material civil litigation	Aggregate amount involved (₹ in million)(1)
Company						
Against the Company	14	10	Nil	N.A.	Nil	21,206.2
By the Company	1,700	Nil	N.A.	N.A.	Nil	6,278.0(2)
Directors						
Against the Directors	18(3)	Nil	Nil	N.A.	Nil	-
By the Directors	Nil	N.A.	N.A.	N.A.	Nil	-
Promoters						
Against Promoters	47	64	Nil	1	2	37,538.0
By Promoters	46,983	N.A.	N.A.	N.A.	1	5,838.8(4)

(1) *To the extent ascertainable and quantifiable.*
(2) *This includes the aggregate amount of ₹ 6,219.4 million involving 1,994 proceedings initiated by our Company under the SARFAESI Act.*
(3) *This includes matters where the Directors have been impleaded along with our Company.*
(4) *This includes the aggregate amount of ₹ 229.4 million involving 70 proceedings initiated by Bajaj Finance Limited under the SARFAESI Act.*

Our Group Companies are not party to any pending litigation which will have a material impact on our Company.

For further details, see "*Outstanding Litigation and Material Developments*" on page 382.

Risk Factors

The following is a summary of the top ten risk factors in relation to our Company.

1. Our inability to fully recover the collateral value or the sums due from defaulted loans promptly or entirely, could adversely affect our business, results of operations, cash flows and financial condition.

2. If we are unable to control the level of Gross Non-Performing Assets/Stage 3 Assets in our portfolio effectively or if we are unable to maintain adequate provisioning coverage or if there is any change in regulatorily-mandated provisioning requirements, our financial condition and results of operations could be adversely affected.

3. Our inability to comply with the financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition.

4. A majority of our home loan portfolio comprises loans to salaried customers and self-employed customers, who may be adversely affected by various factors such as business failure, insolvency, lack of liquidity, loss of employment or personal emergencies. These factors could lead to increased customer defaults, leading to an increase in the levels of our non-performing assets and possible fall in the rate of loan portfolio expansion.

5. We may be impacted by volatility in interest rates, which could cause our Net Interest Income, Net Interest Margins and the value of our fixed income portfolio to decline and adversely affect our business, results of operations, cash flows and financial condition.

6. We face interest rate and maturity mismatches between our assets and liabilities in the future, which may cause liquidity concerns.

7. If we are unable to secure funding on acceptable terms and at competitive rates when needed, it could have a material adverse effect on our business, results of operations, cash flows and financial condition.

8. We are subject to periodic inspections by the National Housing Bank. Non-compliance with observations made during any such inspections could result in penalties and fines, and could adversely affect our reputation, business, financial condition, results of operations and cash flows.

9. Our portfolio is significantly exposed to real estate and any significant downturn or any adverse developments in the real estate sector may lead to an increase in impairment losses and adversely affect our business, results of operations, cash flows and financial condition.

10. Our business is subject to various operational risks associated with the financial industry, including fraud.

For further details of the risks applicable to us, see "*Risk Factors*" on page 33.

Summary table of contingent liabilities

The following is a summary table of our contingent liabilities as at March 31, 2024 as per Ind AS 37:

(₹ in million)

Particulars	As at March 31, 2024
Disputed claims against our Company not acknowledged as debts	47.3

For details, see *"Restated Financial Information – Notes to Restated Financial Information – Note 41: Contingent Liabilities and Commitments"* on page 312.

Summary of related party transactions

Set out below is a summary of related party transactions with related parties for Fiscals 2024, 2023 and 2022, as per Ind AS 24 read with the SEBI ICDR Regulations, as derived from the Restated Financial Information:

(₹ in million)

Sr. No.	Name of the related party and nature of relationship	Nature of Transactions	As at and for the year ended March 31,					
			2024		2023		2022	
			Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
Ultimate Holding Company								
1.	Bajaj Finserv Limited	Secured non-convertible debentures issued	-	(4,000.0)	-	(5,500.0)	-	(3,500.0)
		Secured non-convertible debentures repaid	1,500.0	-	-	-	-	-
		Interest paid on non-convertible debentures	361.2	-	208.1	-	90.0	-
		Business Support Charges Paid	13.2	-	36.3	-	-	-
		Amount paid under ESOP recharge arrangements	6.5	-	6.0	(7.1)	-	-
Holding Company								
1.	Bajaj Finance Limited	Contribution to Equity Shares (6,712,155,564 shares at face value of ₹10 each)	-	(67,121.6)	-	(67,121.6)	-	(48,833.3)
		Equity Contribution received	-	-	25,000.0	-	-	-

Sr. No.	Name of the related party and nature of relationship	Nature of Transactions	As at and for the year ended March 31,					
			2024		2023		2022	
			Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
		(including Premium)						
		Amount paid under ESOP recharge arrangements	299.3	-	261.7	-	192.3	-
		Loan portfolio assigned out	67,581.5	-	17,899.0	-	15,036.9	-
		Purchase of property, plant and equipment	5.5	-	7.9	(1.0)	2.7	-
		Sale of property, plant and equipment	5.3	-	4.8	3.5	3.8	-
		Security deposit received for leased premises	-	(0.8)	-	(0.8)	-	(0.8)
		Business support charges and servicing paid	148.5	-	168.3	(23.2)	78.6	-
		Business support charges received	10.1	-	8.1	-	11.4	-
		Rent income	2.2	-	2.0	-	1.9	-
		Fees, commission and servicing fee received	507.7	-	663.0	0.2	446.4	-
		Loan portfolio assigned in	-	-	-	-	7,387.9	-
		Investment in inter-corporate deposits	-	-	-	-	49,000.0	-
		Investment repayment received	-	-	-	-	49,000.0	-
		Interest income on investments in inter-corporate deposits	-	-	-	-	38.2	-
		Short term loan taken	-	-	-	-	7,500.0	-
		Short term loan repaid	-	-	-	-	7,500.0	-
Group Companies								
1.	Bajaj Financial Securities Limited (Fellow Subsidiary)	Company's contribution towards NPS	9.0	-	4.5	-	-	-
2.	Bajaj Finserv Direct Limited (Subsidiary of Ultimate Holding company)	Purchase of property, plant and equipment	-	-	0.9	-	-	-
		Sale of property, plant and equipment (Previous year For FY 2022-	0.1	-	0.0	-	-	-

Sr. No.	Name of the related party and nature of relationship	Nature of Transactions	As at and for the year ended March 31,					
			2024		2023		2022	
			Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
		23 TV ₹ 33,647)						
		Business support fees and commission paid	21.2	-	6.6	-	10.5	(9.1)
3.	Bajaj Finserv Health Ltd. (Subsidiary of Ultimate Holding company)	Fees and commission received	96.0	18.7	-	-	-	-
4.	Bajaj Finserv Venture Ltd. (Subsidiary of Ultimate Holding company)	Sale of property, plant and equipment (FY 23-24 TV ₹ 33,406)	-	-	-	-	-	-
5.	Bajaj Allianz General Insurance Company Ltd. (Subsidiary of Ultimate Holding company)	Secured non-convertible debentures issued	-	(2,500.0)	-	(1,500.0)	-	(1000.0)
		Secured non-convertible debentures repaid	-	-	1,000.0	-	500.0	-
		Interest paid on non-convertible debentures	115.5	-	71.0	-	105.7	-
		Advance towards insurance	-	48.7	-	-	-	-
		Insurance expenses	45.7	-	44.2	6.3	37.9	45.4
		Purchase of property, plant and equipment	-	-	-		0.1	-
		Fees and commission received	4.7	1.2	-	-	-	-
6.	Bajaj Allianz Life Insurance Company Ltd. (Subsidiary of Ultimate Holding company)	Unsecured non-convertible debentures issued	2,170.0	(10,850.0)	2,170.0	(8,680.0)	2,170.0	(6,510.0)
		Interest paid on non-convertible debentures	678.4	-	509.4	-	339.9	-
		Advance towards insurance	-	4.3	-	-	-	-
		Insurance expense	11.2	-	91.0	6.5	116.1	3.0
		Fees and commission received	35.6	21.0	-	-	-	-
Associates of Holding Company								
1.	Snapwork Technologie	Information technology design and	15.9	-	6.3	-	-	-

Sr. No.	Name of the related party and nature of relationship	Nature of Transactions	As at and for the year ended March 31,					
			2024		2023		2022	
			Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
	s Private Limited (w.e.f. 25 November 2022)	development charges						
		Support charges	4.8	-	-	-	-	-
2.	Pennant Technologies Private Limited (w.e.f. 19 January 2024)	Information technology design and development charges	12.4	-	-	-	-	-
		Support charges	4.2	-	-	-	-	-
Key Management Personnel (KMP) and close members of KMP								
1.	Sanjivnayan Bajaj (Chairman)	Short term benefits - Sitting Fees	1.3	-	1.4	-	1.7	-
		Short term benefits - Commission	2.6	(2.3)	0.7	(0.6)	-	-
2.	Rajeev Jain (Vice Chairman w.e.f. 1 May 2022, Managing Director till 30 April 2022)	Short term benefits - Sitting Fees	2.1	-	1.5	-	-	-
		Short term benefits - Commission	4.2	(3.8)	1.1	(0.9)	-	-
3.	Atul Jain (Managing Director w.e.f. 1 May 2022, Chief Executive Officer till 30 April 2022)	Short term employee benefits	140.8	(19.8)	102.9	(0.4)	81.4	(11.4)
		Share based payment	95.6	-	80.6	-	44.6	-
4.	Lila Poonawala (Director till 21 Jan 2023)	Short term benefits - Sitting Fees	-	-	1.6	-	1.7	-
		Short term benefits - Commission	-	-	0.8	(0.7)	-	-
5.	Anami Narayan Roy (Director)	Short term benefits - Sitting Fees	1.8	-	1.6	-	1.1	-
		Short term benefits - Commission	3.6	(3.2)	0.9	(0.8)	-	-
6.	Dr. Arindam Kumar Bhattacharya (Director w.e.f. 1 May 2022)	Short term benefits - Sitting Fees	2.0	-	0.7	-	-	-
		Short term benefits - Commission	4.0	(3.6)	0.5	(0.5)	-	-
7.	Jasmine Arish Chaney (Director w.e.f 1 April 2023)	Short term benefits - Sitting Fees	1.7	-	-	-	-	-
		Short term benefits - Commission	3.4	(3.1)	-	-	-	-

Sr. No.	Name of the related party and nature of relationship	Nature of Transactions	As at and for the year ended March 31,					
			2024		2023		2022	
			Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
8.	Gaurav Kalani (Chief Financial Officer)*	Short term employee benefits	25.2	(7.7)	22.3	(7.7)	16.4	(6.3)
		Share based payment	8.2	-	8.0	-	6.4	-
9.	Atul Patni (Company Secretary)*	Short term employee benefits	4.7	(0.7)	4.8	-	-	-
		Share based payment	0.8	-	-	-	-	-
10.	Dr. Omkar Goswami (Non executive Director till 9 July 2021)	Short term employee benefits	-	-	-	-	0.1	-
Entities in which KMP and their close members have significant influence								
1.	Bajaj Auto Limited	Security deposit paid for leased premises	-	0.3	-	0.3	-	0.3
		Business Support Charges Paid	19.7	-	12.7	-	-	-
		Rent expense	0.6	-	0.6	-	0.6	-
2.	Bajaj Holdings and Investment Limited	Business Support Charges Paid	18.3	-	15.1	-	-	-
		Secured non-convertible debentures repaid	-	-	-	-	1,500.0	-
		Interest paid on non-convertible debentures	-	-	-	-	104.1	-
3.	Maharashtra Scooters Limited	Secured non-convertible debentures issued	-	(250.0)	-	(500.0)	-	(500.0)
		Secured non-convertible debentures repaid	250.0	-	-	-	-	-
		Interest paid on non-convertible debentures	28.8	-	29.0	-	15.0	-
4.	Hind Musafir Agency Limited	Services received	38.9	-	40.6	-	12.5	(1.8)
5.	Poddar Housing and Development Limited	Interest Income	-	-	-	-	10.7	-
		Loan repayment received	-	-	-	-	130.0	-
6.	Ashwin Vijaykumar Jain	Loan repayment received	-	-	-	-	1.5	-

Sr. No.	Name of the related party and nature of relationship	Nature of Transactions	As at and for the year ended March 31,					
			2024		2023		2022	
			Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
7.	Bajaj Allianz Staffing Solutions Limited	Outsourcing manpower supply services	764.5	-	127.9	-	-	-
Post employment benefit entity								
1.	Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	10.9	-	30.2	-	20.0	-
**Key managerial personnel as per section 2(51) of the Companies Act, 2013. Disclosure of transactions made in compliance with RBI Master Direction –HFC and RBI Circular for Disclosures in Financial Statements- Notes to Accounts of NBFC dated 19 April 2022.*								

Notes: -

(a) *Transactions value (TV) are excluding taxes and duties.*

(b) *Amount in bracket denotes credit balance.*

(c) *Amounts less than ₹ 50,000 have been shown at actual against respective line items.*

(d) *Transactions where Company act as intermediary and passed through Company's books of accounts are not in the nature of related party transaction and hence are not disclosed.*

(e) *Insurance claims received by the Company on insurance cover taken by it on its assets are not in the nature of related party transaction, hence not disclosed.*

(f) *The above disclosures have been made for related parties identified as such only to be in conformity with the Indian Accounting Standard (Ind AS) 24.*

(g) *Name of the related parties and nature of their relationships where control exists have been disclosed irrespective of whether or not there have been transactions with the company. In other cases, disclosure has been made only when there have been transactions with those parties.*

(h) *Related parties as defined under clause 9 of the Indian Accounting Standard - 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business and on arms' length basis. All outstanding balances are to be settled in cash and are unsecured except secured non-convertible debentures issued to related parties which are disclosed appropriately.*

(i) *Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.*

(j) *Non-convertible debentures (NCDs) transaction includes only issuance from primary market, and outstanding balance is balances of NCDs held by related parties as on reporting dates.*

(k) *The Company has a committed line of credit of ₹ 25,000 million from Bajaj Finance Limited.*

Financing Arrangements

Our Promoters, directors of our Promoters, members of our Promoter Group, our Directors and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the specified securities were acquired by our Promoters (including the Promoter Selling Shareholder) in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which the Equity Shares were acquired by our Promoters (including the Promoter Selling Shareholder), in the one year preceding the date of this Draft Red Herring Prospectus is as follows:

Name	Number of Equity Shares acquired in the last one year	Weighted average price of acquisition per Equity Share*(in ₹)
Bajaj Finance Limited (also the Promoter Selling Shareholder)	1,107,419,709	18.1
Bajaj Finserv Limited	Nil	NA

**As certified by Statutory Auditors of our Company, by way of certificate dated June 7, 2024.*

Average cost of acquisition of Equity Shares of our Promoters (including the Promoter Selling Shareholder)

The average cost of acquisition of our Promoters (including the Promoter Selling Shareholder) as on the date of this Draft Red Herring Prospectus is as follows:

Name	Number of Equity Shares as on the date of this Draft Red Herring Prospectus	% of Pre issue Equity Share Capital on a fully diluted basis	Average cost of acquisition per Equity Share* (in ₹)
Bajaj Finance Limited (also the Promoter Selling Shareholder)	7,819,575,273	100.0	12.2
Bajaj Finserv Limited	Nil	NA	NA

**As certified by Statutory Auditors of our Company, by way of certificate dated June 7, 2024.*

Details of price at which specified securities were acquired by each of the Promoters (including the Promoter Selling Shareholder), members of our Promoter Group and Shareholders entitled with the right to nominate directors or other rights in the last three years

Except as stated below, there have been no specified securities that were acquired in the last three years preceding the date of this Draft Red Herring Prospectus, by our Promoters (including the Promoter Selling Shareholder), members of our Promoter Group and Shareholders entitled with the right to nominate directors or other rights in the Company.

Sr. No.	Name	Date of acquisition of the Equity Shares	Number of Equity Shares acquired	Face value	Acquisition price per equity share* (in ₹)
Promoters					
1.	Bajaj Finance Limited (also the Promoter Selling Shareholder)	April 7, 2022	1,828,822,235	10	13.7
		April 3, 2024	1,107,419,709	10	18.1

**As certified by Statutory Auditors of our Company, by way of certificate dated June 7, 2024.*

For further details, see "History and Certain Corporate Matters" and "Main Provisions of Articles of Association" on pages 228 and 452, respectively.

Weighted average cost of acquisition of all Equity Shares transacted in one year, eighteen months and three years preceding the date of this Draft Red Herring Prospectus:

Period	Weighted average cost of acquisition per Equity Share (in ₹)	Cap Price is 'x' times the weighted average cost of acquisition	Range of acquisition price per Equity Share: lowest price – highest price (in ₹)
Last one year preceding the date of this Draft Red Herring Prospectus	18.1	[●]	18.1
Last 18 months preceding the date of this Draft Red Herring Prospectus	18.1	[●]	18.1
Last three years preceding the date of this Draft Red Herring Prospectus	15.3	[●]	13.7 – 18.1

Note: As certified by the Statutory Auditors of our Company, by way of their certificate dated June 7, 2024.

Details of the pre-IPO placement

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue.

Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

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

Our Company has not issued any Equity Shares for consideration other than cash (excluding bonus issuance) in the last one year preceding the date of this Draft Red Herring Prospectus. For further details, see "*Capital Structure – Offer of shares for consideration other than cash or out of revaluation reserves (excluding bonus issuance)*" on page 86.

Any split/consolidation of Equity Shares in the last one year

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

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

As on the date of this Draft Red Herring Prospectus, our Company has not sought any exemption from the SEBI from compliance with any provisions of securities laws including the SEBI ICDR Regulations.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Potential investors should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. This Draft Red Herring Prospectus contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the considerations described in this section and elsewhere in this Draft Red Herring Prospectus. See "Forward-Looking Statements" on page 21 of this Draft Red Herring Prospectus. For further information, see "Restated Financial Information" on page 273.

We have described the risks and uncertainties that we consider are material, but these risks and uncertainties may not be the only risks relevant to us, our Equity Shares, or the industry in which we currently operate or propose to operate. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse impact on our business, results of operations, cash flows and financial condition. If any or a combination of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition may be adversely affected, the price of the Equity Shares could decline, and investors may lose all or part of their investment.

In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.

Investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. To obtain a complete understanding of our business, you should read this section in conjunction with the sections titled "Industry Overview", "Our Business", "Restated Financial Information", "Selected Statistical Information", "Key Regulations and Policies", "Government and Other Approvals" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 133, 196, 273, 259, 216, 395 and 349, respectively, of this Draft Red Herring Prospectus, as well as the other financial information contained in this Draft Red Herring Prospectus.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Analysis of Housing Finance Market" dated June 2024 (the "**CRISIL Report**") prepared and issued by CRISIL Market Intelligence and Analytics, appointed by us pursuant to an engagement letter dated May 6, 2024 and exclusively commissioned and paid for by us in connection with the Offer. A copy of the CRISIL Report is available on the website of our Company at www.bajajhousingfinance.in/offer-documents and has also been included in "Material Contracts and Documents for Inspection" on page 460. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, 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. References to segments in "Industry Overview" beginning on page 133 and information derived from the CRISIL Report are in accordance with the presentation, analysis and categorization in the CRISIL Report. The segment reporting in the Restated Financial information is based on the criteria set out in Ind AS 108 (Operating Segments). Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 19. CRISIL is an independent agency and is not related to the Company, its Directors, Promoters or Promoter Selling Shareholder.*

Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information included in the section titled "Restated Financial Information" on page 273.

INTERNAL RISK FACTORS

Risks Relating to the Company's Business

1 ***Our inability to fully recover the collateral value or the sums due from defaulted loans promptly or entirely, could adversely affect our business, results of operations, cash flows and financial condition.***

Our mortgage product portfolio primarily consists of home loans, loans against property, lease rental discounting and developer financing. The underlying security of our loans is primarily mortgages. As a result, a substantial portion of our loan portfolio is exposed to events affecting the real estate sector. The demand for our home loans, in particular, is affected by movement in real estate prices, level of disposable income of customers and monetary policy rates by RBI.

In the case of our mortgages, we are exposed to the risk of decreases in real estate prices and liquidity risk. As the underlying security for us is mortgages over the customers' residential or commercial property, any significant decline in property prices can adversely affect our ability to realize the full value of loan collateral. The following table sets forth our loan to value ratio for our home loans and loans against property at origination, as at the dates indicated:

Average loan to value (at origination)	**As at**		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Home Loans	70.5%	71.3%	71.1%
Loans against Property	55.1%	52.8%	56.6%

For our developer financing, loans are given based on the amount of inventory in a project which is provided as security by the developer. Also, if any of the projects, which form part of our collateral are delayed for any reason, it may affect our ability to enforce our security, thereby effectively diminishing the value of such security. The following table sets forth our developer financing loans and percentage of total AUM as at the dates indicated:

(₹ in millions, except percentages)

Particulars	**As at**					
	March 31, 2024		**March 31, 2023**		**March 31, 2022**	
	AUM	**% of total AUM**	**AUM**	**% of total AUM**	**AUM**	**% of total AUM**
Developer Finance Loans	95,993.3	10.5%	56,693.2	8.2%	28,987.0	5.4%

There can be no assurance that we will in the future be able to foreclose on collateral on a timely basis, or at all, and if we are able to foreclose on the collateral, that the value will be sufficient to cover the outstanding amounts owed to us. Any of the foregoing could have a material adverse effect on our business, results of operations, cash flows and financial condition. Furthermore, if we are required to revalue a property which serves as collateral for a loan during a period of reduced real estate prices or if we are required to increase our provisions for loan losses, it could result in a material adverse effect on our business, results of operations, cash flows and financial condition.

We may also not be able to realize the full value of loan collateral, due to, among others, delays in foreclosure proceedings, which may be exacerbated by political instability in the states where we operate, collateral claim issues, fraudulent transfers by customers and decreases in the value of collateral. Foreclosure on collateral may also be subject to delays and administrative requirements that could result in, or be accompanied by, a decrease in the value of the collateral. We may also encounter difficulties in repossessing and liquidating collateral. For instance, when a customer defaults under a financing facility availed from us, after the initial measures to recover, we resort to repossession followed by sale of the collateral through an auction process. While there have been instances in the past where there has been a delay on foreclosure of loan collateral or where we have not been able to realize the full value of loan collateral, these instances did not have any material adverse impact on the operations and financials of our Company. However, we cannot assure you that similar instances in the future will not have a negative impact on us or that we will be able to successfully repossess the collateral in the event of default under a loan agreement and such inability may result in adverse effects on our business, results of operations, cash flows and financial conditions.

2 ***If we are unable to control the level of Gross Non-Performing Assets/Stage 3 Assets in our portfolio effectively or if we are unable to maintain adequate provisioning coverage or if there is any change in regulatorily-mandated provisioning requirements, our financial condition and results of operations could be adversely affected.***

Various factors that are beyond our control, such as macro-economic factors and adverse regulatory changes as well as customer-specific factors, such as willful default and mismanagement of a customer's operations, may cause a further increase in the level of GNPAs/Stage 3 Assets and have a material adverse impact on the quality of our loan portfolio. Any increase in our GNPAs/Stage 3 Assets could adversely impact our credit ratings and translate into an increase in our cost of funds. Furthermore, if the level of GNPAs/Stage 3 ratio increases, we will have to increase our respective provisions accordingly. This could have a material adverse effect on our business, results of operations, cash flows and financial condition. The following table sets forth our GNPA and NNPA ratios as at the dates indicated:

Particulars	**As at**					
	March 31, 2024		**March 31, 2023**		**March 31, 2022**	
	GNPA	**NNPA**	**GNPA**	**NNPA**	**GNPA**	**NNPA**
Ratios	0.27%	0.10%	0.22%	0.08%	0.31%	0.14%

For further details on product wise asset quality, see "*Selected Statistical Information – Product wise Asset Quality*" on page 267.
We are required to make provisions for Expected Credit Loss ("**ECL**") on all our loans outstanding on the

reporting date. The computation of ECL provisioning, is based on historical trends and macroeconomic factors and we may make an error in computing historical loss and recovery trends. The estimates used in computing variables for ECL may also undergo material change, which may have a significant impact on the carrying values of our loans, impairment on financial instruments and a consequential impact on our profitability, equity and capital to risk (weighted) assets ratio ("**CRAR**").

The following table sets forth our Provision Coverage Ratio, as at the dates indicated:

Particulars	**As at**		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Provision Coverage Ratio	63.7%	63.6%	54.3%

For further details, see "*Selected Statistical Information – Asset Quality*" on page 262.

The RBI regulates some aspects of the recovery of dues from delinquent customers, such as the use of recovery agents and the framework of compromise/settlement of dues with customers. Any limitation on our ability to recover, control and/or reduce GNPA/Stage 3 Assets as a result of these guidelines or otherwise could affect our collections and ability to foreclose existing GNPA/Stage 3 Assets. We may fail to accurately categorize all loans that should be GNPA/Stage 3 Assets pursuant to RBI regulations, which may cause us to under record our GNPA/Stage 3 Assets. We cannot assure you that our systems and processes will always function appropriately or accurately categorize NPAs in a timely manner or at all, or that NPA identification deficiencies will not arise in the future.

Additionally, since we have been identified and categorized as 'Upper Layer' NBFCs by the RBI under the "Scale Based Regulations (SBR): A Revised Regulatory Framework for NBFCs" dated October 22, 2021, since September 30, 2022, we are subject to certain additional provisioning requirements. For details, see "*Key Regulations and Policies*" on page 216. If regulators, including RBI and NHB, continue to impose increasingly stringent requirements regarding GNPAs/Stage 3 Assets and provisioning for such assets, the level of GNPAs/Stage 3 Assets could increase, and the overall quality of our loan portfolio could deteriorate which may have an adverse effect on our business, result of operations, cash flows and financial condition.

3 ***Our inability to comply with the financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition.***

As at March 31, 2024, our total borrowings were ₹691,293.2 million, and in order to fund our business growth, we will continue to incur additional indebtedness in the future. Total borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) and inter-corporate deposits/ deposits outstanding as at end of the relevant year. For details on reconciliation of non-GAAP measures such as total borrowings, see "S*elected Statistical Information – Reconciliation of GAAP to Non-GAAP Financial Information*" on page 269. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated from our business, which depends on the timely repayment by our customers.

Some of the financing arrangements entered into by us include conditions that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of these covenants include:

- to effect any adverse changes in our capital structure;
- to formulate or effect any scheme of amalgamation or merger or reconstruction;
- to undertake any activity other than the activities indicated in the objects clause of the memorandum of association of our Company;
- for any transfer of the controlling interest or the management set up of our Company;
- to undertake guarantee obligations on behalf of any other person;
- for declaring any dividend or distribution of profits, if any instalment towards principal or interest remains unpaid on its due date; and
- to create encumbrance, lien or dispose of assets charged in favour of the lenders.

Under certain financing agreements, we are required to maintain specific credit ratings and if we fail to do so, it would result in an event of default. We are also required to maintain the value of our hypothecated assets, certain financial ratios and ensure compliance with regulatory requirements such as maintenance of capital to risk assets ratios, qualifying asset norms and ensuring positive net worth. Such covenants may restrict or delay certain actions or initiatives that we may propose to undertake from time to time. Some of our financing agreements and instruments contain cross-default and cross-acceleration clauses, which are triggered in the event of a default by us under our respective financing agreements.

While no such instance has occurred in the past, a failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities and the enforcement of any security provided. If the obligations under any of our financing documents are accelerated or any security created under such agreements enforced, we may have to dedicate a substantial portion of our cash flows towards payments under such financing documents, thereby reducing the amounts available for business growth, working capital, capital expenditure and general corporate purposes. In addition, 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. We may also 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. In the event any of these occur, our business, financial condition, results of operations and cash flows may be adversely affected.

For further details on the aggregate borrowings of our Company along with principal terms of our outstanding borrowings, see "*Financial Indebtedness*" on page 379.

4 ***A majority of our home loan portfolio comprises loans to salaried customers and self-employed customers, who may be adversely affected by various factors such as business failure, insolvency, lack of liquidity, loss of employment or personal emergencies. These factors could lead to increased customer defaults, leading to an increase in the levels of our non-performing assets and possible fall in the rate of loan portfolio expansion.***

Our portfolio of products primarily consists of retail loans, which include a range of individual housing loans and loans against property. Our portfolio also includes commercial loans (developer financing and lease rental discounting). The following table sets forth the percentage split in our home loan portfolio between (a) salaried; (b) self-employed professional customers; and (c) self-employed non-professional customers as at the dates indicated:

Home loan portfolio	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Salaried	87.5%	90.5%	90.0%
Self-employed professional customers	4.3%	5.2%	5.1%
Self-employed non-professional customers	8.2%	4.3%	4.9%

For further details on home loans AUM by salary status, see "*Selected Statistical Information – Home Loans AUM by Customer Segmentation*" on page 267.

In particular, self-employed non-professional customers are often considered to be higher credit risk customers due to their potential to be more exposed to fluctuations in cash flows from income, business failure, insolvency and their increased exposure to adverse economic conditions generally, death or permanent incapacitation. To the extent we are not able to successfully manage the risks associated with lending to these customers, it may become difficult for us to make recoveries on these loans. Salaried customers may also be adversely affected by various factors such as lack of liquidity, recession in the industry, loss of employment or personal emergencies, death or permanent incapacitation. We also face the risk associated with insufficient coverage of credit-linked insurance for life, property, or in cases of permanent incapacity. The lower insurance coverage amount may adversely impact our ability to fully recover loan exposures.

Furthermore, we may experience higher delinquency rates due to prolonged adverse economic conditions or a sharp increase in interest rates, which could also lead to an increase in the levels of our non-performing assets and possible decline in the rate of loan portfolio expansion. An increase in delinquency rates could result in a reduction in our interest income and as a result, lower revenue from our operations, while increasing costs as a result of the increased expenses required to service and collect delinquent loans. This may have an adverse effect on our business, results of operations, cash flows and financial condition.

In relation to our retail loan portfolio, we may also engage in co-origination arrangements with other HFCs, NBFCs and banks. These arrangements expose us to increased credit risk and dependency on the financial health and practices of third-party lenders. While there has been no such instance in the past, failure by these partners to adhere to agreed-upon lending standards or regulatory requirements could lead to higher loan defaults and potential disputes, adversely affecting our results of operation, financial condition and reputation in the market. Additionally, any significant changes in regulatory frameworks governing co-origination practices could impose new compliance challenges, further impacting our operational flexibility and profitability.

5 ***We may be impacted by volatility in interest rates, which could cause our Net Interest Income, Net Interest Margins and the value of our fixed income portfolio to decline and adversely affect our business, results of operations, cash flows and financial condition.***

Our results of operations are substantially dependent upon our Net Interest Income, which is affected by changes in our spread and loan receivables. The following table sets forth our Net Interest Income and Net Interest Margin for the last three fiscal years:

(₹ in millions, except percentages)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net Interest Income	25,097.5	20,579.2	13,264.4
Net Interest Margin	4.1%	4.5%	4.0%

For reconciliation of these non-GAAP measures, see "*Selected Statistical Information – Reconciliation of GAAP to Non-GAAP Financial Information*" on page 269.

Interest rates are highly sensitive and volatility in interest rates could be a result of many factors, including the monetary policies of the RBI, aggressive pricing by competitors, deregulation of the financial services sector in India, domestic and international economic and political conditions, inflation and macro-economic environment and economic policies in India.

We borrow on both fixed and floating interest rates and lend funds predominately on floating interest rates, as set forth in the table below:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total loans advanced			
• Fixed interest rate	0.2%	0.5%	1.0%
• Floating interest rate	99.8%	99.5%	99.0%

Furthermore, the following table sets forth our borrowings exposure from fixed and floating interest rates for the dates indicated:

(₹ in millions, except percentages)

Particulars	As at March 31					
	2024		2023		2022	
	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings
Total borrowings						
• Fixed interest rate	293,306.6	42.4%	216,684.0	40.3%	179,277.2	43.2%
• Floating interest rate	397,986.6	57.6%	320,769.9	59.7%	235,646.0	56.8%
Total	**691,293.2**	**100.0%**	**537,453.9**	**100.0%**	**414,923.2**	**100.0%**

Majority of our loans are lent on floating interest rates, while a significant portion of borrowings are on fixed interest rate basis, which exposes us to inherent interest rate risk. Consequently, we have executed hedging strategies through tools like interest rate swaps for hedging fixed rate non-convertible debentures having long term maturity (i.e., more than three years). If interest rate movement is not in an expected direction, these hedging strategies may not yield desired results and may lead to adverse impact on our profitability and financial condition. To the extent any of these instruments are not effective, we may not be able to effectively mitigate our interest rate risk exposure. While we diversify our borrowing mix across borrowing instruments, tenors and a mix of fixed and floating borrowings in an attempt to match the mix of our loan book and the tenors of such loans to try to ensure that there are no imbalances or excessive concentrations on either side of the balance sheet. While we have not faced instances of imbalance or excessive concentrations on either side of the balance sheet or breached regulatory permissible limits for any extended period of time in the past, there can be no assurance that we will be able to adequately manage our interest rate risk in the future, which could have an adverse effect on our Net Interest Income and Net Interest Margin and could, in turn, have an adverse effect on our business, results of operations, cash flows and financial condition.

Our ability to manage our interest rate risk and mismatches between our assets and liabilities adequately is critical to our business and results of operations, cash flows and financial condition. We monitor our exposure to fluctuations in interest rates and the related liquidity risk primarily by categorizing our assets and liabilities in different maturity profiles (based on the behavioral maturities pattern) and evaluating them for mismatches across periods.

In a rising interest rate environment, if our interest-earning assets' yield doesn't match the increase in our cost of funds, and conversely, in a falling interest rate environment, if our cost of funds doesn't decrease as our assets' yield does, our Net Interest Income and Net Interest Margin could suffer. Competitive pressures may force us to lower lending rates without similar reductions in borrowing rates. While we can pass on lower borrowing rates to our customers, we may not be able to increase rates for customers with fixed-rate loans. Additionally, customers may prepay loans to capitalize on lower rates, and if we raise rates, customers with floating-rate loans may prepay their loans to seek cheaper options from other sources.

6 ***We face interest rate and maturity mismatches between our assets and liabilities in the future, which may cause liquidity concerns.***

We face potential liquidity risks due to mismatches in the maturity of our assets and liabilities. Such mismatches, where the maturity of assets and liabilities do not match, are a key financial risk for us. Asset liability management is typical for a company in the business of lending, as some portion of our funding requirements is also met through short and medium-term funding sources such as commercial paper, cash credit or overdraft facilities. However, a significant portion of our assets (such as loans to our customers) have maturities with longer terms than our borrowings. Our inability 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, which in turn may adversely affect our results of operations and financial condition. For details on the maturity pattern of our assets and liabilities as at March 31, 2024, see "*Selected Statistical Information – Asset Liability Management*" on page 264.

We have not had any instances of breach of such limits in the past. We continue to cater to our liquidity needs and maintain adequate sources of funding for business growth through short-term cash and current investments including short term bank deposits, liquid mutual fund, government securities, T-bills, short-term overdraft facilities and cash credit facilities.

There can be no assurance of our ability to secure funding at attractive rates depends on our credit ratings. While we have not faced such instances in the past, if we are unable to obtain new credit or extend our current credit lines on time and at an affordable cost, our liquidity and financial results could suffer. Also, since our loans typically have long duration, economic fluctuations could pose risks to us. An increase in late payments from our borrowers, or difficulty in selling investments quickly at a fair price, could adversely affect our business, results of operations, cash flows and financial condition.

7 ***If we are unable to secure funding on acceptable terms and at competitive rates when needed, it could have a material adverse effect on our business, results of operations, cash flows and financial condition.***

Our business is highly dependent upon our timely access to, and the costs associated with, debt. We rely on a combination of sources to meet our funding requirements. These include term loans, cash credit, overdraft from banks and certain financial institutions, issuance of secured and unsecured non-convertible debentures and issue of commercial papers, as well as assignment of some of our loan portfolio. We also received approval from the NHB under the NHB's Refinance Scheme. Our total borrowings were ₹691,293.2 million as at March 31, 2024, with bank borrowings, NCD, NHB refinance, commercial paper and inter-corporate deposit representing 51.3%, 34.7%, 9.9%, 3.8% and 0.3% of such amount, respectively. For further details on our borrowing portfolio, see "*Our Business – Strengths – Access to diversified and cost-effective borrowing sources facilitated by the highest possible credit ratings from rating agencies*" on page 202. Our business will continue to depend on our ability to access diversified borrowings from within and outside India. Our ability to borrow on acceptable terms and at competitive rates continues to depend on various factors, including, but not limited to, (i) our credit ratings; (ii) policy initiatives and the regulatory environment; (iii) liquidity in the markets; (iv) the attractiveness of debt of our Company to investors and lenders; and (v) our current and future results of operations and financial condition.

Our high credit ratings enable us to borrow funds at competitive rates from varied sources. For more details, see "*Our Business – Treasury Operations and Funding*" on page 211. Any downgrade in our credit ratings or significant increase in GNPA may lead to an increase in our cost of funds for existing and future borrowings. This would increase our financing costs, adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which could adversely affect our business, results of operations, cash flows and financial condition. As a result of reduced spreads between the interest rates at which we borrow and lend, we may not be able to maintain our current levels of profitability. Additionally, any downgrade of ratings below minimum investment grade ratings could reduce demand for our debt, thus making the raising of additional debt including refinancing of outstanding debt more difficult and increasing the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements with them.

If we are unable to borrow funds in the amounts we require on acceptable terms and at competitive rates, it could have a material adverse effect on our business, results of operations, cash flows and financial condition.

8 ***We are subject to periodic inspections by the National Housing Bank. Non-compliance with observations made during any such inspections could result in penalties and fines, and could adversely affect our reputation, business, financial condition, results of operations and cash flows.***

We are subject to periodic inspections by the National Housing Bank ("**NHB**") of our books of accounts, processes, policies and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for obtaining any information, which we may have failed to furnish when called upon to do so.

The NHB, in its past inspection reports for the Fiscals 2023, 2022 and 2021, has observed, *inter alia,* that: (a) our Company did not meet the principal business criteria ratio as provided under the RBI Master Circular – HFC in Fiscal 2021; (b) certain clauses in our standard loan agreements and the developers' marketing brochures were not in compliance with the provisions of RBI Master Circular – HFC; and (c) our classification of certain loan accounts were not in compliance with the requirements prescribed under the RBI Master Circular – HFC; (d) inadequate staffing of the internal audit team, (e) documentation gaps as evidenced in loan samples; (f) loan tenure and its impact on the expected credit loss model of our Company; and (g) constitution and operations of the Board committees. We have submitted our response to the aforesaid observations on January 11, 2024, March 18, 2023, and July 7, 2022, respectively to the observations received from NHB for Fiscals 2023, 2022, and 2021 and have complied with all observations during the inspections.

If we are unable to comply with the observations made by the NHB or comply with the NHB's policies and directions, we could be subject to penalties and restrictions which may be imposed by the RBI. For instance, in the Fiscals 2023 and 2022, NHB had observed that Atul Jain, was inducted into the Board of our Company as an additional director with effect from May 1, 2022, without obtaining prior permission from the RBI, as required under paragraphs 2, 45.3 and 46.1 of the RBI Master Directions – HFC. We subsequently submitted our response to the NHB submitting that the appointment of Atul Jain to the Board of our Company did not result in any change in management of the Company since he was our chief executive officer prior to the change in designation as a managing director, and hence, there was no change in management of our Company, and therefore, the requirement of obtaining prior permission from RBI under paragraph 45.3 of the RBI Master Directions – HFC did not stand triggered. However, we received a show cause notice from RBI on August 2, 2023, under Sections 30A, 49(3)(aa), and 52A of the National Housing Bank Act, 1987, pertaining to the appointment of Atul Jain as the Managing Director of our Company without prior permission of the RBI. We responded to the aforesaid show cause notice of RBI on August 7, 2023, with similar submissions as our response to the NHB on the subject. Thereafter, the RBI imposed a penalty upon us pursuant to its order dated February 2, 2024, for the appointment of Atul Jain as Managing Director of our Company without prior permission from the RBI, which we remitted on February 3, 2024

While we have responded to the letters and show cause notices issued against us by NHB in the past, we cannot assure you that there will be no further action by the NHB or the RBI in the future. Our Company was last subject to inspection by the NHB in October 2023 and we may receive further observations from them in the future. Any further imposition of penalty or adverse findings by the NHB or the RBI during any future inspections or otherwise may have a material adverse effect on our reputation, business, results of operations, cash flows and financial condition.

9 ***Our portfolio is significantly exposed to real estate and any significant downturn or any adverse developments in the real estate sector may lead to an increase in impairment losses and adversely affect our business, results of operations, cash flows and financial condition.***

The primary security for our mortgage business is the underlying property/ collateral. For details in relation to the percentage of our portfolio secured by collateral, see "- *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. Our further inability to realise the loan amount from such properties may adversely affect our business*" on page 49. As a result, we depend on the performance of the real estate sector in India and any decline in conditions of the real estate markets could have an adverse impact on our business, results of operations, cash flows and financial condition. Economic developments within and outside India can adversely affect the real estate market in India. We also provide retail home loans secured by properties under construction in residential real estate projects. The execution of these projects may be subject to delays or disruptions due to regulatory actions, unforeseen circumstances beyond the control of developers or failures in developers' execution. Such interruptions could lead to incomplete construction of the properties, potentially impacting the ability of retail home loan customers to service their loans effectively.

Deterioration in the residential and commercial real estate market may result in reversing the growth of our loan accounts, which in turn could result in a material adverse effect on our business, results of operations, cash flows and financial condition. In addition, as the underlying security on these loans is primarily mortgages or other form of security over the customers' other residential or commercial property, a significant portion of our loans is exposed to events affecting the real estate sector. In the event of a significant decline in property prices or a defect in the title of the property, we may not be able to realize the value of the collateral or recover the principal and interest in the event of a default. Furthermore, if any of the projects which form part of the collateral are delayed for any reason, it may affect our ability to enforce the security, thereby effectively diminishing the value of such security.

These factors can also adversely affect the demand for, and pricing of, our loan portfolio in the real estate sector and may materially and adversely affect our business, results of operations, cash flows and financial condition. There can be no assurance that our real estate lending portfolio will grow, or will not decrease, in the future. Any such reduction in demand could have an adverse effect on our business, results of operations, financial condition and cash flows. In addition, for loans advanced in the real estate sector, our ability to receive repayment and interest is dependent upon various factors, including the health of the overall economy, our borrowers' ability to repay and whether developers are able to complete their projects on time and on prevailing real estate prices. These and other factors could lead to an increase in impairment losses and our business, results of operations, cash flows and financial condition.

10 ***Our business is subject to various operational risks associated with the financial industry, including fraud.***

Our business is subject to various operational and other risks associated with the financial industry, including:

- inadequate procedures and controls;
- failure to obtain proper internal authorizations;
- misreporting or non-reporting with respect to statutory, legal or regulatory reporting and disclosure obligations;
- improperly documented transactions;
- customer or third-party fraud, such as impersonation or identity theft or approval of loans on false pretences or inflated property values;
- failure of operational and information security procedures, computer systems, software or equipment;
- the risk of fraud or other misconduct by employees;
- failure to detect money-laundering and other illegal or improper activities;
- unauthorized transactions by employees; and
- inadequate training and operational errors, including record keeping errors or errors resulting from faulty computer or communications systems.

In particular, where customers repay their loans in cash directly to us or through representative appointed by us, we are exposed to the risk of fraud, misappropriation or unauthorized transactions by our representatives and employees responsible for dealing with such cash collections. While we have procured insurance for cash in safes and in transit, and we have put in place systems to detect and prevent any unauthorized transaction, fraud or misappropriation by our authorized representatives and employees, this may not be effective in all cases.

Furthermore, while we have dedicated risk containment unit for identifying and detecting frauds and illicit practices with centralized as well as field presence, there can be no assurance that measures adopted by us have been or will be effective in preventing frauds, or that any of these events will not occur again in the future or that we will be able to recover funds misused or misappropriated if such events occur. Further, where possible, there could be instances of fraud and misconduct by our employees which may go unnoticed for a certain period of time before they are identified and corrective actions are taken. The following table sets forth the fraud detected and reported as at the dates indicated:

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Number of fraud cases detected and reported	1	1	-
Amount of fraud cases detected and reported (in ₹ million)	6.5	3.5	-

If a regulatory proceeding is initiated due to a report made by us about an unauthorized transaction, fraud, or misappropriation involving our employees, it could harm our reputation and financial condition. Moreover, substantial fraud by customers or external parties could result in an adverse effect on our business, results of operations, cash flows and financial condition.

11 ***We, our Promoter, Group Companies and certain members of our Promoter Group may have to comply with stricter regulations and guidelines issued by regulatory authorities in India, including the Reserve Bank of India, National Housing Bank, Securities and Exchange Board of India and Insurance Regulatory and Development Authority of India, which may increase our compliance costs, and subject us to penalties or business restrictions.***

We are regulated principally by the RBI have reporting obligations to the NHB, and NHB exercises a supervisory role over our business. We are also subject to regulatory oversight from SEBI and IRDAI, 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, which may 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, results of operations, cash flows and financial condition.

Further, our Promoters, Bajaj Finance Limited and Bajaj Finserv Limited were, in the past, levied fines by the Stock Exchanges and faced regulatory actions by the RBI and the Financial Intelligence Unit. Our group company(ies) and/or members of Promoter Group, namely, Bajaj Financial Securities Limited, Poddar Housing and Development Limited, Bajaj Holdings and Investment Limited and Bajaj Allianz General Insurance Company Limited were, in the past, levied with penalties by SEBI, the Stock Exchanges, the Indian Clearing Corporation Limited and IRDAI, respectively.

The regulatory and legal framework governing us differs in certain material aspects from that in effect in other countries and may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's housing finance sector. Activities of HFCs are primarily regulated by the RBI Master Directions, including various aspects of our business, such as the definition of housing finance and housing finance company, net owned fund requirement, capital adequacy, sourcing of funds, onboarding of customers and risk management and asset classification and provisioning. Accordingly, there may be further scrutiny and instructions from the RBI in relation to the regulation of HFCs. If we fail to comply with such requirements, we may be subject to penalties, business restrictions or compounding proceedings.

The laws and regulations governing the housing finance industry in India have become increasingly complex and cover a wide variety of issues. Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments and other activities currently being carried out by us, involves a number of risks. Moreover, new regulations may be passed that restrict our ability to do business. Further, these regulations are subject to frequent amendments and depend upon government policy. For example, any adverse regulatory action by the Insurance Regulatory and Development Authority of India may impact our fee income associated with the insurance products we offer our customers. Similarly, our customer acquisition, servicing and debt management operations could face significant disruptions if the Telecom Regulatory Authority of India or RBI impose regulatory restrictions on tele-calling activities. Such limitations could adversely affect our ability to effectively communicate with potential and existing customers, potentially impacting our financial performance and growth prospects.

Thus, we cannot assure you that we will not be subject to any adverse regulatory action in the future. The costs of compliance may be high, which may affect our profitability. If we are unable to comply with any such regulatory requirements, our business, results of operations, cash flows and financial condition may be materially and adversely affected.

The Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("**SBR Regulations**"), which came into effect on October 19, 2023, place the NBFCs into four brackets, namely, base layer, middle layer, upper layer and top layer, and prescribe a customized regulatory framework for each. Presently, our Company is categorized in the upper category, and accordingly, we are subject to certain additional capital, prudential guidelines, regulatory changes, and governance requirements, basis the bracket we fall within. Further, the SBR Regulations also require all NBFC-ULs to mandatory be listed within three years of identification as NBFC-UL. While we are currently in compliance with the SBR Regulations as at the date of this Draft Red Herring Prospectus, as applicable, there can be no guarantee that we will be able to comply with any increased or more stringent regulatory requirements in a timely manner, in part or at all. For details, see "*Key Regulations and Policies*" on page 216.

Uncertainty in the applicability, interpretation or implementation of the above regulations may impact the viability of our current business or restrict our ability to grow our business in the future. If the interpretation of regulations by the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. Any changes in the existing regulatory framework, including any increase in the compliance requirements, may require us to divert additional resources, including management time and costs such as legal consultations or staff training required for such increased compliance. Such an increase in costs could have an adverse effect on our business, prospects, financial condition and results of operations. Additionally, our management may be required to divert substantial time and effort towards meeting such enhanced compliance requirements and may be unable to devote adequate time and efforts towards our business, which may have an adverse effect on our future business, results of operations, cash flows and financial condition.

12 ***We are subject to the risk of failure of, or a material weakness in, our internal control systems, which could have a material adverse effect on our reputation, business, results of operations, cash flows and financial condition.***

We are exposed to risks arising from the inadequacy or failure of internal systems or processes, and any actions we may take to mitigate these risks may not be sufficient to ensure an effective internal control environment. Given our high volume of transactions, errors may be repeated or compounded before they are discovered and rectified. We have, in the past, experienced certain non-material deficiencies in our internal control systems, such as loan version control, delays in updating the software for switches and routers and delay in renewal of agreements. Although we have taken appropriate measures to develop our internal control systems and policies to address those issues, we cannot assure you that our systems and policies will be sufficient or willfully correct such weaknesses, or that similar deficiencies will not arise in the future.

Further, our management information systems and internal control procedures may not be able to identify non-compliance or suspicious transactions in a timely manner, or at all. Where internal control weaknesses are identified, our actions may not be sufficient to fully correct such weaknesses. As a result, we may incur expenses or suffer monetary losses, which may not be covered by our insurance policies and may result in a material adverse effect on our reputation, business, results of operations, cash flows and financial condition.

We have established internal control systems and processes as well as internal audit team to scrutinise, and periodically test and update, all facets of our operations, as necessary. We consider that our risk management, compliance, audit and operational risk management functions are commensurate with the size and complexity of our operations and equipped to make an independent and objective evaluation of the adequacy and effectiveness of internal controls on an on-going basis to ensure that our employees adhere to compliance requirements and internal guidelines.

13 ***If we are unable to comply with the capital adequacy requirements stipulated by Reserve Bank of India, it could have a material adverse effect on our business, results of operations, cash flows and financial condition.***

We are subject to regulations relating to the capital adequacy of HFCs, which determine the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio, or CRAR.

Pursuant to the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, HFCs are required to comply with a capital to risk (weighted) assets ratio, or CRAR, consisting of Tier I capital and Tier II capital, which has been revised over time, that collectively shall not be less than 15% of the HFC's aggregate risk-weighted assets and the risk adjusted value of off-balance sheet items on or before March 31, 2022, and thereafter, with a minimum requirement of Tier I capital of not less than 10% on risk weighted assets. This ratio is used to measure an HFC's capital strength and to promote stability and efficiency of the housing finance system. At a minimum, Tier I capital of an HFC, at any point in time, cannot be less than 10%. For further details, see "*Key Regulations and Policies*" on page 216. The following table sets forth information relating to our CRAR as at the dates indicated:

Particulars	**As at**					
	March 31, 2024		**March 31, 2023**		**March 31, 2022**	
	CRAR	**Tier I Capital**	**CRAR**	**Tier I Capital**	**CRAR**	**Tier I Capital**
Ratios	21.28%	20.67%	22.97%	22.19%	19.71%	18.95%

For further details, see "*Selected Statistical Information – Capital to Risk (Weighted) Assets the ratio ("CRAR")*" on page 263.

Additionally, since we have been identified and categorized as 'Upper Layer' NBFCs by RBI under the "Scale Based Regulations (SBR): A Revised Regulatory Framework for NBFCs", we are required to maintain, on an on-going basis, a common equity tier I (CET-1) capital of 9.0% of our risk weighted assets. Furthermore, pursuant to the RBI circular dated April 19, 2022 on "Large Exposures Framework for Non-Banking Financial Company – Upper Layer (NBFC-UL)", certain limits have been exposed in relation to exposure values of Upper Layer NBFCs (including HFCs) a single counter party and group of interconnected counter parties. The RBI circular on "Provisioning for Standard assets by Non-Banking Financial Company – Upper Layer" dated June 6, 2022 prescribes different rate of provisioning for different categories of standard assets.

While there have been no such instances in the past, there can be no assurance that we will be able to maintain our CRAR within the regulatory requirements and a failure to do so could have a material adverse effect on our business, results of operations, cash flows and financial condition. In particular, the NHB's assessment of our CRAR may differ from our own. Any changes in the regulatory framework affecting HFCs or other financial services companies including the provisioning for NPAs, or capital adequacy requirements, or differences in interpretation of the same, could adversely affect our profitability or our future financial performance, by requiring a restructuring of our activities or an increase in our costs to comply with regulations applicable to us.

Furthermore, if we continue to grow, we will be required to raise additional Tier I capital and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that our Promoter or shareholders will approve additional investments into our Company, or that we will be able to raise adequate additional capital in the future on terms favourable to us, or at all. This could result in non-compliance with applicable capital adequacy ratios, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

14 ***Our assets under management are concentrated in four states and the union territory of New Delhi and any adverse developments in these regions could have an adverse effect on our business, results of operations, cash flows and financial condition.***

Our AUM are concentrated in Maharashtra, Karnataka, Telangana, Gujarat and the union territory of New Delhi. The following table sets forth the AUM, disbursements and branches from/in these regions as at March 31, 2024:

(₹ in million, except percentages and branches)

State/ Union Territory	As at or for the year ended March 31, 2024				
	AUM	% of total AUM	Disbursements	% of total Disbursements	Branches
Maharashtra	287,475.6	31.5%	142,942.2	32.0%	55
Karnataka	210,071.5	23.0%	110,920.5	24.8%	20
Telangana	135,521.0	14.8%	57,556.7	12.9%	12
Gujarat	72,859.6	8.0%	42,079.4	9.4%	29
New Delhi	69,981.1	7.7%	31,333.4	7.0%	6
Total	**775,908.8**	**85.0%**	**384,832.2**	**86.1%**	**122**
Gross Total	**913,704.0**	**100.0%**	**446,562.4**	**100.0%**	**215**

For details in relation to our state-wise mix of AUM, disbursements and branches, see "*Selected Statistical Information – State-wise Mix of AUM, Disbursements and Branches*" on page 264.

The real estate and housing finance markets in these states may perform differently from, and may be subject to market conditions that are different from, the housing finance markets in other regions of India. Consequently, any significant social, political or economic disruption, or natural calamities or civil disruptions in this region, or changes in the policies of the state or local governments of these regions or the Government of India, could disrupt our business operations, require us to incur significant expenditure and change our business strategies. The occurrence of or our inability to effectively respond to any such event, could have an adverse effect on our business, results of operations, cash flows and financial condition.

15 ***We conduct our operations under the "Bajaj Finserv" brand and have a license to use that brand name and certain other trademarks. If we fail to successfully enforce our intellectual property rights or are unable to renew our intellectual property licence agreements, our business, results of operations, cash flows and financial condition could be adversely affected.***

The financial services businesses of the Bajaj group are primarily conducted through subsidiaries of Bajaj Finserv Limited, and we conduct our operations under the "Bajaj Finserv" brand.

Our Company has entered into a trademarks license agreements dated April 13, 2018 (as amended on July 15, 2023) (the "**License Agreement**") with Bajaj Finance Limited pursuant to which our Company has been granted a licence to use certain trademarks, registered and pending registration in the names of Bajaj

Finance Limited and Bajaj Finserv Limited, for our business activities. Under the terms of the License Agreement, our Company is required to pay Bajaj Finance Limited an annual license fee of ₹1,011.0 per trademark. The License Agreement is valid until March 19, 2028.

As on the date of this Draft Herring Prospectus, we have received 22 registered trademarks, out of which 4 trademarks have expired and not yet been applied for renewal. Further, we have made 4 trademark applications which are currently pending for registration before the registry. As at May 31, 2024, we had applied for 153 registered domain names.

Unauthorised use of our intellectual property rights by third-parties could adversely affect our reputation. We may be required to resort to legal action to protect our intellectual property rights. Any adverse outcome in such legal proceedings or our failure to successfully enforce our intellectual property rights may impact our ability to use intellectual property, which could have an adverse effect on our business, results of operations, cash flows and financial condition.

In addition, Bajaj Finserv Limited is part of the Bajaj group of companies and the "Bajaj Finserv" brand name is associated with the "Bajaj" brand. We have no control over Bajaj Finserv Limited or other companies/entities within the Bajaj group, and in the event that other entities in the Bajaj group are involved in any, activities, litigation, proceedings, or amongst other things, that adversely affects their reputation, it could have an adverse impact on our reputation, which could, in turn, adversely affect the public's perception of our brand and thereby, adversely affect our business, results of operations, cash flows and financial condition. Further, we depend on Bajaj Finserv Limited, Bajaj Finance Limited and the Bajaj group for brand recognition and a failure to maintain and enhance awareness of our brand could adversely affect our ability to retain and expand our customer base.

16 *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, criminal complaints filed by us under the Negotiable Instruments Act, 1881 and applications under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**") challenging proceedings adopted by us towards enforcement of security interests. These proceedings are pending at different levels of adjudication before various authorities. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. 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 and Promoters. According to the materiality policy adopted by the Board pursuant to a resolution dated June 7, 2024, all outstanding litigation involving the Company and its Directors other than criminal proceedings, tax proceedings (direct or indirect) and actions by statutory or regulatory actions, would be considered material if the monetary amount of claim by or against such entity or person in any such pending matter is in excess of ₹616.4 million. Further, all outstanding litigation involving the Promoters other than criminal proceedings, tax proceedings (direct or indirect), actions by statutory or regulatory actions and disciplinary actions including any penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including any outstanding actions, would be considered material if the monetary amount of claim by or against the Promoters in any such pending matter is in excess of ₹5,497.8 million or ₹6,019.7 million in case of Bajaj Finance Limited and Bajaj Finserv Limited respectively. Further, pending litigations where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in an individual litigation may not exceed the respective materiality thresholds set out above, or if an adverse outcome of any outstanding litigation which may not meet the respective monetary thresholds above for the Company and Promoters, or wherein the monetary liability is not quantifiable, but where an adverse outcome could materially and adversely affect our business, operations, financial position, reputation or prospects is also considered material.

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five financial years, including outstanding action	Material civil litigation	Aggregate amount involved (₹ in million)[(1)]
Company						
Against the Company	14	10	Nil	N.A.	Nil	21,206.2

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five financial years, including outstanding action	Material civil litigation	Aggregate amount involved (₹ in million)(1)
By the Company	1,700	Nil	N.A.	N.A.	Nil	6,278.0(2)
Directors						
Against the Directors	18(3)	Nil	Nil	N.A.	Nil	-
By the Directors	Nil	N.A.	N.A.	N.A.	Nil	-
Promoters						
Against Promoters	47	64	Nil	1	2	37,538.0
By Promoters	46,983	N.A.	N.A.	N.A.	1	5,838.8(4)

(1) To the extent ascertainable and quantifiable.
(2) This includes the aggregate amount of ₹ 6,219.4 million involving 1,994 proceedings initiated by our Company under the SARFAESI Act.
(3) This includes matters where the Directors have been impleaded along with our Company.
(4) This includes the aggregate amount of ₹ 229.4 million involving 70 proceedings initiated by Bajaj Finance Limited under the SARFAESI Act.

There can be no assurance that any of the outstanding litigation matters will be adjudicated in favour of our Company, Directors and Promoters or that no additional liability will arise out of these proceedings.

We may be required to devote management and financial resources in the defence 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 details in relation to the proceedings involving our Company, Directors and Promoters, see "*Outstanding Litigation and Material Developments*" beginning on page 382.

17 ***We are exposed to risks related to concentration of loans to certain customers. As at March 31, 2024, loans to our top 10 and 20 largest customers amounted to 6.1% and 8.5% of our total outstanding loans.***

We cannot assure you that we will be able to maintain historic levels of business from our top 10 and top 20 customers, or that we will be able to significantly reduce customer concentration in our loan book in the future. While no such instance has occurred in the past, a significant decrease in business from any such customer, whether due to circumstances specific to such customer, or sharp increase in interest rates or the real estate environment generally, may materially and adversely affect our business, results of operations, cash flows and financial condition. The following table sets forth the percentage of loans outstanding to our top 10 and top 20 customers, as at the dates indicated:

Particulars	As at					
	March 31, 2024		March 31, 2023		March 31, 2022	
	Loans to top 10 customers	Loans to top 20 customers	Loans to top 10 customers	Loans to top 20 customers	Loans to top 10 customers	Loans to top 20 customers
Percentage of total loans outstanding	6.1%	8.5%	6.5%	9.0%	6.1%	8.5%

Similarly, if the loans to any of these customers becomes non-performing, we cannot assure you to make full recoveries on these loans and consequently it could result in deterioration of the credit quality of our loan portfolio. In addition, an increase in delinquency rates could result in a reduction in our interest income and as a result, lower revenue from our operations, while increasing costs as a result of the increased expenses required to service and collect delinquent loans.

18 ***We outsource certain operational activities to third-party service providers. Any lapse by such third party service providers may have adverse consequences on our business and reputation.***

We have entered into outsourcing agreements with various third party service providers for certain services including, among others, document storage, IT, IT maintenance, payment interface platforms, cloud and data analytics platforms. Our technical teams work closely with external valuation agencies to assess the market value of a property provided as collateral. Our legal teams regularly collaborate with independent legal advisers in connection with title verification of property provided as collaterals by our customers. Further, our business teams regularly collaborate with various sourcing intermediaries to source loans for us. The following table sets forth the third party expenditures under our outsourcing agreements for the periods indicated:

(₹ in millions, except percentages)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of total expenses	Amount	% of total expenses	Amount	% of total expenses
Third party expenditures under our outsourcing agreements	1,088.8	2.0%	339.5	0.9%	105.5	0.4%

The respective business and functions team reviews and assesses the financial and operational health of our service providers to ensure they can fulfill their obligations. This review includes checking performance standards, confidentiality and security, with the process being overseen by our internal audit department. Our internal audit team also regularly audits all our businesses and functions. We sometimes have external firms conduct on-site vendor audits for critical functions. However, there can be no assurance that such measures would be adequate. Consequently, we face the risk of our service providers failing to meet their contractual duties, committing fraud, making operational mistakes, or having inadequate business continuity and data security systems. Over the past three fiscals, our internal and external auditors have pointed out issues such as delay in renewal of agreements for outsourced services and training record for sourcing partners and while these have not had any material impact on our business or operations, we cannot assure you that such instances may not occur in the future.

Furthermore, while our contracts with service providers often include indemnification for statutory payments, fines, and employee benefits, they do not cover losses or damages caused by their personnel's actions or inactions. In the event of any such occurrence, we may incur losses, and to that extent, our business, results of operations, cash flows and financial condition may be adversely affected. These contracts are subject to unilateral termination by either party, provided they adhere to the minimum notice period required for termination. Any such termination by the service providers and our inability to appoint suitable replacements may adversely affect our business, results of operation and financial condition.

19 ***We are exposed to risks of increased commercial real estate vacancies in our lease rental discounting portfolio and regulatory and other challenges faced by developers in relation to our developer financing portfolio.***

The performance of our loan portfolio is contingent upon several sector-specific risks, particularly within our lease rental discounting and developer financing segments. While there has been no instance which had a material impact on the operations of our Company despite rise in vacancy rates, a rise in vacancy rates within commercial real estate properties of our lease rental discounting customers may lead to diminished rental incomes, directly impacting the loan servicing capabilities of our borrowers. Such an increase in unoccupied commercial spaces could signal broader market challenges, potentially affecting the overall demand and valuation of commercial properties. Reduced cash flows from these properties may adversely influence both our asset quality and profitability of our commercial loan portfolio.

Furthermore, our developer financing portfolio is susceptible to risks associated with regulatory actions against developers, construction delays or failures, and the developers' ability to manage cash flows effectively. While there has been no such instance which had a material impact on the operations of our Company, regulatory interventions can result in stalling of project or cancellations, while execution challenges may cause cost overruns and extended development timelines. These factors can significantly undermine a developer's financial position, thereby hindering their ability to meet payment obligations to us and consequently affecting our ability to recover the extended credit. The convergence of these risks in lease rental discounting and developer financing portfolio has the potential to create a compounded adverse effect on our business, results of operations, cash flows and financial condition.

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

Majority of our customers have a variable interest rate, which is linked to our reference rate or external benchmark rate, which as at March 31, 2024 is 99.8% of gross loan assets. Based on market conditions, we price our loans at either a discount or a premium to our reference rate, which is determined primarily on the basis of our cost of borrowings, which in turn is determined by a number of factors, many of which are beyond our control, including the RBI's monetary policies, the applicable regulations prescribed by RBI and NHB, inflation, competition and the prevailing domestic and international economic conditions. As at March 31, 2024, 57.6% of our total borrowings were at floating rates, while 99.8% of our gross loan assets were at floating rates. For details, also see "- *We may be impacted by volatility in interest rates, which could cause our Net Interest Income, Net Interest Margins and the value of our fixed income portfolio to decline and adversely affect our business, results of operations, cash flows and financial condition*" on page 37.

Customers with variable interest rates on their loans are exposed to increased loan tenures or increased equated monthly instalments ("**EMIs**") when the loans' interest rate adjusts upward from an initial rate, as applicable, to the rate computed in accordance with the applicable benchmark and margin. Such customers typically seek to refinance their loans through balance transfer to other banks and financial institutions, to avoid increased EMIs that may result from an upwards adjustment of the loans' interest rate. While refinancing of loans by other lenders could in certain circumstances be beneficial for our customers, it results in a loss of interest income expected from such loans over the course of their tenure. In addition, all housing finance providers in India are prohibited from charging pre-payment penalties on home loans with variable interest rates. Consequently, since there is no exit barrier for variable rate home loans, it may lead to a high frequency of balance transfer which results in a high turnover of loan assets between lenders, causing lenders to incur increased origination costs. In addition, increased difficulties for customers in refinancing their existing home loan from another bank or financial institution, may also adversely affect our balance transfer loan originations. As competition in the housing finance sector intensifies, certain of our customers with variable interest rate loans may not be able to find balance transfer options at comparably lower interest rates or other financing alternatives. As a result, they may be exposed to the risks associated with increases in EMIs, which may lead to increased delinquency or default rates. Increased delinquency rates may also result in deterioration in credit quality of our loan portfolio, which could have an adverse effect on our business, results of operations, cash flows and financial condition.

21 ***Certain of our Promoter Group entities, Group Companies and Directors are engaged in businesses similar to ours and this may result in conflict of interest with us.***

Certain of our Promoter Group entities and Group Companies namely Bajaj Finance Limited is engaged in the business of LAP. Similarly, Bajaj Finance Limited, Bajaj Finserv Direct Limited, as well as our Company have been provided registration certificates as corporate agents by the IRDAI, respectively. Further, certain of our Directors, namely Sanjivnayan Bajaj, Rajeev Jain, Anami Narayan Roy and Dr. Arindam Kumar Bhattacharya are on the board of directors of Bajaj Finance Limited which is engaged in similar lines of business as our Company. As these entities are in similar lines of business, there can be no assurance that conflicts of interest will not occur between our business and the businesses of such entities, which could have an adverse effect on our business, financial condition, cash flows and results of operations.

22 ***We rely on the accuracy and completeness of information about customers and counterparties. Any misrepresentation, errors or incompleteness of such information could adversely affect our business, results of operations, cash flows and financial condition.***

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including personal information, financial statements and other financial information. We may also rely on certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors of customers and counterparties. We also depend on credit bureaus for checking the creditworthiness of our customers. Sometimes, we may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation and our risk management measures may not be adequate to detect or prevent such activities in all cases. 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 and restructured assets, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

23 ***Our Statutory Auditors have included a matter of emphasis in their audit report on financial statements as at and for the fiscal year ended March 31, 2022.***

Our Statutory Auditors included the following matter of emphasis in their audit report on our financial statements as at and for Fiscal 2022 and provided unmodified opinion in respect of such matter, which was not continued in Fiscal 2023 and Fiscal 2024 audit reports:

"*We draw attention to Note 3 to the financial statements in which the Company describes the uncertainty arising from the continuing COVID-19 pandemic and the related probable events which could impact the Company's estimates of impairment of loans to customers. Our opinion is not modified in respect of this matter.*"

Note 3 in the above matter of emphasis related to the estimates and associated assumptions used for determining the impairment allowance on our Company's financial assets. It states that such estimates and assumptions are based on historical experience and other emerging factors emanating from the COVID-19 pandemic which may also influence the expected credit loss. We had used One Time Restructuring (OTR 1 and 2) and repayment moratorium on loans as early indicators suggesting higher flow rates and loss given default and accordingly accounted for commensurate expected credit loss. In our opinion, the factors considered were reasonable under the then-current circumstances and information available. However, the uncertainty caused by resurgence of the COVID-19 pandemic and related events could further influence the estimate of credit losses.

For further details of the above matter of emphasis, see "*Restated Financial Information*" on page 273.

There can be no assurance that similar remarks or matters of emphasis will not form part of our financial statements for future financial periods, which could subject us to additional liabilities due to which our financial condition may be adversely affected.

24 ***We are dependent on our Key Managerial Personnel and Senior Management Personnel, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations, cash flows and financial condition.***

Our Key Managerial Personnel and Senior Management Personnel have been instrumental in the growth and development of our Company. Their inputs and experience of our Key Managerial Personnel, in particular, and Senior Management Personnel are valuable for the development of our business and operations and the strategic directions taken by us. For details in relation to the experience of our Key Managerial Personnel and Senior Management Personnel, see "*Our Management*" on page 232.

Our Key Managerial Personnel have contributed significantly to our business and operations, and we continue to depend significantly on their continued services and performance and our ability to attract and retain such personnel. Our ability to identify, recruit and retain our Key Managerial Personnel and other key employees is critical to the successful operation of our business. The following table provides the number and attrition rates of Company's Key Managerial Personnel and Senior Management Personnel for the periods indicated:

Particulars	As at March 31		
	2024	2023	2022
Number of Key Managerial Personnel and Senior Management Personnel	10	9	18
Attrition rate	10.5%*	22.2%*	5.7%

Note: Attrition rate has been calculated by dividing the total number of Key Managerial Personnel and Senior Management Personnel who ceased to be employees during the relevant year with average head count of Key Managerial Personnel and Senior Management Personnel employees for the relevant fiscal year.

**All the employees moved within the Bajaj Finserv group as per Bajaj Finserv group's internal job posting policy.*

We face a continuing challenge to recruit, adequately compensate and retain a sufficient number of suitably skilled personnel, knowledgeable in sectors to which we lend. There is significant competition in India for such personnel, which has increased in recent years as there are a significant number of commercial banks, small finance banks, payment banks, NBFCs and HFCs in the country. We also need to train and motivate existing employees to adhere to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of our customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

As we continue to expand our business and operations, recruiting and retaining qualified and skilled personnel is critical to our future, especially since our business depends on our credit appraisal, asset valuation and collection methodologies and direct customer relationships, which are largely personnel-driven aspects of our business. Our inability to attract Key Managerial Personnel and Senior Management Personnel due to these or other reasons could significantly impair our ability to continue to manage and grow our business and may result in an adverse effect on our business, results of operations, cash flows and financial condition.

We also cannot assure you that our Key Managerial Personnel and Senior Management Personnel will not terminate their employment with us or join a competitor, or that we will be able to retain such key personnel, including senior management, or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, results of operations, cash flows and financial condition.

25 ***We depend on an external distribution network for referrals of a certain portion of our customers and this external distribution network does not work exclusively for us.***

We rely on an external distribution network of intermediaries like channel partners, aggregators, direct selling agents ("**DSAs**"), third party agents and connectors, often individual proprietors and self-employed professionals for various tasks. These include attracting potential customers, collecting loan applications, marketing our financial products, and coordinating with our approved developers and builders to offer suitable options to potential customers based on their financial needs. The following table sets forth the percentage of home loans AUM sourced through intermediary channels in the last three fiscal years:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Percentage of home loans AUM sourced through intermediary channels	44.3%	49.8%	54.6%

The contracts with these intermediaries are typically non-exclusive. Further, the compensation we provide to them are variable and based on the commercial terms and targets agreed upon with each intermediary. There can be no assurance that this external distribution network will consistently bring us a significant number of customers or meet the monthly or similar periodic targets set in their contracts. As at March 31, 2024, we had 1,784 active intermediaries through such external distribution network. The loss of this network or inability to renew the contracts with these intermediaries or non-exclusive nature of their services may have an adverse effect on our business, results of operations, cash flows and financial condition.

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

Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business. The reputation of the financial services industry in general has been closely monitored as a result of the financial crisis and other matters affecting the financial services industry. Negative public opinion about the financial services industry generally or us specifically (including the “Bajaj Finserv” brand name or the “Bajaj” brand) could adversely affect our ability to attract and retain customers, employees, vendors and partners, raise equity capital and borrowings and may expose us to litigation and regulatory action. Negative publicity can result from our actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure 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 organisations in response to that conduct.

27 ***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. Our further inability to realise the loan amount from such properties may adversely affect our business.***

There is no central title registry for real estate/ immovable 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.

The following table sets forth the percentage of our portfolio secured by property as collateral in the last three fiscal years:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Percentage of portfolio secured by property as collateral	97.8%	97.1%	96.6%

Furthermore, although we have procedures in place to identify defects or irregularities in title to the properties which are made collateral to the loans offered by us to our customers, there is no mechanism to verify multiple executions on the same day with different registrars or to verify the legitimacy of such executions. Whenever a customer submits their original agreement to sell, the sale deed or any other title deed, we can only verify, among other things, if the correct stamp duty has been paid, if the agreement to sell or the sale deed has been signed by all parties, if there is a proper seal of registrar and if there is a registration receipt with the customer. We also 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 favour 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. While we have not encountered any instances of defects in the title of our collateral in the past, there can be no assurance that such instances may not arise in the future.

The Government of India established and operationalised the Central Registry of Securitization Asset Reconstruction and Security Interest of India ("**CERSAI**") on March 31, 2011, under the SARFAESI Act to create a central database of all mortgages created by lending institutions. However, the management and maintenance of this database is subject to the accuracy of descriptions of property submitted by borrowers and set out in the relevant property deeds. Although data is required to be updated on the CERSAI portal, potential disputes or claims over title to our mortgaged properties may arise. Moreover, an adverse decision from a court or adjudicating agency may result in additional costs and delays in the realization of any disbursement made by us. Any such disputes, whether resolved in our favour or not, may divert management's attention, harm our reputation, and otherwise disrupt or adversely affect our business, results of operations, cash flows and financial condition.

28 ***Any non-compliance with mandatory anti-money laundering, combating-terrorism financing and know your customer laws could expose us to liability and harm our reputation.***

In accordance with the requirements applicable to our Company, we are mandated to comply with anti-money laundering ("**AML**"), combating-terrorism financing ("**CTF**") and know your customer ("**KYC**") regulations in India. These laws and regulations require us, among other things, to adopt and enforce AML, CTF and KYC policies and procedures. While we have adopted policies and procedures aimed at collecting and maintaining all relevant AML, CTF and KYC related information from our customers in order to detect and prevent the use of our networks for illegal money-laundering and terrorism financing activities, there may be instances where we collected information that may be used by other parties in attempts to engage in money-laundering, terrorism financing and other illegal or improper activities. In addition, a number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA. Pursuant to these provisions, as part of our KYC processes, we are required to collect and report certain information regarding U.S. persons having accounts with us.

While we have not had instances of breach of any applicable AML, CTF or KYC regulations and although we consider that we have adequate internal policies, processes and controls in place to prevent and detect AML activity and ensure KYC compliance (including FATCA compliance), and have taken necessary corrective measures, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions, including imposition of fines and other penalties by the relevant government agencies to whom we report to, including the Financial Intelligence Unit – India. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering, terrorism financing or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

We are required to undertake customer due diligence procedures, including by means of Aadhar number, verification of place of business/ employment or residence, as applicable, in accordance with the Master Direction – Know Your Customer (KYC) Direction, 2016 issued by RBI, as updated from time to time, and verify details with the NHB's caution list, as circulated from time to time. Such information includes representations with respect to the accuracy and completeness of valuation reports and title reports with respect to the property secured, as applicable. We also undertake a valuation of their collateral. Any failure to comply with the applicable laws relating to Aadhar or otherwise may expose us to penalties and regulatory scrutiny which may damage our reputation and lead to loss of customer confidence which could have a material adverse impact on our business, results of operations, cash flows and financial condition.

29 ***There can be no assurance that our growth and financial performance will continue or will sustain at a similar rate or that we will be able to manage our rapid growth and maintain operational efficiencies.***

There can be no assurance that our growth and financial performance will continue or will sustain at a similar rate or that we will be able to manage our growth and maintain operational efficiencies. If we grow our business assets too quickly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing. This would have a negative impact on the quality of our assets, our business, results of operations, cash flows and financial condition. The following table sets forth our CAGR in AUM and profit after tax between the periods indicated:

(₹ in millions, except percentages)

	As at		CAGR
Particulars	**March 31, 2024**	**March 31, 2022**	
AUM	913,704.0	533,217.2	30.9%
Profit after Tax	17,312.2	7,096.2	56.2%

Our strategy is to focus on a profitable and sustainable growth of our AUM by growing our loan book and expanding our customer base. For details on our strategies, please refer to "*Our Business – Business Strategies*" on page 204.

Furthermore, the discontinuation of value-added services, including our partnerships with third-party service providers and our role as a Corporate Agent registered with the Insurance Regulatory and Development Authority of India distributing multiple insurance products, poses a risk to our financial performance. These services currently contribute to our fees and commission income and are primarily driven by the cross-selling of third-party value-added products and insurance policies. The following table sets forth income generated through value added services for the periods indicated:

(₹ in millions, except percentages)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of total income	Amount	% of total income	Amount	% of total income
Income from value added service	784.9	1.0%	398.1	0.7%	408.6	1.1%

Any interruption or termination of these services could adversely affect our fees and commission income and, consequently, our revenue from operations, impacting our financial stability and growth prospects.

30 ***Our investments are subject to market and credit risk. Any decline in value of these investments may have an adverse effect on our business, results of operations, cash flows and financial condition.***

Some of our investments, which primarily include government securities, T-bills, liquid/debt mutual funds and certificates of deposits are subject to market risks. The following table sets forth our total investments, as at the dates indicated:

(₹ in millions)

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Total investments	19,385.7	20,009.1	12,482.7

The value of these investments as well as future investments depend upon several factors beyond our control, including the domestic and international economic and political scenario, volatility in interest rates and securities market, inflationary expectations and the RBI's monetary policies. Further, investment in debt mutual funds and fixed deposits also carry credit risk and any inability of the counterparty in repaying the funds invested in timely manner may adversely affect our business, results of operations, cash flows and financial condition. Any decline in the value of these investments may have an adverse effect on our business, results of operations, cash flows and financial condition.

31 ***Weaknesses, disruptions, failures or infiltrations of our information technology systems could adversely impact our business and results of operations.***

We substantially rely on our information technology ("**IT**") systems in connection with financial and internal controls, risk management and transaction processing, such as our internet and mobile based "digital self-service models" and cloud platforms, which consolidate front, back and mid office processes across our lending verticals. We also introduced e-Agreements, enabling customers to execute loan agreements through Aadhar-based OTP authentication and e-sanction letter systems to offer OTP based authentication for sanction letters to customers eliminating need for physical agreements. Any disruption in these technologies may significantly impact our loan processing capabilities and which may consequently affect our business, results of operations, cash flows and financial condition.

We utilize an integrated IT platform for our third-party dealer network to sell products and onboard customers. For more details, refer to "*Our Business – Information Technology and Analytics*" on page 214. Additionally, our extensive use of automated systems for record keeping increases the risk of control errors and data inaccuracies, which may not be quickly detected or rectified. Pursuant to RBI's Master Direction – Information Technology Framework for the NBFC Sector dated June 8, 2017, we have an IT Strategy Committee focused on implementing security measures. Our implemented security systems are not failproof and cyber incidents may go undetected, potentially causing customer loss and regulatory scrutiny.

We rely on external vendors for certain elements of our operations, such as our cloud and data analytics. Failures or breaches in their systems could lead to significant information loss, legal liabilities, and damage to our reputation and competitive position. Although we have established a geographically remote disaster recovery site to support critical applications, it is possible that the disaster recovery site may also fail, or it may take considerable time to make the system fully operational and achieve complete business resumption using the alternate site. Therefore, in such a scenario, where the primary site is completely unavailable, there may be significant disruption to our operations, which would materially adversely affect our reputation and financial condition in a significant manner. Additionally, vendors in foreign jurisdictions may expose us to compliance risks with international data protection laws, potentially affecting our business operations and financial stability.

While we have not faced incidents of any data breach in the past, there can be no assurance that we will not face such instances in the future. Further, any failure by our vendors to protect any information, or to perform their functions could have a material adverse effect on our business, results of operations, cash flows and financial condition.

32 ***Increasing regulatory focus on personal information protection could adversely affect our business and expose us to increased liability.***

Regulators in various jurisdictions are increasingly scrutinizing how companies collect, process, use, store, share and transmit personal data. This increased scrutiny may result in new interpretations of existing laws, thereby further impacting our business. In India, the Digital Personal Data Protection Act, 2023 ("**Data Protection Act**") has been enacted for implementing organisational and technical measures in processing personal data laying down norms for cross-border transfer of personal data to ensure the accountability of entities processing personal data. The Data Protection Act introduced stricter data protection norms for an entity such as ours and may impact our processes. The Data Protection Act is introduced to maintain the highest level of security and protection for all such information regarding our various customers. The RBI has also issued a circular dated April 6, 2018, on the procedure of storage of payment systems data to ensure that data relating to payment systems that we operate are stored only in India. Any failure, or perceived failure, by us to comply with any applicable regulatory requirements, including but not limited to privacy, data protection, information security, or consumer protection related privacy laws and regulations, could result in proceedings or actions against us by governmental entities or individuals who may subject us to fines, penalties, and/ or judgments which may adversely affect our reputation, business, results of operations, cash flows and financial condition.

Furthermore, despite our efforts to comply with applicable laws, regulations, and other obligations relating to privacy, data protection, and information security, it is possible that our interpretations of the law or practices could be inconsistent with or fail or be alleged to fail to meet all requirements of, such laws, regulations, or contractual obligations.

33 ***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.***

Our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management systems are not automated and are subject to human error. Some of our risk measuring criteria are based on the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures.

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

Additionally, management of operational, legal or regulatory risk requires, among other things, policies and procedures to ensure certain prohibited actions are not taken and to properly record and verify a number of transactions and events. Although we have established such policies and procedures, they may not be fully effective, and we cannot guarantee that our employees will follow these policies and procedures as envisaged in all circumstances. Unexpected shortcomings in these policies and procedures or a failure of our employees to follow them may have a material adverse effect on our business, results of operations, cash flows and financial condition.

Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates, and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. See also *" – If we are unable to control the level of Gross Non-Performing Assets/Stage 3 Assets in our portfolio effectively or if we are unable to maintain adequate provisioning coverage or if there is any change in* *regulatorily-mandated provisioning requirements, our financial condition and results of operations could be adversely affected."* on page 34.

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

34 *We may experience difficulties in expanding our business or pursuing new business opportunities in new regions and markets.*

Our portfolio of products primarily consists of (i) home loans; (ii) loans against property; (iii) lease rental discounting; (iv) developer financing; and (v) others. As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand low-risk retail portfolio across segments. Expanding our current operations can be risky and expensive, and we cannot assure you that we may be successful in meeting the desired cost-efficiencies and any consequent growth in our business.

Our present and future business may be exposed to various additional challenges, including obtaining necessary governmental approvals, compliance with local regulations, identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully marketing our products in markets with which we have no previous familiarity; inadequate or insufficient market research; attracting potential customers in a market in which we do not have significant experience or visibility; attracting and retaining new employees; expanding our technological infrastructure; maintaining standardized systems and procedures; and adapting our marketing strategy and operations to different regions of India in which different languages are spoken, including engagement with local and national DSAs, and other channel partners. To address these challenges, we may have to make significant investments that may not yield the desired results or incur costs that we may not recover. As we enter new markets and regions, we are likely to compete with not only other banks and financial institutions but also 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.

Our development of new products may not yield the intended results and may in turn have an adverse effect on our business, results of operations, cash flows and financial condition. For further details, see "*Our Business – Business Strategies – Diversifying and strengthening market presence with strategic customer focus and comprehensive risk management"* on page 204.

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

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India for carrying out our business. This includes registration with the NHB for carrying out business as an HFC, our legal entity identifier code from Legal Entity Identifier India Limited as well as maintaining licenses under various applicable national and state labour laws in force in India for some of our offices and employees. While we currently possess or have applied for renewals of certain licenses, including shops and establishment licenses for some of our branches, there can be no assurance that the relevant authorities will renew these in the anticipated timeframe, or at all. In addition, we may apply for more approvals. We cannot assure you that we will be able to maintain the conditions required to retain all our licenses.

Moreover, we cannot assure you that approvals and licenses currently held by us would not be suspended or cancelled or withdrawn 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, results of operations, cash flows and financial condition.

36 *We have entered into a number of related party transactions and there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.*

We have entered into transactions with a number of related parties, within the meaning of Indian Accounting Standard 24 as notified by the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended. While we consider that all such transactions have been conducted on an arm's length basis, in accordance with our related party transactions policy, applicable provisions of the Companies Act and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. In Fiscals 2024, 2023 and 2022, our related party transactions amounted to ₹75,099.4 million, ₹48,654.6 million and ₹141,518.1 million, respectively. For further information on our transactions with related parties and any interests in relation to our Promoters, Directors and Key Managerial Personnel, see *"Restated Financial Information – Note 43: Disclosure of transactions with related parties as required by Ind AS 24"* on page 314.

Any transactions with related parties in future may give rise to conflicts of interest with respect to dealings between us and such related parties. Additionally, while no such instance has occurred in the past, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

37 ***We have contingent liabilities and our business, results of operations, cash flows and financial condition may be adversely affected if these contingent liabilities materialize.***

We have contingent liabilities and commitments, which could adversely affect our business and results of operations. As at March 31, 2024, our contingent liabilities in respect of disputed claims against our Company not acknowledged as debts was ₹47.3 million. If this contingent liability materializes, our business, results of operations, cash flows and financial condition may be adversely affected. Moreover, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year, or in the future. For further information, see "*Financial Statements — Restated Financial Information – Note 41: Contingent Liabilities and Commitments"* on page 312.

38 ***Our debt securities are listed on Bombay Stock Exchange, and we are subject to strict regulatory requirements with respect to such listed debt securities. Our inability to comply with or any delay in compliance with such laws and regulations may have an adverse effect on our business, results of operations, cash flows and financial condition.***

Our debt securities are listed on the debt segment of BSE. We are required to comply with various applicable rules and regulations including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI Listing Regulations in terms of our listed debt securities. In the event of non-compliance with such rules and regulations, we may be subject to certain penal actions, *inter alia*, including restrictions on further issuance of securities and freezing of transfer of securities. Our inability to comply with or any delay in compliance with such rules and regulations may have an adverse effect on our business, results of operations, cash flows and financial condition. For instance, BSE observed that our Company had not complied with Regulation 60(2) of the SEBI Listing Regulations for the Fiscal 2023 and imposed a penalty of ₹ 10,000 (excluding taxes), which was subsequently paid off by our Company. For further details of our debt securities, see *"Financial Statements – Restated Financial Information – Note 16: Debt Securities"* on page 300.

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 business, results of operations, cash flows and financial condition.***

As at March 31, 2024, our entire fixed assets are insured. We have, among others, building insurance, employee fidelity insurance, stamp paper transit insurance, cash insurance, asset insurance and car insurance. In addition, we also maintain a directors and officers liability insurance policy. We consider that our insurance coverage is commensurate with, and appropriate to, our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. Even if we have insurance for the incident giving rise to the loss, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. However, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time.

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. In addition, there are various types of risks and losses for which we do not maintain insurance because they are either uninsurable or because insurance is not available to us on acceptable terms. While we have not faced any instances of claims not being covered by our existing insurance coverage in the past we cannot assure you that that we will not face such situations in the future, which could adversely affect our business, results of operations, cash flows and financial condition. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, results of operations, cash flows and financial condition.

Further, our management information systems and internal control procedures may not be able to identify non-compliance or suspicious transactions in a timely manner, or at all. Where internal control weaknesses are identified, our actions may not be sufficient to fully correct such weaknesses. As a result, we may incur expenses or suffer monetary losses, which may not be covered by our insurance policies and may result in a material adverse effect on our reputation, business, results of operations, cash flows and financial condition. The table below sets forth our Company's insurance coverage as at the dates indicated:

Particulars*	Date	Amount of insurance coverage (in ₹ million)*	Net Value of Assets** (in ₹ million)*	Percentage of insurance coverage to Net Value of Assets (in %)*
Tangible Insured Assets(1)	As at March 31, 2024	496.9	496.9	100
Tangible Uninsured Assets(2)		NIL	NIL	-
Total Assets		**496.9**	**496.9**	**-**
Tangible Insured Assets(1)	As at March 31, 2023	447.5	447.5	100
Tangible Uninsured Assets(2)		NIL	NIL	-
Total Assets		**447.5**	**447.5**	**-**
Tangible Insured Assets(1)	As at March 31, 2022	418.8	418.8	100
Tangible Uninsured Assets(2)		NIL	NIL	-
Total Assets		**418.8**	**418.8**	**-**

** As certified by the Statutory Auditors of our Company, pursuant to the certificate dated June 7, 2024.*
*** Net value of assets represents Property, Plant and Equipment excluding Right of Use – buildings i.e. premises on rent not owned by the company accounted for as per 'IND AS 116 -Leases'.*
(1)Tangible Insured Assets – Building, Computers, Furniture and fixtures, Lease hold improvements, Vehicles and Office equipment
(2)Tangible Uninsured Assets – NIL

40 ***Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us and paid for by us for such purpose.***

We have used the report titled "*Analysis of Housing Finance Market*" dated June 2024 by CRISIL appointed on May 6, 2024 for purposes of inclusion of such information in this Draft Red Herring Prospectus, and exclusively commissioned by our Company for purposes of inclusion of such information in the Draft Red Herring Prospectus at an agreed fee to be paid by our Company. The information is subject to various limitations, highlights certain industry and market data relating to us and our competitors which may not be based on any standard methodology and is based upon certain assumptions that are subjective in nature. Our Company, our Promoters and Directors are not related to CRISIL. There are no parts, data or information (which may be relevant for the proposed issue), that has been materially left out or changed in any manner. Accordingly, investors should read the industry related disclosures in this Draft Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information. Also see, "*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data*" on page 19.

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

Certain non-GAAP financial measures and certain other statistical information, including Net Interest Margin, Net Interest Income, Cost of Funds, Net Interest Income to Average Loans, Operating Expenses to Net Total Income, Average Borrowings, as well as certain other metrics based on or derived from those non-GAAP financial measures, relating to our operations and financial performance have been included in this section and elsewhere in this Draft Red Herring Prospectus. For further details, see "*Selected Statistical Information – Reconciliation of GAAP to Non-GAAP Financial Information*" on page 269. These non-GAAP financial measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows. 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, these non-GAAP financial measures and other statistical and other information relating to our operations and financial performance are not standardised terms, may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks, NBFCs, HFCs, and financial institutions in India or elsewhere, limiting their usefulness as a comparative measure.

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

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

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

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

43 ***We do not own all our branch offices. Any termination or failure by us to renew the lease agreements in a favourable and timely manner, or at all, could adversely affect our business, results of operations, cash flows and financial condition. Moreover, many of the lease agreements entered into by us may not be duly registered or adequately stamped.***

To support our offerings, we had a network of 215 branches as at March 31, 2024, spread across 20 states and three union territories. Most of these branch offices are located on leased premises. For further details, see "*Our Business – Properties*" on page 215. The lease agreements can be terminated, and any such termination could result in any of our offices being shifted or shut down. Some of the lease agreements may have expired in the ordinary course of business and we are currently involved in negotiations for the renewal of these lease agreements. While we have not faced major issues renewing the leases of our offices in the past, if these lease agreements are not renewed or not renewed on terms favorable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business and results of operations. Further, some of our lease agreements may not be adequately stamped or duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on our business, results of operations, cash flows and financial condition.

44 ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures, restrictive covenants of our financing arrangements and compliance with applicable laws.***

Being an unlisted company and wholly owned subsidiary of Bajaj Finance Limited, we have not declared any dividends in the past and our ability to pay dividends in the future will depend on profits earned during the financial year, capital adequacy ratio, future capital requirements, working capital requirements, capital expenditure, regulatory restrictions 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, profits earned during the financial year, capital adequacy ratio, future capital requirements, and any other factors and material events which the Board may consider. Additionally, our ability to pay dividends may also be restricted by regulatory restriction and the terms of financing arrangements that we may enter. For further details, see "*Dividend Policy*" on page 257.

Furthermore, no dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020 and, accordingly, such dividends would not be exempt in the hands of the Shareholders both for residents as well as non-residents. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

45 ***Significant or adverse changes by the Government, Reserve Bank of India or National Housing Bank in their policy initiatives facilitating the provision of housing and housing finance or any change in the tax incentives that the Government currently provides to housing finance companies may have an adverse effect on our business, results of operations and financial condition.***

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

On February 17, 2021, RBI issued the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("**RBI Master Directions**") in supersession of, *inter alia*, 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, 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.

The Government of India provides certain incentives and implemented various policies/regulations to encourage providing credit to the housing industry. In addition, the RBI provides certain incentives to the housing finance industry by extending priority sector status to certain housing loans. However, we cannot assure you that the Government, the RBI and the NHB will continue to provide such incentives in the future. Further, pursuant to Section 36(1)(viii) of the (Indian) Income Tax Act, 1961 (the "**Income Tax Act**"), up to 20% of profits from housing finance activities may be carried to a special reserve and will not be subject to income tax. The balance of our special reserve as at March 31, 2024 was ₹5,254.0 million.

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

46 ***Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders' approval. Further, our funding requirements and deployment of the Net Proceeds of the Offer are based on management estimates and have not been independently appraised. Our management will have broad discretion over the use of the Net Proceeds.***

We propose to utilise the Net Proceeds towards augmenting our capital base to meet future business requirements of our Company towards onward lending. For further information of the proposed objects of the Offer, see "*Objects of the Offer*" on page 96. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. Further, while our Company will receive proceeds from the Fresh Issue, it will not receive any proceeds from the Offer for Sale. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain shareholders' approval in a timely manner, or at all. Any delay or inability to obtain such shareholders' approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and in such manner as prescribed by SEBI. Additionally, the requirement on our Promoters to provide an exit opportunity to such dissenting Shareholders may deter our Promoters from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interests of our Company. Further, our Promoters may not have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of the objects of the Offer to use any unutilised proceeds of the Offer, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in the interests of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

Subject to compliance with requirements under the Companies Act and the SEBI ICDR Regulations, our planned use of the proceeds of the Offer may change. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions or our business strategy. Further, our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control such as interest or exchange rate fluctuations, among others. The deployment of the Net Proceeds will be at the discretion of our Board, subject to applicable laws and regulations. However, the deployment of the Net Proceeds will be monitored by the Monitoring Agency. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of the Net Proceeds. For details, see "*Objects of the Offer*" on page 96.

47 ***A portion of the proceeds from this Offer 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 will be remitted to the Promoter Selling Shareholder and our Company will not benefit from such proceeds. For details in relation to the Offer, see "*The Offer*" and "*Objects of the Offer*" on pages 68 and 96, respectively.

EXTERNAL RISK FACTORS

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

We operate in a highly competitive industry and compete with banks, HFCs, small finance banks and NBFCs in 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. Our competitors may also have access to more leads sourced from online channels and intermediaries. This may make it easier for our 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 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 debt funding, 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 as it can result in early foreclosure or prepayment by customers. 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, results of operations, cash flows and financial condition may be adversely affected.

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

According to the CRISIL Report, the overall housing segment is expected to grow at a CAGR of 13-15% from Fiscal 2023 to 2027 and the Government of India has been pursuing various social welfare schemes and initiatives to enhance the flow of credit to the housing sector and increase home ownership in India. However, it is not clear how certain trends and events, such as 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. As our underlying collateral is residential and commercial property which depends on the real estate market performance and 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.

50 ***Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, cash flows and financial condition.***

We are incorporated in India and all of our business operations and assets are located in India. As a result, our results of operations and financial condition are significantly affected by factors influencing the Indian economy, which would include any downturn in the global economy or financial instability in other countries. Any slowdown in economic growth in India could adversely affect us, including our ability to grow our business operations and financial asset portfolio, the quality of our assets and our ability to implement our strategy. Factors that may adversely impact the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in the states that we operate or in India or in countries in the region or globally, including in India's various neighbouring countries, such as conflict between Ukraine and Russia and the Israel-Hamas war;
- 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;
- communication challenges;
- occurrence of natural or man-made disasters or outbreak of an infectious diseases, such as COVID-19 or any other force majeure events;
- prevailing income conditions among Indian customers and Indian corporations;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- any downgrading of India's debt rating by a domestic or international rating agency.

Furthermore, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby, our business, results of operations, cash flows and financial condition.

51 ***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 price of the Equity Shares.

52 ***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.

53 ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may materially adversely affect our business, results of operations, cash flows and financial condition.***

The regulatory environment in which we operate is evolving and is subject to change. Governmental and regulatory bodies in India and other countries may enact new regulations or policies, which may require us to obtain approvals and licenses from applicable governments and other regulatory bodies or impose onerous requirements and conditions on our operations. Consequently, our business and financial performance could be materially 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.

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

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

The Income Tax Act was amended vide the Taxation Laws (Amendment) Ordinance, 2019 on September 20, 2019 to provide domestic companies an option to pay corporate income tax at the effective rate of approximately 25.17% (inclusive of applicable surcharge and health and education cess), as compared to effective rate of 34.94% (inclusive of applicable surcharge and health and education cess), provided such companies do not claim certain specified deductions or exemptions. Further, where a company has opted to pay the reduced corporate tax rate, the minimum alternate tax provisions would not be applicable. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities, tribunals or courts would have an effect on our profitability.

Further, with the implementation of GST, we are obligated to pass on any benefits accruing to us as result of the transition to GST to the consumer thereby limiting our benefits. In order for us to utilise input credit under GST, the entire value chain has to be GST compliant, including us. Any such failure may result in increased cost on account of non-compliance with the GST and may adversely affect our business and results of operations.

Further, the GoI has notified the Finance Act, 2024 ("**Finance Act**") which has introduced various amendments to the Income Tax Act. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

We are subject to various labour laws and regulations governing our relationships with our employees and contractors, including in relation to minimum wages, working hours, overtime, working conditions, hiring and terminating the contracts of employees and contractors, contract labour and work permits. A change of law that requires us to increase the benefits to the employees from the benefits now being provided may create potentially liability for us. Such benefits could also include provisions which reduce the number of hours an employee may work for or increase in number of mandatory casual leaves, which all can affect the productivity of the employees. Moreover, a change of law that requires us to treat and extend benefits to our outsourced personnel, and personnel retained on a contractual basis, similar to our full-time employees may create potential liability for us. If we fail to comply with current and future health and safety and labour laws and regulations at all times, including obtaining relevant statutory and regulatory approvals, this could materially and adversely affect our business, results of operations, cash flows and financial condition.

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

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, results of operations, cash flows and financial condition.

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

Our Company, as a HFC, are subject to the risks faced by the Indian financial system as a whole, which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which may be referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we have lasting relationships and who may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. 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 hence, could adversely affect our business. Systemic risk could lead to volatility in the Indian debt and equity markets and heighten investors' concerns about the systemic risks that Indian financial institutions face, which could adversely affect our business, results of operations, cash flows and financial condition. A number of Indian financial institutions have faced financial difficulties.

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

Our Company is incorporated under the laws of India. Our Company's assets are located in India and all of our Company's Directors, Key Managerial Personnel and Senior Management Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. 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. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under the FEMA to repatriate any amount recovered, and such approval may not be forthcoming. The recognition and enforcement of foreign judgments in India are governed by Sections 13 and 44A of Code of Civil Procedure, 1908 ("**Civil Code**"), which provide that a suit must be brought in India within three years of the date of the judgment sought to be enforced. Generally, there are considerable delays in the disposal of suits by Indian courts. Furthermore, enforcement of foreign arbitral awards is governed under Sections 48, 49, 55 and 57 of the Arbitration and Conciliation Act, 1996. However, the courts may refuse to enforce such awards if the courts find that the subject matter of the dispute is not capable of being settled under the laws of India or if the enforcement would be contrary to the public policy of India.

57 ***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 Draft Red Herring Prospectus have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft 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. Accordingly, the degree to which the Ind AS financial statements, which are restated as per the SEBI ICDR Regulations included in this Draft 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 Draft Red Herring Prospectus should be limited accordingly.

58 ***Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business, results of operations, cash flows and financial condition.***

Natural disasters (such as flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our properties and may require us to suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or other countries could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. Future outbreaks of the COVID-19 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business, results of operations, cash flows and financial condition and the trading price of the Equity Shares.

The short and long-term implications of Russia's invasion of Ukraine, the Israel-Hamas war and the Iran-Israel conflict are difficult to predict at this time. To date, we have not experienced any material interruptions in our business operations in connection with these conflicts. We continue to monitor any adverse impact that the outbreak of war in Ukraine, the subsequent institution of sanctions against Russia by the United States and several European and Asian countries, and the Israel-Hamas war or the Iran-Israel conflict may have on the global economy in general, on our business and operations our customers and other third parties with whom we conduct business. To the extent the wars in Ukraine or Israel or the conflict between Iran and Israel may adversely affect our business as discussed above, it may also have the effect of heightening many of the other risks described herein.

59 ***We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business, results of operations, cash flows and financial condition.***

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

On April 11, 2023, the Competition (Amendment) Bill 2023 received the assent of the President of India to become the Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") amending the Competition Act and giving the CCI additional powers to prevent practices that harm competition and the interests of consumers. It has been enacted to increase the ease of doing business in India and enhance transparency. The Competition Amendment Act, *inter alia,* modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered by us could be within the purview of the Competition Act. Further, the CCI has extraterritorial powers and can investigate any agreements, abusive conduct, or combination occurring outside India if such agreement, conduct, or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered by us cannot be predicted with certainty at this stage. We may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and financial condition.

RISKS RELATING TO THE EQUITY SHARES AND THE ISSUE

60 ***The average cost of acquisition of Equity Shares for our Promoter Selling Shareholder may be lower than the Offer Price.***

The average cost of acquisition of the Promoter Selling Shareholder for 7,819,575,273 Equity Shares is ₹ 12.2, which may be lower than the Offer Price. For details, see "*Basis for Offer Price*" and "*Capital Structure*" on pages 102 and 83, 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.

61 ***Our Company has issued Equity Shares during the preceding one year at a price that may be below the Offer Price.***

In the preceding one year from the date of this Draft Red Herring Prospectus, our Company has issued Equity Shares at a price that may be lower than the Offer Price. For details of the issued Equity Shares in the preceding one year from the date of this Draft Red Herring Prospectus, see "*Capital Structure – Notes* *to Capital Structure – 1. Equity Share capital history of our Company – Primary issuances of Equity Shares*" on page 84. The price at which Equity Shares have been issued by our Company in the preceding one year is not indicative of the price at which they will be issued or traded after listing.

62 ***The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Managers is below their respective issue prices.***

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" on page 102 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. 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. For further details, see "*Basis for Offer Price*" on page 102.

Further, there can be no assurance that our key performance indicators ("**KPIs**") shall 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 Draft Red Herring Prospectus.

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 our Promoters and other major shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Further, we cannot assure you that the disposal of the Equity Shares in the future, if any, by our Promoters or other major shareholders will not be at a price higher than the Offer Price.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*" on page 405. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance, results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

63 ***Subsequent to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure and Graded Surveillance Measures by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and the Stock Exchanges, in the past, have introduced various pre-emptive surveillance measures with respect to the shares of listed companies in India (the "**Listed Securities**") in order to enhance market integrity, safeguard the interests of investors and potential market abuses. In addition to various surveillance measures already implemented, and in order to further safeguard the interest of investors, the SEBI and the Stock Exchanges have introduced additional surveillance measures ("**ASM**") and graded surveillance measures ("**GSM**").

ASM is conducted by the Stock Exchanges on Listed Securities with surveillance concerns based on certain objective parameters such as price-to-earnings ratio, percentage of delivery, client concentration, variation in volume of shares and volatility of shares, among other things. GSM is conducted by the Stock Exchanges on Listed Securities where their price quoted on the Stock Exchanges is not commensurate with, among other things, the financial performance and financial condition measures such as earnings, book value, fixed assets, net-worth, other measures such as price-to-earnings multiple and market capitalisation.

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, and low trading volumes 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, limiting trading frequency 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. Any such instance may result in a loss of our reputation and diversion of our management's attention and may also decrease the market price of our Equity Shares which could cause you to lose some or all of your investment.

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

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law, including in relation to class actions, may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

65 ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares and dividends paid on the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied on equity shares sold on an Indian stock exchange. Any capital gain exceeding ₹100,000, realized on the sale of listed equity shares on a recognised stock exchange, held for more than 12 months may be subject to long-term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess). This beneficial provision is, *inter alia*, subject to payment of STT on both acquisition and sale of the equity shares. Further any capital gain realised on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess), without indexation benefits.

Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less immediately preceding the date of transfer, will be subject to short-term capital gains tax in India at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain realised upon the sale of the Equity Shares.

The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

Any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares. Unfavourable 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.

66 ***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 taken for such conversion and repatriation transaction charges incurred, if any, may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, 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 Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially 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.

67 ***Our Company's Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Offer, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile may not be indicative of the market price of the Equity Shares after the Offer and you may be unable to resell your Equity Shares at or above the Offer Price or at all.***

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book building process and may not be indicative of the market price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter. 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 Draft Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- 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.

Furthermore, a decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment. Significant events affecting listed companies within the Bajaj group could lead to volatility in their share prices. Such fluctuations may also impact the valuation of our Company, reflecting in our share price performance.

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

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately two Working Days from the Bid/Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within three Working Days of the Bid/Offer Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

69 ***Any future issuance of Equity Shares or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or disposal of our Equity Shares by the Promoters or any of our other principal shareholders or any other change in our shareholding structure to comply with minimum public shareholding norms applicable to listed companies in India or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that our existing shareholders including our Promoters 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.

70 ***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 currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. 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.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. 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 or at all.

For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 451.

71 ***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.

72 ***Qualified Institutional Buyers 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, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, Qualified Institutional Buyers ("**QIBs**") and Non-Institutional Investors are required to block the Bid amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and/or withdraw their Bids until the Bid/Offer Closing date, but not thereafter. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within three Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' 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 operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing. Therefore, QIBs and Non-Institutional Investors will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise between the dates of submission of their Bids and Allotment.

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

Under the Companies Act, 2013 a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. However, if the laws of the jurisdiction the investors are located in does not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

74 ***A third-party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Offer. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of SEBI Takeover Regulations.

SECTION III: INTRODUCTION

THE OFFER

The following table summarises the Offer details:

Offer of Equity Shares of face value of ₹10 each#(1)(2)	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹70,000.0 million
of which:	
(i) Fresh Issue(1)	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹40,000.0 million
(ii) Offer for Sale(2)	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹30,000.0 million
Including	
Employee Reservation Portion(3)	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ [●] million
Shareholders Reservation Portion(8)	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ [●] million
Accordingly	
Net Offer	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹[●] million
The Net Offer consists of:	
A) QIB Portion(4)(5)	Not more than [●] Equity Shares of face value of ₹10 each aggregating up to ₹[●] million
of which:	
Anchor Investor Portion(6)	Up to [●] Equity Shares of face value of ₹10 each
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares of face value of ₹10 each
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)(5)	[●] Equity Shares of face value of ₹10 each
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares of face value of ₹10 each
B) Non-Institutional Portion(4)(7)	Not less than [●] Equity Shares of face value of ₹10 each aggregating up to ₹[●] million
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 of face value of ₹10 each
Two-thirds of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1,000,000	[●] Equity Shares of face value of ₹10 each
C) Retail Portion(4)	Not less than [●] Equity Shares of face value of ₹10 each aggregating up to ₹[●] million
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	7,819,575,273 Equity Shares of face value of ₹10 each
Equity Shares outstanding after the Offer	[●] Equity Shares of face value of ₹10 each
Use of proceeds of the Offer	See "*Objects of the Offer*" on page 96 for details regarding the use of Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

\# *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

(1) The Offer has been authorised by our Board pursuant to the resolution passed at its meeting held on June 6, 2024 and our Shareholders have authorised the Fresh Issue pursuant to a special resolution passed at their meeting held on June 6, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholder pursuant to its resolution dated June 7, 2024.

(2) The Promoter Selling Shareholder has confirmed and authorized its participation in the Offer for Sale in relation to the Offered Shares. The Promoter Selling Shareholder confirms that the Offered Shares has been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations or are otherwise eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. The details of such authorisation are provided below:

Name of the Selling Shareholder	*Aggregate proceeds from Offer for Sale*	*Maximum number of Offered Shares*	*Date of board resolution/ authorisation*	*Date of consent letter*
Promoter Selling Shareholder				
Bajaj Finance Limited	*Up to ₹30,000.0 million*	*Up to [●] Equity Shares of face value of ₹10 each*	*June 7, 2024*	*June 7, 2024*

(3) The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer. For further details, see "Offer Structure" on page 425. Unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee Bidding in the Employee Reservation Portion shall not exceed ₹200,000. 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, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after such allocation up to ₹500,000), shall be added to the Net Offer. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits.

(4) 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 Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws.

(5) Our Company, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. 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. In the event of under-subscription or non-Allotment 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 [●] Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 430. Allocation to all categories shall be made in accordance with the SEBI ICDR Regulations.

(6) Allocation to Bidders in all categories except the Anchor Investor Portion, the Non-Institutional 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, as applicable. The allocation to each RIB 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 proportionate basis. For further details, see "Offer Procedure" on page 430.

(7) The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹200,000 and up to ₹1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment 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 allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

(8) The Shareholders Reservation Portion shall not exceed [●]% of the post-Issue paid-up Equity Share capital, and in accordance with the SEBI ICDR Regulations shall not exceed 10% of the size of the Offer.

Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see "*Offer Procedure*" and "*Offer Structure*" on pages 430 and 425, respectively. For details of the terms of the Offer, see "*Terms of the Offer*" on page 418.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Restated Financial Information for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022. The summary financial information presented below should be read in conjunction with "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 273 and 349, respectively.

(The remainder of this page has intentionally been left blank)

SUMMARY OF RESTATED BALANCE SHEET

(₹ in million)

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	638.6	938.8	4,070.3
Bank balance other than cash and cash equivalents	1.5	149.9	1.4
Derivative financial instruments	116.6	13.7	-
Receivables			
Trade receivables	133.6	15.9	18.7
Other receivables	-	3.6	0.1
Loans	793,007.5	621,138.9	464,820.7
Investments	19,385.7	20,009.1	12,482.7
Other financial assets	2,840.7	3,019.4	2,539.3
Total financial assets	**816,124.2**	**645,289.3**	**483,933.2**
Non-financial assets			
Current tax assets (net)	310.9	39.7	90.8
Deferred tax assets (net)	509.4	-	155.8
Property, plant and equipment	875.0	849.2	780.9
Intangible assets under development	8.7	3.1	14.6
Other intangible assets	353.6	280.7	191.1
Other non-financial assets	89.1	79.4	104.4
Total non-financial assets	**2,146.7**	**1,252.1**	**1,337.6**
Total assets	**818,270.9**	**646,541.4**	**485,270.8**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	8.3	-	-
Payables			
Trade Payables			
Total outstanding dues to micro enterprises and small enterprises	-	-	1.8
Total outstanding dues to creditors other than micro enterprises and small enterprises	576.1	459.3	362.3
Other payables			
Total outstanding dues to micro enterprises and small enterprises	-	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	827.5	730.4	381.7
Debt securities	266,453.3	199,149.2	164,891.5
Borrowings (other than debt securities)	422,997.3	336,547.0	244,931.7
Deposits	1,842.6	1,757.7	5,100.0
Other financial liabilities	2,341.4	2,116.2	1,744.2
Total financial liabilities	**695,046.5**	**540,759.8**	**417,413.2**
Non-financial liabilities			
Current tax liabilities (net)	259.3	161.7	200.6
Provisions	356.4	156.3	40.5
Deferred tax liabilities (net)	-	282.7	-
Other non-financial liabilities	273.7	149.0	202.9
Total non-financial liabilities	**889.4**	**749.7**	**444.0**
EQUITY			
Equity share capital	67,121.6	67,121.6	48,833.3
Other equity	55,213.4	37,910.3	18,580.3
Total equity	**122,335.0**	**105,031.9**	**67,413.6**
Total liabilities and equity	**818,270.9**	**646,541.4**	**485,270.8**

SUMMARY OF RESTATED STATEMENT OF PROFIT AND LOSS

(₹ in millions except otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operations			
Interest income	72,023.6	52,692.4	34,817.5
Fees and commission income	1,382.3	862.2	818.5
Net gain on fair value changes	1,332.0	1,120.4	589.7
Sale of services	524.8	502.9	1,420.2
Income on derecognised (assigned) loans	530.8	1,348.0	-
Other operating income	379.6	121.4	21.2
Total revenue from operations	**76,173.1**	**56,647.3**	**37,667.1**
Other income	4.0	7.1	4.2
Total income	**76,177.1**	**56,654.4**	**37,671.3**
Expenses			
Finance costs	46,926.1	32,113.2	21,553.1
Fees and commission expense	117.1	140.3	46.8
Impairment on financial instruments	608.8	1,235.0	1,810.7
Employee benefits expense	4,656.3	4,351.4	3,489.4
Depreciation and amortisation	396.0	334.0	257.6
Other expenses	1,859.6	1,479.9	915.1
Total expenses	**54,563.9**	**39,653.8**	**28,072.7**
Profit before tax	**21,613.2**	**17,000.6**	**9,598.6**
Tax expense			
Current tax	5,090.0	3,998.0	2,504.0
Deferred tax charge / (credit)	(789.0)	424.6	(1.6)
Total tax expense	**4,301.0**	**4,422.6**	**2,502.4**
Profit after tax	**17,312.2**	**12,578.0**	**7,096.2**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans	(19.3)	55.4	(6.4)
Income tax impact on above	4.9	(13.9)	1.6
Items that will be reclassified to profit or loss			
Re-measurement gains / (losses) on investment measured at FVOCI	7.1	-	-
Income tax impact on above	(1.8)	-	-
Other comprehensive income for the year (net of tax)	**(9.1)**	**41.5**	**(4.8)**
Total comprehensive income for the year	**17,303.1**	**12,619.5**	**7,091.4**
Earnings per equity share (face value of ₹ 10 each)			
Basic (₹)	2.6	1.9	1.5
Diluted (₹)	2.6	1.9	1.5

SUMMARY OF RESTATED STATEMENT OF CASH FLOWS

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities			
Profit before tax	**21,613.2**	**17,000.6**	**9,598.6**
Adjustments for:			
Interest income	(72,023.6)	(52,692.4)	(34,817.5)
Depreciation and amortisation	396.0	334.0	257.6
Impairment on financial instruments	608.8	1,235.0	1,810.7
Provision no longer required written back	-	-	(0.5)
Finance costs	46,926.1	32,113.2	21,553.1
Net loss on disposal of property, plant and equipment	7.7	7.0	4.8
Service fees for management of assigned portfolio of loans	(371.1)	(224.9)	(1,125.3)
Income on derecognised (assigned) loans	(530.8)	(1,348.0)	-
Net gain on financial instruments measured at FVTPL	(1,332.0)	(1,120.4)	(589.7)
	(4,705.7)	**(4,695.9)**	**(3,308.2)**
Cash inflow from interest on loans	68,865.7	50,405.0	34,760.5
Cash inflow from receivables on assignment of loans	1,027.2	1,046.4	571.3
Cash outflow towards finance cost	(44,567.7)	(31,036.2)	(25,025.9)
Cash generated from operation before working capital changes	**20,619.5**	**15,719.3**	**6,997.7**
Working capital changes:			
(Increase) / decrease in Bank balances other than cash and cash equivalents	148.4	(148.5)	2,498.9
(Increase) / decrease in trade receivables	(118.1)	2.7	37.2
(Increase) / decrease in other receivables	3.6	(3.5)	0.1
(Increase) in loans	(170,472.7)	(155,849.8)	(132,566.5)
Decrease in other financial assets	40.1	39.6	155.1
(Increase) / decrease in other non-financial assets	(10.0)	15.5	33.2
Increase in trade payables	116.8	95.2	155.6
Increase in other payables	97.1	348.7	168.9
Increase in other financial liabilities	252.3	331.6	149.5
Increase in provisions	180.8	171.2	11.2
Increase / (decrease) in other non-financial liabilities	124.7	(53.9)	(22.7)
	(149,017.5)	**(139,331.9)**	**(122,381.8)**
Income taxes paid (net of refunds)	(5,263.6)	(3,985.8)	(2,423.5)
Net cash (used in) operating activities (I)	**(154,281.1)**	**(143,317.7)**	**(124,805.3)**
Cash flows from investing activities			
Purchase of property, plant and equipment	(256.2)	(203.7)	(184.1)
Sale of property, plant and equipment	33.0	38.7	16.3
Purchase of intangible assets and intangible assets under development	(173.8)	(134.3)	(107.1)
Purchase of investments measured under FVTPL	(365,675.5)	(430,358.6)	(331,338.0)
Sale of investments measured under FVTPL	373,008.9	424,080.9	348,318.8
Purchase of investments measured under amortised cost	(61,396.7)	-	(49,000.0)
Sale of investments measured under amortised cost	61,396.7	-	54,000.0
Purchase of investments measured under FVOCI	(5,149.6)	-	-
Interest received on investments	946.3	462.6	267.3
Net cash generated from / (used in) investing activities (II)	**2,733.1**	**(6,114.4)**	**21,973.2**
Cash flows from financing activities			
Issue of equity share capital (including securities premium)	-	24,998.8	-
Proceeds from long term borrowings	239,871.2	266,572.2	155,974.0
Repayments towards long term borrowings	(118,178.7)	(107,374.2)	(69,233.9)
Short term borrowings (net)	29,613.3	(34,351.1)	10,549.9
Deposits (other than public deposits) (net)	80.5	(3,406.8)	5,100.0
Payment of lease liability	(138.5)	(138.3)	(105.4)
Net cash generated from financing activities (III)	**151,247.8**	**146,300.6**	**102,284.6**
Net decrease in cash and cash equivalents (I+II+III)	**(300.2)**	**(3,131.5)**	**(547.5)**
Cash and cash equivalents at the beginning of the year	938.8	4,070.3	4,617.8
Cash and cash equivalents at the end of the year	**638.6**	**938.8**	**4,070.3**
Cash and cash equivalents comprises of:			
Cash on hand	-	-	-
Balances with banks:			
In current accounts	638.6	938.8	1,563.5
Fixed Deposit (with original maturity of 3 months or less)	-	-	2,506.8
Total	**638.6**	**938.8**	**4,070.3**

GENERAL INFORMATION

Corporate Identity Number: U65910PN2008PLC132228

Company Registration Number: 132228

Registered Office of our Company

Bajaj Auto Limited Complex
Mumbai - Pune Road, Akurdi
Pune 411 035
Maharashtra, India

Corporate Office of our Company

5th Floor, B2 Cerebrum IT Park
Kumar City, Kalyani Nagar
Pune 411 014
Maharashtra, India

Address of the RoC

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

Registrar of Companies, Maharashtra at Pune

PCNTDA Green Building, Block A
1st & 2nd Floor
Near Akurdi Railway Station, Akurdi
Pune 411 044
Maharashtra, India

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus shall be uploaded on the SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI master circular SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. It will also be filed with the SEBI at:

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex, Bandra (E)
Mumbai 400 051
Maharashtra, India

The Red Herring Prospectus and the Prospectus will be filed with the RoC in accordance with Section 32 read with Section 26 of the Companies Act, along with the material contracts and documents referred to in each of the Red Herring Prospectus and the Prospectus, respectively, through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Board of Directors of our Company

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

Name	Designation	DIN	Address
Sanjivnayan Bajaj	Chairman and Non-Executive Director	00014615	Plot No. 59, Lane No. 3, Koregaon Park, Pune City, Pune 411 001, Maharashtra, India
Rajeev Jain	Vice Chairman and Non-Executive Director	01550158	Flat No. D-2, Ivy Glen, Marigold Premises, Kalyani Nagar, Pune 411 014, Maharashtra, India
Anami Narayan Roy	Independent Director	01361110	62, Sagar Tarang, Khan Abdul Gaffar Khan Road, Worli Seaface, Worli, Mumbai 400 030, Maharashtra, India
Dr. Arindam Kumar Bhattacharya	Independent Director	01570746	L1/4, Third Floor, Hauz Khas Enclave, New Delhi 110 016, South West Delhi, Delhi, India
Jasmine Arish Chaney	Independent Director	07082359	Flat No. 08, Waters Apartment, Tara Baug Lane, 65, Ghorpadi Sopan Baug, Ghorpuri Bazar, Pune City, Pune 411 001, Maharashtra, India

Name	Designation	DIN	Address
Atul Jain	Managing Director	09561712	Flat No. 1402, 14th Floor, 212 River Walk, C Lane, Kalyani Nagar, Yerwada Plot No. 59, Pune City, Pune 411 006, Maharashtra, India

For further details of our Directors, see "*Our Management*" beginning on page 232.

Our Company Secretary and Compliance Officer

Atul Patni is our Company Secretary and Compliance Officer. His contact details are as set forth below:

5th Floor, B2 Cerebrum IT Park
Kumar City, Kalyani Nagar
Pune 411 014
Maharashtra, India
Tel: 020 71878060
E-mail: bhflinvestor.service@bajajfinserv.in

Joint Statutory Auditors to our Company

G.D. Apte & Co. Chartered Accountants
GDA House, Plot No. 85
Right Bhusari Colony Paud Road
Pune 411 038
Maharashtra, India
Tel: +91 90110 28078
E-mail: umesh.abhyankar@gdaca.com
Peer Review Number: 015904
Firm Registration Number: 100515W

Khandelwal Jain & Co. Chartered Accountants
12-B, Baldota Bhavan, 5th Floor,
Maharashi Karve Road, Churchgate
Mumbai 400 020
Maharashtra, India
Tel: +91 98200 00067
E-mail: shailesh@kjco.net
Peer Review Number: 014497
Firm Registration Number: 105049W

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 Draft Red Herring Prospectus:

Particulars	Date of change	Reasons for change
G.D. Apte & Co. Chartered Accountants GDA House, Plot No. 85, Right Bhusari Colony Paud Road, Pune 411 038, Maharashtra, India **Tel:** +91 90110 28078 **E-mail:** umesh.abhyankar@gdaca.com **Peer Review Number:** 015904 **Firm Registration Number:** 100515W	November 16, 2021	Appointment as Statutory Auditors
Khandelwal Jain & Co. Chartered Accountants 12-B, Baldota Bhavan, 5th Floor, 117, Maharshi Karve Road, Churchgate, Mumbai 400 020, Maharashtra, India **Tel:** +91 98200 00067 **E-mail:** shailesh@kjco.net **Peer Review Number:** 014497 **Firm Registration Number:** 105049W	November 16, 2021	Appointment as Statutory Auditors
SRBC & Co LLP, Chartered Accountants Ground Floor, Panchshil Tech Park, Near Don Bosco School, Yerwada, Pune 411 006, Maharashtra, India **Tel:** 020 6603 6000 **E-mail:** srbcco@srb.in **Peer Review Number:** 012054 **Firm Registration Number:** 324982E/E300003	November 13, 2021	Resignation as statutory auditor of our Company Pursuant to 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, entities with asset size of ₹15,000 crores and above are required to have a statutory audit conducted by joint audit of a minimum of two audit firms.

Book Running Lead Managers

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: bhfl.ipo@kotak.com
Website: https://investmentbank.kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Contact Person: Ganesh Rane
SEBI Registration Number: INM000008704

BofA Securities India Limited
Ground Floor, A Wing, One BKC
"G" Block, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 6632 8000
E-mail: dg.bajaj_housing_finance_ipo@bofa.com
Website: www.ml-india.com
Investor Grievance E-mail:
dg.india_merchantbanking@bofa.com
Contact Person: Ayush Khandelwal
SEBI Registration Number: INM000011625

Axis Capital Limited
1st Floor, Axis House
Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 035
Maharashtra, India
Tel: +91 22 4325 2183
E-mail: bfhl.ipo@axiscap.in
Investor Grievance E-mail:
investor.grievance@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Pavan Naik
SEBI Registration No.: INM000012029

Goldman Sachs (India) Securities Private Limited
Rational House, A, 951
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: + 91 22 6616 9000
E-mail: bhflipo@gs.com
Website: www.goldmansachs.com
Investor Grievance E-mail: india-client-support@gs.com
Contact Person: Mukarram Rajkotwala
SEBI Registration Number: INM000011054

SBI Capital Markets Limited
1501, 15th Floor, A&B Wing
Parinee Crescenzo
"G" Block, Bandra Kurla Complex,
Bandra (East) Mumbai- 400 051
Maharashtra, India
Tel: +91 22 4006 9807
E-mail: bhfl.ipo@sbicaps.com
Investor Grievance E-mail:
investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Karan Savardekar / Sambit Rath
SEBI Registration No.: INM000003531

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6630 3030
E-mail: bhfl.ipo@jmfl.com
Investor Grievance E-mail: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration No.: INM000010361

IIFL Securities Limited
24th Floor, One Lodha Place
Senapati Bapat Marg
Lower Parel (West)
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4646 4728
E-mail: bhfl.ipo@iiflcap.com
Investor Grievance E-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Mansi Sampat/ Pawan Jain
SEBI Registration No.: INM000010940

Legal Advisors to the Company

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Towers
19, Brunton Road
Bengaluru 560 025
Karnataka, India
Tel: +91 80 6792 2000

Registrar to the Offer

KFin Technologies Limited
Selenium Tower B, Plot No. 31 and 32
Financial District, Nanakramguda,
Serilingampally
Hyderabad, 500 032
Telangana, India
Tel: +91 40 6716 2222/18003094001
E-mail: bhfl.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

Bankers to the Offer

[●]

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

Axis Bank Ltd
Indra Pushti, Opp Gate No 2 Ferguson College, FC Road, Pune 411 004
Maharashtra, India
Tel: +91 8806900372
Contact Person: Pune Operations Head
Website: www.axisbank.com
E-mail: pune.operationshead@axisbank.com

Bank of Baroda
Corporate Financial Services Branch, C-8, Laxmi Tower, 2nd Floor, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051
Maharashtra, India
Tel: 022-6884 3940/3911/3928
Contact Person: Sanjay Ram
Website: www.bankofbaroda.in
E-mail: midbdr@bankofbaroda.co.in

Bank of India
Pune Large Corporate Branch 1162/6, Shivajinagar, University Road, Pune 411 005
Maharashtra, India
Tel: 020-25530316/14/17
Contact Person: Deepali Vijay Dandare
Website: www.bankofindia.co.in
E-mail: LCB.Pune@bankofindia.co.in

Canara Bank, Large Corporate Branch, Pune
3rd Floor Sukhwani business Hub, Nashik Phata, Bhosari, Pune 411 026
Maharashtra, India
Tel: +91 7875966946
Contact Person: Dhiraj Kumar
Website: www.canarabank.com
E-mail: cb2551@canarabank.com

HDFC Bank Limited
HDFC Bank House, Marathon, 5th Floor, 21/6, Bund Garden Road, Pune 411 001
Maharashtra, India
Tel: +91 (22) 66316000
Contact Person: Rahul Mahajan – Relationship Manager, Corporate Banking Group
Website: www.hdfcbank.com
E-mail: rahul.mahajan6@hdfcbank.com

Kotak Mahindra Bank Limited
3rd Floor, 27BKC, Plot No. C-27
G Block, Bandra Kurla Complex
Bandra (East) Mumbai 400 051
Maharashtra, India
Tel: +91 (22) 62660397
Contact Person: Sachin Kumar
Website: www.kotak.com
E-mail: sachin.kumar41@kotak.com

State Bank of India
Corporate Accounts Group - BKC Branch, The Capital, A Wing, 16th Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051
Maharashtra, India
Tel: 022-61709641
Contact Person: Deputy General Manager & RM-AMT-4
Website: www.sbi.co.in
E-mail: dgmamt4cagbkc@sbi.co.in

Union Bank of India
Union Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai, 400 021
Maharashtra, India
Tel: 8380045107
Contact Person: Punit Pathak
Website: www.unionbankofindia.co.in
E-mail: ubin0579271@unionbankofindia.bank

Syndicate Members

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI which offer the ASBA related services is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than UPI Bidders), not bidding through Syndicate/ Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and eligible 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 may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

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 or any such other website as may be prescribed by SEBI 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 or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the Stock Exchanges, i.e. through the Registered Brokers at the Broker Centres. 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 respective 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 respective Stock Exchanges at www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, respectively, 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 their name and contact details, is provided on the websites of the respective Stock Exchanges at www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://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 consents each dated June 7, 2024 from G.D. Apte & Co. Chartered Accountants and Khandelwal Jain & Co. Chartered Accountants respectively, who hold valid peer review certificates from ICAI, to include their names as required under the SEBI ICDR Regulations and Section 26(1) of the Companies Act in this Draft 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 Joint Statutory Auditors and in respect of their examination report dated June 7, 2024 relating to the Restated Financial Information; and (ii) report dated June 7, 2024 on the statement of special tax benefits included in this Draft Red Herring Prospectus, and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated June 7, 2024 from S K Patodia & Associates LLP, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, as an 'expert' as defined under Section 2(38) of Companies Act in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

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.	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	Kotak
2..	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc.	BRLMs	Goldman Sachs
3.	Drafting and approval of all statutory advertisements	BRLMs	Kotak
4.	Drafting and approval of all publicity material other than statutory advertisements, including corporate advertising, brochures, media monitoring, etc. and filing of media compliance report	BRLMs	SBICAPS
5.	Appointment of intermediaries, banker(s) to the Offer, Sponsor Bank, Share Escrow Agent, Syndicate Members etc., advertising agency, Registrar to the Offer, printer (including co-ordinating all agreements to be entered with such parties)	BRLMs	Axis
6.	Preparation of road show presentation and frequently asked questions	BRLMs	BofA
7.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy and preparation of publicity budget; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedules	BRLMs	BofA
8.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Marketing strategy and preparation of publicity budget; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedules	BRLMs	Kotak
9.	Conduct non-institutional marketing of the Offer	BRLMs	IIFL
10.	Conduct retail marketing of the Offer, which will cover, inter alia: • Finalizing media, marketing and public relations strategy including list of frequently asked questions at retail road shows; • Follow-up on distribution of publicity and offer material including forms, the Prospectus and deciding on the quantum of Issue material; • Finalizing centers for holding conferences for brokers etc. and • Finalizing collection centres	BRLMs	Axis

S. No.	Activity	Responsibility	Coordinator
11.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, intimation to Stock Exchanges for Anchor Portion	BRLMs	JM Financial
12.	Managing the book and finalization of pricing in consultation with the Company	BRLMs	BofA
13.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar to the Offer, SCSBs and banks, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, coordination for unblock of funds by SCSBs, finalization of trading, dealing and listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transaction tax ("**STT**") on sale of unlisted equity shares by the Promoter Selling Shareholder under the Offer for Sale to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004. Co-ordination with SEBI and Stock Exchanges for submission of all post-offer reports including final post-offer report to SEBI.	BRLMs	Axis

IPO Grading

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

Monitoring Agency

Our Company will appoint a monitoring agency in accordance with Regulation 41 of the SEBI ICDR Regulations and for monitoring the utilisation of the Gross Proceeds from the Fresh Issue prior to the filing of the Red Herring Prospectus.

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.

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 the 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, in accordance with the SEBI ICDR Regulations, and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), and all editions of [●] (a widely circulated Hindi national daily newspaper), [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, 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, in accordance with the SEBI ICDR Regulations. For details, see "*Offer Procedure*" beginning on page 430.

All Bidders, other than Anchor Investors, shall only participate in the Offer 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, 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, Eligible Employees Bidding in the Employee Reservation Portion (subject to the Bid Amount being up to ₹500,000) and Eligible Shareholders Bidding in the Shareholder Reservation Portion (subject to the Bid Amount being up to ₹200,000) 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 418, 425 and 430, 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 within three Working Days of the Bid/Offer Closing date or such other time period as prescribed under applicable law.

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 will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each BRLM shall be as per the Underwriting Agreement. 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 Draft 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. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below:

(in ₹, except share data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A.	**AUTHORISED SHARE CAPITAL**(1)		
	9,000,000,000 Equity Shares of face value of ₹10 each	90,000,000,000	
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL (BEFORE THE OFFER)**		
	7,819,575,273 Equity Shares of face value of ₹10 each	78,195,752,730	
C.	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹70,000.0 million(2)(3)(4)	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹40,000.0 million(2)(3)	[●]	[●]
	Offer for Sale of up to [●] Equity Shares of face value of ₹10 each by the Promoter Selling Shareholder aggregating up to ₹30,000.0 million(4)	[●]	[●]
	which includes		
	Employee Reservation Portion of up to [●] Equity Shares of face value of ₹10 each(5)	[●]	[●]
	Shareholders Reservation Portion of up to [●] Equity Shares of face value of ₹10 each(6)	[●]	[●]
	Net Offer of up to [●] Equity Shares of face value of ₹10 each	[●]	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER***		
	[●] Equity Shares of face value of ₹10 each	[●]	-
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		17,301,997,118
	After the Offer		[●]

* *To be included upon finalisation of the Offer Price, and subject to the Basis of Allotment.*

(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 228.*

(2) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

(3) *The Offer has been authorised by our Board pursuant to the resolution passed at its meeting held on June 6, 2024 and our Shareholders have authorized the Fresh Issue pursuant to a special resolution passed at their meeting held on June 6, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholder pursuant to its resolution dated June 7, 2024.*

(4) *The Promoter Selling Shareholder has specifically confirmed that the Offered Shares have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations or are otherwise eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. The Promoter Selling Shareholder has confirmed and authorized its participation in the Offer for Sale pursuant to a consent letter dated June 7, 2024. For details on the authorization and consent of the Promoter Selling Shareholder in relation to the Offered Shares, see "The Offer" and "Other Regulatory and Statutory Disclosures- Authorisation for the Offer for Sale" on pages 68 and 398, respectively.*

(5) *Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. For further details, see "The Offer" on page 68 and "Offer Structure" on page 425.*

(6) *The Shareholders Reservation Portion shall not exceed [●]% of the post-Issue paid-up Equity Share capital, and in accordance with the SEBI ICDR Regulations shall not exceed 10% of the size of the Offer. For further details, see "Offer Structure" on page 425.*

Notes to the Capital Structure

1. Equity Share capital history of our Company

Our Company is in compliance with the Companies Act, 1956 and the Companies Act, 2013, to the extent applicable, with respect to issuance of Equity Shares from the date of incorporation of our Company till the date of filing of this Draft Red Herring Prospectus. The history of the Equity Share capital of our Company is set forth in the table below:

Primary issuances of Equity Shares

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
June 13, 2008	2,000,000	1,999,400 Equity Shares were allotted to Bajaj Finserv Limited, and 100 Equity Shares each were allotted to Rahulkumar Bajaj, Rajivnayan Bajaj, Madhur Bajaj, Sanjivnayan Bajaj, V. Sankara Raghavan, and Kevin D'sa	10	10	Cash	Pursuant to initial subscription to the Memorandum of Association	2,000,000	20,000,000
March 27, 2010	19,000,000	19,000,000 Equity Shares were allotted to Bajaj Finserv Limited	10	10	Cash	Rights issue	21,000,000	210,000,000
April 19, 2011	9,000,000	9,000,000 Equity Shares were allotted to Bajaj Finserv Limited	10	10	Cash	Rights issue	30,000,000	300,000,000
March 7, 2012	9,000,000	9,000,000 Equity Shares were allotted to Bajaj Finserv Limited	10	10	Cash	Rights issue	39,000,000	390,000,000
December 12, 2014	11,000,000	11,000,000 Equity Shares were allotted to Bajaj Finance Limited	10	10	Cash	Rights issue	50,000,000	500,000,000
June 21, 2016	300,000,000	300,000,000 Equity Shares were allotted to Bajaj Finance Limited	10	10	Cash	Rights issue	350,000,000	3,500,000,000
February 6, 2018	1,200,000,000	1,200,000,000 Equity Shares were allotted to Bajaj Finance Limited	10	10	Cash	Rights Issue	1,550,000,000	15,500,000,000
September 19, 2018	1,000,000,000	1,000,000,000 Equity Shares were allotted to Bajaj Finance Limited	10	10	Cash	Rights issue	2,550,000,000	25,500,000,000
March 25, 2019	1,000,000,000	1,000,000,000 Equity Shares were allotted to Bajaj Finance Limited	10	10	Cash	Rights issue	3,550,000,000	35,500,000,000
February 5, 2020	1,333,333,329	1,333,333,329 Equity Shares were allotted to Bajaj Finance Limited	10	11.3	Cash	Rights issue	4,883,333,329	48,833,333,290
April 7, 2022	1,828,822,235	1,828,822,235 Equity Shares were allotted to Bajaj Finance Limited	10	13.7	Cash	Rights issue	6,712,155,564	67,121,555,640
April 3, 2024	1,107,419,709	1,107,419,709 Equity Shares were allotted to Bajaj Finance Limited	10	18.1	Cash	Rights issue	7,819,575,273(1)	78,195,752,730

Notes:

1. *Out of the 7,819,575,273 Equity Shares, Bajaj Finance Limited jointly holds 100 Equity Shares each with Sanjivnayan Bajaj, Madhur Bajaj, Rajivnayan Bajaj, Rajeev Jain, V. Rajagopalan and Atul Jain, with Bajaj Finance Limited being the first holder of each of such jointly held Equity Shares.*

Secondary transactions of Equity Shares

Date of transfer of Equity Shares	Number of Equity Shares transferred	Details of transferor(s)	Details of transferee(s)	Nature of transfer	Face value per Equity Share (₹)	Transfer price per Equity Share (₹)	Nature of consideration	Percentage of the pre-Offer Equity Share capital (%)	Percentage of the post- Offer Equity Share capital (%)
March 25, 2009	100	Rahulkumar Bajaj	Bajaj Finserv Limited and Rahulkumar Bajaj	Transfer from Rahulkumar Bajaj	10	10	Cash	Negligible	[●]
March 25, 2009	100	Rajivnayan Bajaj	Bajaj Finserv Limited and Rajivnayan Bajaj	Transfer from Rajivnayan Bajaj	10	10	Cash	Negligible	[●]
March 25, 2009	100	Madhur Bajaj	Bajaj Finserv Limited and Madhur Bajaj	Transfer from Madhur Bajaj	10	10	Cash	Negligible	[●]
March 25, 2009	100	Sanjivnayan Bajaj	Bajaj Finserv Limited and Sanjivnayan Bajaj	Transfer from Sanjivnayan Bajaj	10	10	Cash	Negligible	[●]
March 25, 2009	100	V. Sankara Raghavan	Bajaj Finserv Limited and V. Sankara Raghavan	Transfer from V. Sankara Raghavan	10	10	Cash	Negligible	[●]
March 25, 2009	100	Kevin D'sa	Bajaj Finserv Limited and Kevin D'sa	Transfer from Kevin D'sa	10	10	Cash	Negligible	[●]
February 28, 2012	100	Bajaj Finserv Limited and V. Sankara Raghavan^	Bajaj Finserv Limited and J Sridhar	Transfer from Bajaj Finserv Limited and V. Sankara Raghavan	10	10	Cash	Negligible	[●]
November 1, 2014	38,999,400	Bajaj Finserv Limited	Bajaj Finance Limited	Transfer from Bajaj Finserv Limited	10	4.4	Cash	0.5	[●]
November 1, 2014	100	Bajaj Finserv Limited and Rahulkumar Bajaj	Bajaj Finance Limited and Rahulkumar Bajaj	Transfer from Bajaj Finserv Limited and Rahulkumar Bajaj	10	4.4	Cash	Negligible	[●]
November 1, 2014	100	Bajaj Finserv Limited and Rajivnayan Bajaj	Bajaj Finance Limited and Rajivnayan Bajaj	Transfer from Bajaj Finserv Limited and Rajivnayan Bajaj	10	4.4	Cash	Negligible	[●]
November 1, 2014	100	Bajaj Finserv Limited and Madhur Bajaj	Bajaj Finance Limited and Madhur Bajaj	Transfer from Bajaj Finserv Limited and Madhur Bajaj	10	4.4	Cash	Negligible	[●]
November 1, 2014	100	Bajaj Finserv Limited and Sanjivnayan Bajaj	Bajaj Finance Limited and Sanjivnayan Bajaj	Transfer from Bajaj Finserv Limited and Sanjivnayan Bajaj	10	4.4	Cash	Negligible	[●]
November 1, 2014	100	Bajaj Finserv Limited and J Sridhar	Bajaj Finance Limited and Rajeev Jain	Transfer from Bajaj Finserv Limited and J Sridhar	10	4.4	Cash	Negligible	[●]
November 1, 2014	100	Bajaj Finserv Limited and Kevin D'Sa	Bajaj Finance Limited and Anant Damle	Transfer from Bajaj Finserv Limited and Kevin D'Sa	10	4.4	Cash	Negligible	[●]
October 22, 2018	100	Bajaj Finance Limited and Anant Damle	Bajaj Finance Limited and V. Rajagopalan	Transfer from Bajaj Finance Limited and Anant Damle	10	10	Cash	Negligible	[●]
March 9, 2022	100	Bajaj Finance Limited*	Bajaj Finance Limited and Atul Jain	Transfer from Bajaj Finance Limited	10	Nil	Not applicable	Negligible	[●]

^ *The 100 Equity Shares jointly held by Bajaj Finserv Limited and V. Sankara Raghavan, pursuant to the transfer from V. Sankara Raghavan on March 25, 2009, were transmitted to the sole ownership of Bajaj Finserv Limited by operation of law, upon demise of V. Sankara Raghavan. Subsequently, the corresponding 100 Equity Shares were transferred by Bajaj Finserv Limited to the joint holding of Bajaj Finserv Limited and J Sridhar vide a transfer of Equity Shares on February 28, 2012*

* *The 100 Equity Shares jointly held by Bajaj Finance Limited and Rahulkumar Bajaj, pursuant to the transfer from Bajaj Finserv Limited and Rahulkumar Bajaj on November 1, 2014, were transmitted to the sole ownership of Bajaj Finance Limited by operation of law, upon the demise of Rahulkumar Bajaj. Subsequently, the corresponding 100 Equity Shares were transferred by Bajaj Finance Limited to the joint holding of Bajaj Finance Limited and Atul Jain vide a transfer of Equity Shares on March 9, 2022.*

2. Preference share capital history of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding preference shares.

3. Offer of specified securities at a price lower than the Offer Price in the last year

The Offer Price is [●]. Except as disclosed in " – *Notes to the Capital Structure – Equity Share capital history of our Company – Primary issuances of Equity Shares*" on page 84, our Company has not issued any Equity Shares at a price that may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

4. Offer of shares for consideration other than cash or out of revaluation reserves (excluding bonus issuance)

1. As on the date of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares out of revaluation reserves since its incorporation.

2. Our Company has not issued any Equity Shares for consideration other than cash as on the date of this Draft Red Herring Prospectus.

5. Offer of shares pursuant to schemes of arrangement

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, 2013.

6. History of the share capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, one of our Promoters, Bajaj Finance Limited, holds 7,819,575,273 Equity Shares, equivalent to 100% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company. Out of the 7,819,575,273 Equity Shares held, Bajaj Finance Limited jointly holds 100 Equity Shares each with Rajivnayan Bajaj, Madhur Bajaj, Sanjivnayan Bajaj, Rajeev Jain, Atul Jain, and V. Rajagopalan, with Bajaj Finance Limited being the first holder of each of such jointly held Equity Shares.

Build-up of the equity shareholding of our Promoters in our Company

Bajaj Finance Limited currently holds 100% of the Equity Shares of our Company. The details regarding the build-up of the equity shareholding of Bajaj Finance Limited, one of our Promoters in our Company since incorporation is set forth in the table below:

Date of allotment/ transfer	Number of Equity Shares allotted/ transferred	Nature of transaction	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 (%)
Bajaj Finance Limited							
November 1, 2014	39,000,000^	Transfer from Bajaj Finserv Limited	Cash	10	4.4	0.5	[●]
December 12, 2014	11,000,000	Allotment pursuant to rights issue	Cash	10	10	0.1	[●]
June 21, 2016	300,000,000	Allotment pursuant to rights issue	Cash	10	10	3.8	[●]
February 6, 2018	1,200,000,000	Allotment pursuant to rights issue	Cash	10	10	15.5	[●]
September 19, 2018	1,000,000,000	Allotment pursuant to rights issue	Cash	10	10	12.8	[●]
March 25, 2019	1,000,000,000	Allotment pursuant to rights issue	Cash	10	10	12.8	[●]
February 5, 2020	1,333,333,329	Allotment pursuant to rights issue	Cash	10	11.3	17.1	[●]
April 7, 2022	1,828,822,235	Allotment pursuant to rights issue	Cash	10	13.7	23.4	[●]
April 3, 2024	1,107,419,709	Allotment pursuant to rights issue	Cash	10	18.1	14.2	[●]
Total	**7,819,575,273^**					**100.0**	**[●]**

^ *Out of the 39,000,000 Equity Shares transferred to Bajaj Finance Limited from Bajaj Finserv Limited on November 1, 2014, Bajaj Finserv Limited had jointly held 100 Equity Shares each with Rahulkumar Bajaj, Rajivnayan Bajaj, Madhur Bajaj, Sanjivnayan Bajaj, J Sridhar, and Kevin D'sa, which are now jointly held by Bajaj Finance Limited along with Rajivnayan*

Bajaj, Madhur Bajaj, Sanjivnayan Bajaj, Rajeev Jain, Atul Jain and V. Rajagopalan, with Bajaj Finance Limited being the first holder of each of such jointly held Equity Shares.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment/ acquisition of such Equity Shares.

As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged or otherwise encumbered.

7. **Details of lock-in of Equity Shares**

(a) ***Details of Promoters' contribution and lock-in***

(i) In accordance with Regulation 14 and Regulation 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters, shall be locked in for a period of 18 months from the date of Allotment as minimum Promoters' contribution or any other period as may be prescribed under applicable law ("**Minimum Promoters' Contribution**") and the shareholding of our Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.

(ii) The details of the Equity Shares held by our Promoters which shall be locked-in for a period of 18 months from the date of Allotment as Minimum Promoters' Contribution are set forth in the table below:

Name of Promoter	Number of Equity Shares locked-in(1)(2)	Date of allotment /transfer of Equity Shares and when made fully paid-up	Nature of transaction	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	Percentage of the pre- Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
Bajaj Finance Limited	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated in the Prospectus

(1) For a period of 18 months from the date of Allotment.

(2) All Equity Shares were fully paid-up at the time of allotment/acquisition.

(iii) Our Promoters have given their consent for inclusion of such number of Equity Shares held by them as part of the Minimum Promoters' Contribution, subject to lock-in requirements as specified under Regulation 14 of the SEBI ICDR Regulations. Our Promoters have agreed not to dispose, sell, transfer, create any pledge, lien or otherwise encumber in any manner, the Minimum Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under the SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(iv) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Minimum Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations.

In this connection, we confirm the following:

(a) The Equity Shares offered as a part of the Minimum Promoters' Contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction; or (b) resulting from bonus issue 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 Minimum Promoters' Contribution.

(b) Our Minimum Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer.

(c) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm into a Company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or limited liability partnership.

(d) As on the date of this Draft Red Herring Prospectus, Equity Shares held by Bajaj Finance Limited, our Promoter, and offered for Minimum Promoters' Contribution are not subject to pledge with any creditor or any other encumbrance.

(b) *Details of Equity Shares locked-in for six months*

In addition to the lock-in requirements prescribed in "- *Details of Promoters' Contribution and lock-in*" on page 87, in accordance with Regulation 17 of the SEBI ICDR Regulations, except for the Minimum Promoters' Contribution which shall be locked-in as above, 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, except for (a) the Equity Shares Allotted pursuant to the Offer for Sale; and (b) any Equity Shares allotted to eligible employees of our Company, whether currently employees or not (or such persons as permitted under the SEBI SBEB Regulations or the ESOP Scheme) pursuant to the ESOP Scheme. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares of our Company are held by any VCF or Category I AIF or Category II AIF or FVCI.

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

(c) *Lock-in of Equity Shares allotted to Anchor Investors*

There shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment, and lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment.

(d) *Other lock-in requirements*

1. The Equity Shares held by the Promoters which are locked-in for a period of 18 months from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions or NBFC-ND-SI or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or NBFC-ND-SI or housing finance companies in terms of Regulation 21(a) of the SEBI ICDR Regulations, provided that such loans have been granted for the purpose of financing one or more of the objects of the Offer and pledge of Equity Shares is a term of sanction of such loans. However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

2. In terms of Regulation 21(b) of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are 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-ND-SI or housing finance companies as collateral security for loans granted by such banks, public financial institutions, NBFC-ND-SI or housing finance companies, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

3. In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be transferred to and among our Promoters and/or any member of our Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Regulations, as applicable, and such transferee shall not be eligible to transfer them till the lock-in period stipulated in the SEBI ICDR Regulations has expired.

4. The Equity Shares held by any person other than our Promoters and locked-in for a period of six months from the date of Allotment in the Offer as per Regulation 17 of the SEBI ICDR Regulations, 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 Takeover Regulations, as applicable.

8. Details of Equity Shares held by our Promoters, directors of our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel

(a) ***Shareholding of our Promoters and Promoter Group***

The details of shareholding of our Promoters and members of the Promoter Group as on the date of this Draft Red Herring Prospectus are set forth below:

Sr. No.	Name	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)	Percentage of the post-Offer Equity Share capital# (%)
Promoters				
1.	Bajaj Finance Limited	7,819,575,273^	100	[●]
Total		**7,819,575,273**	**100**	**[●]**
Promoter Group				
1.	Sanjivnayan Bajaj	100*	Negligible	Nil
Total		**100**	**Negligible**	Nil

 # To be updated in the Prospectus.

^ Out of the 7,819,575,273 Equity Shares held, Bajaj Finance Limited jointly holds 100 Equity Shares each with Rajivnayan Bajaj, Madhur Bajaj, Sanjivnayan Bajaj, Rajeev Jain, Atul Jain, and V. Rajagopalan, with Bajaj Finance Limited being the first holder of each of such jointly held Equity Shares.

** Jointly held with Bajaj Finance Limited, with Bajaj Finance Limited being the first holder of each of such jointly held Equity Shares.*

For further details, see "*Our Promoters and Promoter Group*" on page 247.

(i) Set out below are details of the Equity Shares held by the directors of our Promoters and the Directors, Key Managerial Personnel and Senior Management Personnel of our Company:

S. No.	Name	Number of Equity Shares	Number of employee stock options vested	Number of employee stock options not vested	Percentage of the pre-Offer Equity Share capital (%)	Percentage of the post-Offer Equity Share capital# (%)
Directors						
1.	Sanjivnayan Bajaj*^	100^	Nil	Nil	Negligible	[●]
2.	Rajeev Jain**^	100^	Nil	Nil	Negligible	[●]
3.	Atul Jain***^	100^	Nil	4,379,050	Negligible	[●]
Directors of our Promoters						
4.	Rajivnayan Bajaj$^	100^	Nil	Nil	Negligible	[●]
5.	Madhur Bajaj@^	100^	Nil	Nil	Negligible	[●]
Total		**500**	**Nil**	**4,379,050**	**Negligible**	**[●]**

** Sanjivnayan Bajaj is also a director on the board of directors of each of our Promoters, Bajaj Finance Limited and Bajaj Finserv Limited.*

*** Rajeev Jain is also a director on the board of directors of our Promoter, Bajaj Finance Limited.*

**** Atul Jain is also a Key Managerial Personnel and Senior Management Personnel of our Company.*

$ Rajivnayan Bajaj is a director on the board of directors of each of our Promoters, Bajaj Finance Limited and Bajaj Finserv Limited.

@ Madhur Bajaj is a director on the board of directors of our Promoter, Bajaj Finserv Limited.

^ Jointly held with Bajaj Finance Limited, with Bajaj Finance Limited being the first holder of each of such jointly held Equity Shares.

 # To be updated in the Prospectus.

As on the date of this Draft Red Herring Prospectus, except as stated above, none of the directors of our Promoters or the Directors, Key Managerial Personnel or Senior Management Personnel of our Company hold any Equity Shares in our Company. For further details, see "*Our Management*" on page 232.

9. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is 7 (which includes the six joint Shareholders, holding 100 Equity Shares each jointly with Bajaj Finance Limited, with Bajaj Finance Limited being the first holder of such jointly held Equity Shares).

10. Shareholding pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Draft 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 Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								Number of voting rights: Class: Equity Shares	Number of voting rights: Class: Others	Number of voting rights: Total	Total as a % of (A+B+ C)			Number (a)	As a % of total Equity Shares held (b)	Number (a)	As a % of total Equity Shares held (b) on a fully diluted basis	
(A)	**Promoters and Promoter Group**	7^	7,819,575,273	-	-	7,819,575,273	100.00	Equity	NA	7,819,575,273	7,819,575,273	-	100.00	[●]	[●]	[●]	[●]	7,819,575,273
(B)	**Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	**Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	**Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	**7**	**7,819,575,273**	**0**	**0**	**7,819,575,273**	**100.00**	**Equity**	**NA**	**7,819,575,273**	**7,819,575,273**	-	**100.00**	[●]	[●]	[●]	[●]	**7,819,575,273**

^ *Inclusive of the six joint Shareholders, i.e., Rajivnayan Bajaj, Madhur Bajaj, Sanjivnayan Bajaj, Rajeev Jain, Atul Jain, and V. Rajagopalan, holding 100 Equity Shares each jointly with Bajaj Finance Limited, with Bajaj Finance Limited being the first holder of each of such jointly held Equity Shares. However, while Sanjivnayan Bajaj is a member of our Promoter Group, Rajivnayan Bajaj, Madhur Bajaj, Rajeev Jain, Atul Jain, and V. Rajagopalan are neither Promoters nor members of the Promoter Group.*

11. Details of equity shareholding of the major Shareholders of our Company

a) The Shareholders holding 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them as on the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)
1.	Bajaj Finance Limited	7,819,575,273*	100%
Total		**7,819,575,273**	**100%**

** Out of the 7,819,575,273 Equity Shares held, Bajaj Finance Limited jointly holds 100 Equity Shares each with Rajivnayan Bajaj, Madhur Bajaj, Sanjivnayan Bajaj, Rajeev Jain, Atul Jain, and V. Rajagopalan, with Bajaj Finance Limited being the first holder of each of such jointly held Equity Shares.*

b) The Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them 10 days prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)
1.	Bajaj Finance Limited	7,819,575,273*	100%
Total		**7,819,575,273**	**100%**

* *Out of the 7,819,575,273 Equity Shares held, Bajaj Finance Limited jointly holds 100 Equity Shares each with Rajivnayan Bajaj, Madhur Bajaj, Sanjivnayan Bajaj, Rajeev Jain, Atul Jain, and V. Rajagopalan, with Bajaj Finance Limited being the first holder of each of such jointly held Equity Shares.*

c) The Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them one year prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)
1.	Bajaj Finance Limited	6,712,155,564*	100%
Total		**6,712,155,564**	**100%**

* *Out of the 6,712,155,564 Equity Shares held, Bajaj Finance Limited jointly holds 100 Equity Shares each with Rajivnayan Bajaj, Madhur Bajaj, Sanjivnayan Bajaj, Rajeev Jain, Atul Jain, and V. Rajagopalan, with Bajaj Finance Limited being the first holder of each of such jointly held Equity Shares.*

d) The Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them two years prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)
1.	Bajaj Finance Limited	6,712,155,564*	100%
Total		**6,712,155,564**	**100%**

* *Out of the 6,712,155,564 Equity Shares held, Bajaj Finance Limited jointly holds 100 Equity Shares each with Rajivnayan Bajaj, Madhur Bajaj, Sanjivnayan Bajaj, Rajeev Jain, Atul Jain, and V. Rajagopalan, with Bajaj Finance Limited being the first holder of each of such jointly held Equity Shares.*

12. Employee Stock Options Scheme of our Company

(i) ESOP 2024

Our Company, pursuant to the resolutions passed by our Board and our Shareholders each on April 24, 2024, adopted the ESOP 2024. The ESOP 2024 was further amended by Board and Shareholders resolutions each dated June 6, 2024. The ESOP 2024 is in compliance with the SEBI SBEB & SE Regulations.

As on the date of this Draft Red Herring Prospectus, under ESOP 2024, an aggregate of 16,751,673 options have been granted (including an aggregate of nil lapsed options), an aggregate of nil options have been vested and an aggregate of nil options have been exercised. These options have been granted in compliance with the relevant provisions of the Companies Act, 2013 and only to the employees of our Company.

The details of the ESOP 2024, as certified by S K Patodia & Associates LLP, Chartered Accountants, through a certificate dated June 7, 2024 are as follows:

Particulars	Period			
	Fiscal 2022	Fiscal 2023	Fiscal 2024	From April 1, 2024 till the date of this Draft Red Herring Prospectus
Options granted	-	-	-	16,751,673
No. of employees to whom options were granted	-	-	-	73
Options vested (including options that have been exercised)	-	-	-	-
Vesting period (years)	-	-	-	4
Options exercised	-	-	-	0
Exercise price of options (in ₹) (as on the date of the grant of options)	-	-	-	54.5
Options forfeited/ lapsed/ cancelled	-	-	-	0
Options outstanding (including vested and unvested options)	-	-	-	16,751,673
Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	-	-	-	16,751,673
Variation in terms of options	-	-	-	-
Money realised by exercise of options (in ₹)	-	-	-	Nil
Total no. of options in force	-	-	-	16,751,673
Employee wise details of options granted to				
(i) Key Managerial Personnel			-	4,856,994
• Atul Jain			-	4,379,050
• Gaurav Kalani			-	408,870
• Atul Patni			-	69,074
(ii) Senior Management Personnel			-	5,738,887
• Niraj Adiani			-	416,656
• Naman Agarwal			-	220,052
• Biswaranjan Bastia			-	198,834
• Kumar Gaurav			-	456,547
• Vijay Vikram Singh Solanki			-	914,275
• Gagandeep Malhotra			-	415,861
• Amit Kumar Yadav			-	232,915
• Dushyant Poddar			-	424,852
• Anurag Jain			-	383,699
• Alankrit Atal			-	288,220
• Vipin Arora			-	809,637
• Amit Sinha			-	642,776
• Biraj Kumar Mishra			-	242,474
• Neel Ravindra Shah			-	92,089
(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
(iv) Identified employees who are 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 share on a pre-Offer basis pursuant to the issue of equity shares on exercise of options	1.5	1.9	2.6	-

Particulars	Period			
	Fiscal 2022	Fiscal 2023	Fiscal 2024	From April 1, 2024 till the date of this Draft Red Herring Prospectus
calculated in accordance with the applicable accounting standard on 'earnings per share'				
Where our Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between employee compensation cost so calculated and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and earnings per share of our Company			-	Nil
Intention of the KMPs, SMPs and Whole-time Directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	N.A.			
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by Directors, KMPs, SMPs and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	N.A.			
Description of the pricing formula and the 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
Method of option valuation				
- Expected life of options (years)	-	-	-	Five years
- Expected Volatility (% p.a.)	-	-	-	38.3%

Particulars	Period			
	Fiscal 2022	Fiscal 2023	Fiscal 2024	From April 1, 2024 till the date of this Draft Red Herring Prospectus
- Risk Free Rate of Return (%)	-	-	-	7.1%
- Dividend Yield (% p.a.)	-	-	-	-
- Exercise price per share (₹)	-	-	-	54.5
- Weighted average share price on the date of grant of option (in ₹)	-	-	-	24.5
Impact on profits and earnings per share of the last three years if our Company had followed the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity Regulations), 2021 in respect of options granted in the last three years	Nil			

13. As on the date of this Draft Red Herring Prospectus, all the Equity Shares held by our Promoter are held in dematerialised form.

14. None of the BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. The BRLMs and their respective associates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive compensation.

15. There are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus and all Equity Shares issued pursuant to the Offer will be fully paid up at the time of Allotment.

16. Except for the allotment of 1,107,419,709 Equity Shares pursuant to a rights issue to Bajaj Finance Limited on April 3, 2024, as detailed in "– *Equity Share Capital History of our Company*" above, none of our Promoters, members of our Promoter Group, directors of our Promoters, our Directors and their respective relatives have purchased, acquired or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

17. Our Company, our Directors and the BRLMs have not made any or entered into any buy-back arrangements for purchase of Equity Shares.

18. Except for (i) an allotment of Equity Shares pursuant to exercise of options granted under the ESOP Scheme, (ii) the Pre-IPO Placement and (iii) Allotment of Equity Shares pursuant to the Offer, there will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus until the listing of the Equity Shares on the Stock Exchanges, or all application monies have been refunded or unblocked, as the case may be.

19. Our Company presently does not intend or propose and is not under negotiations or considerations 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 qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to (a) the Fresh Issue; and (b) any issuance of Equity Shares pursuant to the exercise of employee stock options granted or which may be granted under the ESOP Scheme.

20. At any given time, there shall be only one denomination for the Equity Shares.

21. Except for outstanding stock options granted pursuant to the ESOP Scheme, there are no outstanding convertible securities or any warrant, option or right to convert a debenture, loan or other instrument which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

22. No person connected with the Offer, including, but not limited to the BRLMs, the Syndicate Members, our Company, the Promoters including the Promoter Selling Shareholder, our Directors, or the members of the Promoter Group, 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.

23. There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors, directors of our Promoters, and their respective 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 financing entity, during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

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

25. Our Promoters and members of the Promoter Group shall not participate in the Offer, except by way of participation as Promoter Selling Shareholder, in the Offer for Sale.

OBJECTS OF THE OFFER

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

Offer for Sale

The Promoter Selling Shareholder shall be entitled to the proceeds of the Offer for Sale after deducting its proportion of Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For further details in reference to the Offer expenses, see *"-Offer related expenses"* on page 98.

Objects of the Fresh Issue

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards augmenting our capital base to meet future business requirements of our Company towards onward lending ("**Objects**").

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 related expenses*" on page 98 below. The main objects clause and objects incidental and ancillary to the main objects clause of our Memorandum of Association enable us to undertake the activities for which the funds are being raised by us in the Fresh Issue.

Net Proceeds

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

Particulars	Estimated amount *(₹ in million)*
Gross Proceeds of the Fresh Issue	Up to 40,000.0(1)
(Less) Estimated Offer related expenses to be borne by our Company in relation to the Fresh Issue	([●])(1)(2)(3)
Net Proceeds	**[●]**

(1) Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

(2) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

(3) For details, see "- Offer related expenses" below.

Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided hereunder:

Particulars	Amount (in ₹ million)	Percentage of Net Proceeds (%)
Augmenting our capital base to meet future business requirements of our Company towards onward lending	Up to [●]	100%
Total	Up to [●]	**100%**

The Net Proceeds are proposed to be deployed over the course of Financial Year 2025. The fund requirements, the proposed deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, prevailing market conditions and other commercial and technical factors. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and other external factors including changes in the business environment and interest or exchange rate fluctuations, or other factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

In the event that the estimated utilisation of the Net Proceeds in Financial Year 2025 is not completely met, due to the reasons stated above, the same shall be utilised in Financial Year 2026, as may be determined by our Company, in accordance with applicable laws. For details on risks involved, see "*Risk Factors – Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders' approval.*

Further, our funding requirements and deployment of the Net Proceeds of the Offer are based on management estimates and have not been independently appraised. Our management will have broad discretion over the use of the Net Proceeds." on page 57.

Details of the Objects of the Fresh Issue

Augmenting the capital base of our Company to meet future business requirements towards onward lending

We are a non-deposit taking housing finance company in India and are registered with the NHB. We offer tailored financial solutions to individuals and corporate entities for the purchase and renovation of homes and commercial spaces, with a comprehensive mortgage product suite comprising: (i) home loans; (ii) loans against property; (iii) lease rental discounting; and (iv) developer financing. Furthermore, our primary emphasis is on individual retail housing loans, complemented by a diversified collection of commercial and developer loans inter alia covering full mortgage product suite and across all customer segments. For details, see "*Our Business*" on page 196.

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*" on page 216.

As at March 31, 2024, our Company's CRAR, in accordance with the Restated Financial Information, was 21.28%, of which Tier–I capital was 20.67%. The table sets forth the details of composition of our Tier–I and Tier–II capital as at March 31, 2024, March 31, 2023 and March 31, 2022:

(in ₹ million)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Equity share capital	67,121.6	67,121.6	48,833.3
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)	9,637.6	6,175.1	3,659.5
General reserve	-	-	-
Securities premium	8,377.2	8,377.2	1,666.7
Debenture redemption reserve	-	-	-
Retained earnings	37,193.3	23,358.0	13,254.1
Other Comprehensive Income	5.3	-	-
Employee Stock Option Outstanding	-	-	-
Deferred revenue expenditure, other intangible assets and other ineligible items for Tier-I capital	(3,762.6)	(3,184.5)	(2,723.5)
Tier I Capital	**118,572.4**	**101,847.4**	**64,690.1**
General provisions for standard assets	3,484.5	3,596.6	2,599.5
Subordinated debt	-	-	-
Tier II Capital	**3,484.5**	**3,596.6**	**2,599.5**
Total Capital Fund (Tier-I and Tier-II)	**122,056.9**	**105,444.0**	**67,289.6**

Capital Adequacy

Set forth below are the details of our CRAR as at March 31, 2024, March 31, 2023 and March 31, 2022, and our Tier-I and Tier-II capital as a percentage of risk weighted assets as at such dates:

(₹ in millions except otherwise stated)

Particulars	As at March 31,		
	2024	2023	2022
Tier I Capital (A)	118,572.4	101,847.4	64,690.1
Tier II Capital (B)	3,484.5	3,596.6	2,599.5
Total Capital Fund (C=A+B)	122,056.9	105,444.0	67,289.6
Total Risk weighted assets (D)	**573,518.3**	**459,017.5**	**341,261.5**
Capital adequacy ratios			
CRAR-Tier- I capital (%) (E=A/D)	20.67	22.19	18.95
CRAR-Tier- II capital (%) (F=B/D)	0.61	0.78	0.76
CRAR (%)	**21.28**	**22.97**	**19.71**

Notes:

(1) Tier I Capital - Represents Tier I capital computed basis the method provided by the regulator as at the last day of relevant fiscal year.
(2) Tier II Capital - Represents Tier II capital computed basis the method provided by the regulator as at the last day of relevant fiscal year

Set forth below are the details of our AUM as at March 31, 2024, March 31, 2023 and March 31, 2022:

Particulars	As at March 31,		
	2024	2023	2022
AUM *(in ₹ million)*	913,704.0	692,279.0	533,217.2
AUM growth (in %)	32.0	29.8	37.2

Since our Company continues to grow our loan portfolio and asset base, it will require additional capital in order to continue to meet applicable capital adequacy ratios with respect to its business. Our Company proposes to utilise the Net Proceeds towards augmenting its capital base to meet future business requirements of our Company towards onward lending, which are expected to arise out of growth of our business and assets. For further details, see "*Our Business*" on page 196.

While our Company's CRAR as at March 31, 2024, March 31, 2023 and March 31, 2022 exceeds the regulatory thresholds prescribed by the RBI, 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 CRAR 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 CRAR 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 ₹[●] million out of the Net Proceeds towards maintaining higher Tier-I Capital in light of our onward lending requirements. We believe that maintaining higher Tier-I 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.

Means of finance

The fund requirements set out in the aforesaid Objects 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. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/ or seeking additional debt from existing and/ or other lenders.

Offer related expenses

The total Offer related expenses are estimated to be approximately ₹[●] million. The Offer related expenses primarily include listing fees, underwriting fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Offer, Escrow Collection Bank, Public Offer Account Bank, Refund Bank and Sponsor Banks, including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, 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) listing fees, audit fees of the Joint Statutory Auditors (to the extent not attributable to the Offer), and expenses in relation to product or corporate advertisements, i.e., any corporate advertisements consistent with past practices of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer), each of which shall be solely borne by the Company, and (b) fees for counsel to the Promoter Selling Shareholder, if any, which shall be solely borne by the Promoter Selling Shareholder, all costs, fees, charges and expenses with respect to the offer, to the extent due and accrued, shall be shared by our Company and the Promoter Selling Shareholder, on a pro rata basis, in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by the Promoter Selling Shareholder in the Offer for Sale.

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.

Further, in the event the Offer is withdrawn or abandoned or not completed for any reason whatsoever, the Offer related expenses shall be borne by our Company and the Promoter Selling Shareholder, on a pro rata basis, in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by the Promoter Selling Shareholder in the Offer for Sale.

The break-up of the estimated Offer expenses is as follows:

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 fees payable to the Sponsor Bank(s) for Bids made by UPI Bidders(2)(3)(4)(5)	[●]	[●]	[●]
Brokerage, selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(2)(3)(4)(5)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to other parties to the Offer:			
1. Auditors	[●]	[●]	[●]
2. Independent Chartered Accountant	[●]	[●]	[●]
3. Industry expert	[●]	[●]	[●]
4. Legal counsel	[●]	[●]	[●]
5. Others	[●]	[●]	[●]
Other expenses:			
- 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	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) Amounts will be finalised and incorporated in the Prospectus upon determination of the Offer Price.

(2) Selling commission payable to the SCSBs on the portion for RIBs, Non-Institutional Bidders, Eligible Employees Bidding in the Employee Reservation Portion and Eligible Shareholders Bidding in the Shareholders Reservation Portion, which are directly procured and uploaded by the SCSBs, would be as follows:

*Portion for RIB**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted (plus applicable taxes)*
Portion for Eligible Shareholders	*[●]% of the Amount Allotted (plus applicable taxes)*

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

(3) No additional uploading / processing fees shall be payable by our Company and the Promoter Selling Shareholder to the SCSBs on the Bid cum Application Forms directly procured by them.

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.

Processing fees payable to the SCSBs on the portion for RIBs, Non-Institutional Bidders, Eligible Employees and Eligible Shareholders 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	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
Portion for Non-Institutional Bidders	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Eligible Employees**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
Portion for Eligible Shareholders	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*

The Selling commission payable to the Syndicate / sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application 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.

(4) The uploading charges/ processing fees for applications made by UPI Bidders would be as follows:

Members of the Syndicate / RTAs / CDPs / Registered Brokers	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*
Sponsor Bank(s)	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)* *The Sponsor Bank(s) shall be responsible for making payments to the third parties such as remitter bank, NCPI 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.*

* *For each valid application.*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

The processing fees for applications made by UPI Bidders 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 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

(5) Selling commission on the portion for RIBs, Non-Institutional Bidders, Eligible Employees and Eligible Shareholders which are procured by Members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

*Portion for RIBs**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Eligible Shareholders	*[●]% of the Amount Allotted* (plus applicable taxes)*

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

Interim use of Net Proceeds

The Net Proceeds shall be retained in the Public Offer Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Pending utilisation for the purposes described above, our Company will deposit the Net Proceeds only with one or more scheduled commercial banks included in Second Schedule of the Reserve Bank of India Act, 1934 as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the shares of any other listed company or 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 Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

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.

Monitoring of utilisation of funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency to monitor the utilisation of the Gross Proceeds, prior to filing of the 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 Net 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 Net Proceeds, including interim use under a separate head in its balance sheet for such Fiscal periods 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 Net Proceeds have been utilised, till the time any part of the Fresh Issue proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable Fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net 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 Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor(s) 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 Net Proceeds from the Objects of the Offer as stated above; and (ii) details of variations in the utilisation of the Net Proceeds from the Objects of the Offer as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Directors' report, after placing the same before the Audit Committee. Further, our Company shall, on a quarterly basis, include the deployment of Net Proceeds under various heads, as applicable, in the notes to our quarterly results. Our Company will indicate investments, if any, of unutilised Net 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 the 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. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Notice shall simultaneously be published in an English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, in accordance with the Companies Act and applicable rules. The Shareholders who do not agree to the proposal to vary the objects shall be given an exit opportunity, at such price, and in such manner, in accordance with our Articles of Association, the Companies Act, and the SEBI ICDR Regulations.

Other confirmations

Except to the extent of the proceeds received by the Promoter Selling Shareholder pursuant to the Offer for Sale, none of our Promoters, the members of the Promoter Group, Directors, Key Managerial Personnel, Senior Management Personnel or Group Companies will receive any portion of the Offer Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue, except as set out above.

Our Company has not entered into and is not planning to enter into any arrangement/ agreements with our Promoters, Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel in relation to the utilisation of the Net Proceeds.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will 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 Floor Price is [●] times the face value and the Cap Price is [●] times the face value. Investors should also see "*Our Business*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Selected Statistical Information*" and "*Restated Financial Information*" on pages 196, 33, 349, 259 and 273, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe some of the qualitative factors which form the basis for computing the Offer Price are:

- We have a distinguished heritage of the "Bajaj" brand, which enjoys widespread recognition as a reliable retail brand with strong brand equity.
- We are the second largest HFC in India (in terms of AUM) with a track record of strong growth driven by a diversified portfolio.
- We have a strategic presence with omni-channel sourcing strategy, driven by customer-focused digitization initiatives and technology.
- We have well defined credit evaluation and risk management practices resulting in lowest GNPA and NNPA among our Peers in Fiscal 2024.
- We have access to diversified and cost-effective borrowing sources facilitated by the highest possible credit ratings from rating agencies.
- We have an experienced management team supported by a team of dedicated professionals and ability to attract and retain talented employees.

For details, see "*Our Business –Strengths*" on page 199.

Quantitative Factors

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

A. Basic and Diluted Earnings per share for continuing operations ("EPS") (face value of each Equity Share is ₹10):

Fiscal Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2024	2.6	2.6	3
March 31, 2023	1.9	1.9	2
March 31, 2022	1.5	1.5	1
Weighted Average	2.2	2.2	

Notes:

1. *Basic EPS = Net profit after tax (loss after tax) as restated / Weighted average number of equity shares outstanding during the year.*
2. *Diluted EPS = Net profit after tax (loss after tax) as restated / Weighted average number of potential equity shares outstanding during the year.*
3. *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*
4. *EPS has been calculated in accordance with the Indian Accounting Standard 33 – "Earnings per share" notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*

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

Particulars	P/E at the Floor Price (no. of times)*	P/E at the Cap Price (no. of times)
Based on basic EPS for Fiscal 2024	[●]	[●]
Based on diluted EPS for Fiscal 2024	[●]	[●]

**To be computed after finalization of Price Band.*

C. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below are the highest, lowest and industry average P/E ratio:

Particulars	P/E Ratio
Highest	25.8
Lowest	7.3
Average	18.0

Notes:

1. *The industry high and low has been considered from the industry peer set provided later in this chapter. The industry average 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 103.*
2. *P / E Ratio has been computed based on the closing market price of equity shares on NSE on May 31, 2024 divided by the Diluted EPS.*
3. *All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the audited financial statements of the relevant companies for Fiscal 2024, as available on the websites of the stock exchanges.*

D. Industry Peer Group price/book (“P/B”) ratio

Based on the peer group information (excluding our Company) given below in this section, details of the highest, lowest and industry average P/B ratio are set forth below:

Particulars	P/B ratio
Highest	4.0
Lowest	1.1
Average	2.7

Notes:

1. The industry composite has been calculated as the arithmetic average P/B of the industry peer set disclosed.

2. P / B Ratio has been computed based on the closing market price of equity shares on NSE on May 31, 2024 divided by the NAV per Equity Share as of March 31, 2024.

3. All the financial information for listed industry peers mentioned above is taken as is sourced from the audited financial statements of the relevant companies for Fiscal 2024, as available on the websites of the stock exchanges.

E. Return on Net Worth (“RoNW”)

Fiscal Year ended	RoNW (%)	Weight
March 31, 2024	15.2%	3
March 31, 2023	14.6%	2
March 31, 2022	11.1%	1
Weighted Average	**14.3%**	

Notes:

1. *Net worth has been computed as a sum of paid up share capital and other equity.*
2. *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.*
3. *Return on Net Worth = Net profit/(loss) after tax for the years attributable to the owners of the Company divided by Average Net Worth of the Company for the respective year.*

F. Net Asset Value (“NAV”) per Equity Share of face value of ₹10 each:

Fiscal year ended	NAV per Equity Share (₹)
As on March 31, 2024	18.2
After the completion of the Offer	
(i) At Floor Price	[●]
(ii) At Cap Price	[●]
Offer Price	[●]

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.*

G. Comparison with listed industry peers

Following is the comparison with our peer group companies listed in India and in the same line of business as our Company as of March 31, 2024:

Name of the company	Total income (₹ in million)	Face Value (₹ per share)	P/E	P/B	Basic EPS (₹)	Diluted EPS (₹)	RoNW (%)	NAV (₹ in million)	NAV per Equity Share (₹)
Bajaj Housing Finance Limited#	76,177.1	10	NA	NA	2.6	2.6	15.2%	122,335.0	18.2
Listed Peers									
LIC Housing Finance Limited	272,778.0	2	7.3	1.1	86.5	86.5	16.2%	314,800.6	572.3
PNB Housing Finance Limited	70,570.9	10	12.4	1.3	58.4	58.2	11.6%	149,744.4	576.6
Can Fin Homes Limited	35,246.9	2	12.9	2.2	56.4	56.4	18.8%	43,438.5	326.2
Aadhar Housing Finance	25,869.8	10	18.7	3.3	19.0	18.4	18.4%	44,497.5	104.3

Name of the company	Total income (₹ in million)	Face Value (₹ per share)	P/E	P/B	Basic EPS (₹)	Diluted EPS (₹)	RoNW (%)	NAV (₹ in million)	NAV per Equity Share (₹)
Aavas Financiers	20,206.9	10	25.8	3.3	62.0	61.9	13.9%	37,733.2	476.8
Aptus Value Housing Finance	14,168.4	2	24.6	4.0	12.3	12.2	17.2%	37,679.2	75.5
Home First Finance	11,565.5	2	24.3	3.4	34.7	33.7	15.5%	21,214.9	239.7

Notes:
 # Financial information of the Company has been derived from the Restated Financial Information.
Sources for listed peers information included above:

1. *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, 2024 available on the website of the stock exchanges or the Company.*
2. *P/E ratio for the listed industry peers has been computed based on the closing market price of equity shares on NSE Limited ("NSE") as on May 31, 2024 divided by the diluted earnings per share for the year ended March 31, 2024.*
3. *P/B ratio for the listed industry peers has been computed based on the closing market price of equity shares on NSE as on May 31, 2024 divided by the net asset value per equity share as at the last day of the year ended March 31, 2024.*
4. *Return on net worth (%) is calculated as the profit after tax for the relevant fiscal year as a percentage of average net worth in such year.*
5. *Net asset value per equity share (book value per equity share) is computed as net worth as of the last day of the relevant year divided by the outstanding number of issued and subscribed equity shares as of the last day of such year. Net worth is calculated as a sum of equity share capital and other equity.*

H. Key Performance Indicators

The table below sets forth the details of our KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated June 6, 2024 and the Audit Committee has confirmed that the KPIs and other operational and financial metrics pertaining to the Company that have been identified by the Company's management, and shared with our Promoter, Bajaj Finance Limited, at any point in the last three years, have been disclosed in this section. Further, the KPIs herein have been verified and certified by S K Patodia & Associates LLP, Chartered Accountants, pursuant to their certificate dated June 7, 2024.

The KPIs disclosed below have been historically used by the Company to understand and analyze its business performance and will also help in analyzing its growth in comparison to its peers.

The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated 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 and may 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 KPIs should not be considered in isolation or construed as an alternative to Ind AS measures of performance, liquidity, profitability or results of operation.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once a year (or any lesser period as may be determined by the Board), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the utilisation of the Offer Proceeds as per the disclosure made in the section "*Objects of the Offer*" on page 96 of this Draft Red Herring Prospectus, whichever is later, or for such other duration as required under the SEBI ICDR Regulations.

(*₹ in million, unless specified*)

Sr. No.	Particulars	As at and for the financial year ended March 31, 2024	As at and for the financial year ended March 31, 2023	As at and for the financial year ended March 31, 2022
Footprint / Presence				
1	No. of States/UTs (#)	23	20	17
2	No. of Branches (#)	215	208	201
3	No. of Locations (#)	174	162	157
4	No. of Employees (#)	2372	2788	3705
Portfolio Cuts				
5	AUM	9,13,704.0	6,92,279.0	5,33,217.2
6	*AUM y-o-y Growth*	32.0%	29.8%	37.2%
7	Disbursement	4,46,562.4	3,43,336.3	2,61,752.4
8	*Disbursement y-o-y Growth*	30.1%	31.2%	73.5%
9	Product-wise AUM			
a.	*HL*	57.8%	61.7%	64.8%
b.	*LAP*	10.5%	11.3%	13.9%

Sr. No.	Particulars	As at and for the financial year ended March 31, 2024	As at and for the financial year ended March 31, 2023	As at and for the financial year ended March 31, 2022
c.	*LRD*	19.3%	16.3%	12.9%
d.	*DF*	10.5%	8.2%	5.4%
e.	*Others*	1.9%	2.5%	3.0%
10	AUM Mix			
a.	*On-book*	86.8%	89.7%	87.2%
b.	*Off-book*	13.2%	10.3%	12.8%
11	HL AUM Mix (by Customer Type)			
a.	*Salaried*	87.5%	90.5%	90.0%
b.	*Self-employed professional*	4.3%	5.2%	5.1%
c.	*Self-employed non professional*	8.2%	4.3%	4.9%
12	HL AUM Mix (by Sourcing Channel)			
a.	*Direct*	55.7%	50.2%	45.4%
b.	*Indirect*	44.3%	49.8%	54.6%
13	HL			
a.	*ATS (at Origination)*	4.6	4.6	4.2
b.	*LTV (at Origination)*	70.5%	71.3%	71.1%
c.	*% of AUM with CIBIL Score >750 (at Origination)*	75.8%	76.7%	77.6%
14	LAP			
a.	*ATS (at Origination)*	5.8	4.9	4.3
b.	*LTV (at Origination)*	55.1%	52.8%	56.6%
c.	*SORP %*	71.2%	71.2%	72.5%
15	DF			
a.	*ATS (at Origination)*	446.3	338.5	261.0
b.	*Active developer relationships (funded by DF)* (#)	419	327	267
c.	*Active Projects (funded by DF)* (#)	616	487	373
d.	*Approved project financiers (APF)* (#)	6039	4549	2951
16	LRD			
a.	*ATS (at Origination)*	998.6	786.6	549.8
f.	*Active Customers* (#)	237	187	164
Productivity Metrics				
17	AUM/Branch	4,249.8	3,328.3	2,652.8
18	AUM/Employee	385.2	248.3	143.9
Financial Metrics				
19	Net Worth	1,22,335.0	1,05,031.9	67,413.6
20	Total Income	76,177.1	56,654.4	37,671.3
21	Net Total Income	29,251.0	24,541.2	16,118.2
22	Profit After Tax	17,312.2	12,578.0	7,096.2
23	PAT y-o-y Growth	37.6%	77.2%	56.6%
24	Yield on Advances (%)	10.2%	9.7%	8.7%
25	Cost of Borrowings (%)	7.6%	6.7%	5.9%
26	Spread (%)	**2.6%**	**3.0%**	**2.8%**
27	NIM (Net Interest Margin) / NTI (Net Total Income) (%)	4.1%	4.5%	4.0%
28	Opex to Avg. AR (%)	1.0%	1.2%	1.2%
29	Opex to Net Total Income (%)	24.0%	25.7%	29.2%
30	Credit Cost (%)	0.1%	0.2%	0.5%
31	RoAA (%)	2.4%	2.3%	1.8%
32	RoAE (%)	15.2%	14.6%	11.1%
33	CRAR (%)	21.28%	22.97%	19.71%
34	CRAR (%) - Tier 1	20.67%	22.19%	18.95%
35	Leverage (TA/TE)	6.7	6.2	7.2
36	Debt to Equity the ratio	5.7	5.1	6.2
37	Borrowing Mix			
a.	*Bank Borrowings*	51.3%	58.9%	59.0%
b.	*NCD*	34.7%	36.3%	30.1%
c.	*NHB*	9.9%	3.7%	0.0%
d.	*Commercial Paper*	3.8%	0.8%	9.6%
e.	*ICD/Deposits*	0.3%	0.3%	1.2%
38	Earnings per Share			
a.	*Basic*	2.6	1.9	1.5
b.	*Diluted*	2.6	1.9	1.5
Asset Quality Metrics				
39	GNPA (%)			

Sr. No.	Particulars	As at and for the financial year ended March 31, 2024	As at and for the financial year ended March 31, 2023	As at and for the financial year ended March 31, 2022
a.	*HL*	0.27%	0.21%	0.29%
b.	*LAP*	0.68%	0.77%	0.80%
c.	*LRD*	0.00%	0.00%	0.00%
d.	*DF*	0.15%	0.00%	0.04%
e.	*Others*	0.91%	0.50%	0.41%
40	NNPA (%)			
a.	*HL*	0.10%	0.07%	0.13%
b.	*LAP*	0.26%	0.31%	0.41%
c.	*LRD*	0.00%	0.00%	0.00%
d.	*DF*	0.04%	0.00%	0.00%
e.	*Others*	0.21%	0.15%	0.13%
41	Provision Coverage the ratio (%)			
a.	*HL*	61.7%	64.9%	55.6%
b.	*LAP*	62.2%	60.0%	49.3%
c.	*LRD*	0.0%	0.0%	0.0%
d.	*DF*	73.8%	66.0%	100.0%
e.	*Others*	76.7%	70.3%	67.9%
42	Product-wise Stage 1			
a.	*HL*	4,89,994.4	3,91,801.3	2,98,871.4
b.	*LAP*	77,930.4	57,924.0	61,516.0
c.	*LRD*	1,11,220.2	96,843.4	56,553.6
d.	*DF*	96,620.4	57,067.9	29,074.2
e.	*Others*	17,427.7	17,783.6	15,980.9
43	Product-wise Stage 2			
a.	*HL*	1,614.6	2,028.2	3,735.9
b.	*LAP*	1,174.1	1,374.6	2,054.8
c.	*LRD*	0.0	0.0	17.3
d.	*DF*	4.5	72.5	5.9
e.	*Others*	106.8	123.8	223.0
Credit Rating				
44	Credit Rating			
a.	Non-Convertible Debenture & Subordinated debt (India Ratings)	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
b.	Long-Term Bank Rating/Short-Term Bank Rating (India Ratings)	IND AAA(Stable) / IND A1+	IND AAA(Stable) / IND A1+	IND AAA(Stable) / IND A1+
c.	Commercial Paper (India Ratings)	IND A1+	IND A1+	IND A1+
d.	Non-Convertible Debenture (CRISIL)	CRISIL AAA/Stable	CRISIL AAA/Stable	CRISIL AAA/Stable
e.	Subordinated debt (CRISIL)	CRISIL AAA/Stable	CRISIL AAA/Stable	CRISIL AAA/Stable
f.	Long-Term / Short-Term Bank Rating (CRISIL)	CRISIL AAA/(Stable) / CRISIL A1+	CRISIL AAA/(Stable) / CRISIL A1+	CRISIL AAA/(Stable) / CRISIL A1+

Notes:

(#) *denotes count*

(1) Average represents the simple average of balance as at the last day of the relevant fiscal year and last day of the preceding fiscal year.

(2) Note: Please refer to table I for full forms, definitions and calculations of all metrics mentioned above

I. 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

A list of our KPIs along with a brief explanation of the relevance of the KPIs to our business operations are set forth below:

Sr. No.	Metrics	Description	Relevance
Footprint / Presence			
1	No of States/UTs	Number of States and UTs represents the total number of states and UTs where Company has presence as at the last day of the relevant fiscal year	These metrics are used by the management to assess the physical presence, footprint and geographical expansion of the business of our Company.
2	No of Branches	Number of branches represents total number of branches as at the last day of relevant fiscal year.	
3	No of Locations	Number of locations represents total number of cities as at the last day of relevant fiscal year	

Sr. No.	Metrics	Description	Relevance
4	No of Employees	Number of employees represents total number of employees as at the last day of relevant fiscal year	
Portfolio Cuts			
5	AUM	**AUM**- Represents the asset under management ('AUM') which is aggregate of (i) Loan Assets (Loans), which is aggregate amount of loan receivable from customer and includes future principal outstanding and overdue principal outstanding after considering the impairment allowances, and (ii) Assigned Assets (Off Book), which represents aggregate amount of future principal outstanding and overdue principal outstanding for off book loan assets (which have been transferred by our Company by way of assignment) as at the last day of the relevant fiscal year.	These metrics are used by the management to assess the growth in terms of scale of business of our Company.
6	*AUM y-o-y Growth*	**AUM y-o-y Growth (%)** - Represents percentage growth in AUM as at the last day of the relevant fiscal year over the AUM of the last day of the preceding fiscal year.	
7	Disbursement	**Disbursements** - Represents the total sanction amount of the new loans disbursed during the relevant fiscal year.	
8	*Disbursement y-o-y Growth*	**Disbursement y-o-y Growth (%)** - Represents percentage growth in disbursement for the relevant fiscal year over disbursement of the preceding fiscal year.	
9	Product-wise AUM	**Product-wise AUM -** **(a) HL -** Represents ratio of the AUM for our home loan product to total AUM as at the last date of the relevant fiscal year. **(b) LAP -** Represents ratio of the AUM for our loan against property product to the total AUM as at the last date of the relevant fiscal year. **(c) LRD -** Represents ratio of the AUM for our lease rental discounting product to the total AUM as at the last date of the relevant fiscal year**.** **(d) DF -** Represents ratio of the AUM for our developer financing product to the total AUM as at the last date of the relevant fiscal year. **(e) Others -** Represents ratio of the the AUM for our non-collateralised loans to the total AUM as at the last date of the relevant fiscal year.	These metrics are used by the management to assess the growth in terms of composition of business of our Company.
a.	*HL*		
b.	*LAP*		
c.	*LRD*		
d.	*DF*		
e.	*Others*		
10	AUM Mix	**AUM Mix (%) -** **(a) On-book AUM (%)** - Represents the ratio of loan assets to total AUM. **(b) Off-book AUM (%)** - Represents the ratio of assigned assets to total AUM.	
a.	*On-book*		
b.	*Off-book*		
11	HL AUM Mix (by Customer Type)	Represents mix of Housing Loan AUM by type of Customers i.e. Salaried, Professionals or Self-employed as at the last day of the relevant fiscal year.	
a.	*Salaried*		
b.	*Self-employed professional*		
c.	*Self-employed non professional*		

Sr. No.	Metrics	Description	Relevance
12	HL AUM Mix (by Sourcing Channel)	Represents mix of Housing Loan AUM basis the channel from which AUM has been originated i.e. Direct or Indirect. In case of Indirect channels Loans are originated via Intermediaries as at the last day of the relevant fiscal year.	
a.	*Direct*		
b.	*Indirect*		
13	HL		These metrics are used by the management to assess type of the business and the concentration of business across sub-segments of our Company.
a.	*ATS (at Origination)*	**HL ATS (at origination)** - Represents the ratio of total amount of home loans sanctioned to the customer, whose home loan is active as at the last day of the relevant fiscal year to numbers of active home loans at the last day of the relevant fiscal year.	
b.	*LTV (at Origination)*	**HL LTV (at origination)** - Represents the average of HL LTV for active Home loans customer whose home loan is active as at the last day of the relevant fiscal year, weighted basis Home Loan AUM. LTV represents the ratio of total secured loans sanctioned to the customer against value of collateral(s) mortgaged.	
c.	*% of AUM with CIBIL Score >750 (at Origination)*	**HL % of AUM with CIBIL Score >750 (at Origination)** - Represents the ratio of AUM of home loans sanctioned to the customers with cibil > 750 as at the date of sanction, whose loan was active as at the last date of relevant fiscal year to AUM of active home loans at the last day of the relevant fiscal year.	
14	LAP		
a.	*ATS (at Origination)*	**LAP ATS (at origination)** - Represents the ratio of amount of total loan against property loans sanctioned to the customer, whose loan against property loan is active as at the last day of the relevant fiscal year to numbers of active loan against property loans at the last day of the relevant fiscal year.	
b.	*LTV (at Origination)*	**LAP LTV (at origination)** - Represents the average of LAP LTV for active Loan Against property customers whose LAP loan is active as at the last day of the relevant fiscal year, weighted basis LAP AUM. LTV represents the ratio of total secured loans sanctioned to the customer against value of collateral(s) mortgaged.	
c.	*SORP %*	**LAP SORP (%)** - Represents the self occupied residential mix which is composition of active loans -of loan against property, where the collateral is used for self-occupation purposes as a proportion to total active LAP loans as at the last day of the relevant fiscal year.	
15	DF		
a.	*ATS (at Origination)*	**DF ATS (at Origination)** - Represents the ratio of total amount of developer financing loans sanctioned against a project funded , whose loan are active as at the last day of the relevant fiscal year to numbers of projects funded which has active developer financing loans at the last day of the relevant fiscal year.	
b.	*Active developer relationships (funded by DF)* (#)	Active developer relationships represent the unique count of developers whose construction finance loans are active as at the last day of the relevant fiscal year.	

Sr. No.	Metrics	Description	Relevance
c.	*Active Projects (funded by DF)* (#)	**Active Projects (funded by DF)** - Represents number of active project against which loan is active as at the last day of the relevant fiscal year.	
d.	*Approved project financiers (APF)* (#)	**Approved project financiers (APF)** - Represents number of projects, which are assessed and approved for future disbursement for new customers.	
16	LRD		
a.	*ATS (at Origination)*	**LRD ATS (at Origination)** - Represents the ratio of total amount of lease rental discounting loans sanctioned to the customers / customer group, whose loan are active as at the last day of the relevant fiscal year to numbers of active lease rental discounting loans customers /customer group at the last day of the relevant fiscal year.	
f.	*Active Customers* (#)	**LRD # of Active Customers** - Represents number of customers / customer group whose lease rental discounting loan is active as at the last day of the relevant fiscal year.	
Productivity Metrics			
17	AUM/Branch	AUM per branch represents AUM as at the last day of the relevant fiscal year divided by the aggregate number of our branches as at the last day of relevant fiscal year.	These metrics are used by the management to track the productivity of branches and employees of the Company
18	AUM/Employee	AUM per employee represents AUM as at the last day of the relevant fiscal year divided by the number of our employees as at the last day of relevant fiscal year.	
Financial Metrics			
19	Net Worth	**Net Worth** : Represents the total equity which comprises of equity share capital and other equity.	These metrics are used by the management to assess the financial and profitability metrics and cost efficiency of the business of our Company
20	Total Income	**Total income** - Represents the sum of total revenue from operation and other income for the relevant fiscal year	
21	Net Total Income (NTI)	**Net Total Income** - Represents total income reduced by finance cost for the relevant fiscal year.	
22	Profit After Tax (PAT)	**Profit after tax** : Represents profit before tax as reduced by total tax expenses for the relevant fiscal year.	
23	*PAT y-o-y Growth*	**Profit y-o-y Growth (%)** - Represents growth in our PAT for the relevant fiscal year as a percentage of PAT of its preceding fiscal year .	
24	Yield on loan assets (%)	**Yield on loan assets (%)** - Represents the ratio of interest income to the average Loan assets for the relevant fiscal year.	
25	Cost of Borrowings (%)	**Cost of Borrowings (%)** - Represents the ratio of the finance cost to average borrowings for the relevant fiscal year.	
26	Spread (%)	**Spreads (%)** : Represents difference between yield on loan assets and cost of borrowings for the relevant fiscal year.	
27	NIM (Net Interest Margin) / NTI (Net Total Income) (%)	**NIM (Net Interest Margin) (%)**- Represents the ratio of net total income to average loan assets for the relevant fiscal year.	
28	Opex to Avg. AR (%)	**Opex to Avg. AR (%)** - Represents the ratio of Operating Expenses to average loan assets for the relevant fiscal year.	
29	Opex to Net Total Income (%)	**Opex to Net Total Income (%)** – Represents the ratio of Operating Expenses to Net total income for the relevant fiscal year.	

Sr. No.	Metrics	Description	Relevance
30	Credit Cost (%)	**Credit Cost (%)** - Represents the ratio of impairment on financial instrument to Average loan asset for the relevant fiscal year.	
31	RoAA (%)	**RoAA (%)** - Represents the ratio of return on average assets which is profit after tax (PAT) to average loan assets for the relevant fiscal year.	These metrics are used by the management to assess the return on the deployed capital (including free reserves) and the assets in the business of our Company
32	RoAE (%)	**RoAE (%)** - Represents the ratio of profit after tax to average total equity for the relevant fiscal year. Average total equity represents the simple average of total equity, which is aggregate of equity share capital and other equity as at the last day of the relevant fiscal year and total equity of the last day of the preceding fiscal year.	
33	CRAR (%)	CRAR is computed by dividing our Tier I and Tier II capital by total risk weighted assets, each as computed in accordance with relevant RBI guidelines applicable as at the last day of relevant fiscal year.	These metrics are used by the management to ensure the adequacy of capital for the business growth of our Company.
34	CRAR (%) - Tier 1	CRAR is computed by dividing our Tier I capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines applicable as at the last day of relevant fiscal year.	
35	Leverage (TA/TE)	**Leverage (TA/TE)** - Represents the ratio of total assets to total equity as at the last day of relevant fiscal year.	These metrics are used by the management to assess the capital requirement for the Company
36	Debt to Equity the ratio	**Debt to Equity ratio** - Represents ratio of total borrowings to total equity as at the last day of the relevant fiscal year.	
37	Borrowing Mix	**Borrowing mix (%)- Bank Borrowing** - Represents the composition of borrowings raised through term loans (including working capital loans) as a proportion to our total borrowings. **NCD** - Represents the composition of borrowings raised through non convertible debentures as a proportion to our total borrowings. **NHB** - Represents the composition of borrowings raised through National Housing Bank under its refinance scheme as a proportion to our total borrowings **CP** - Represents the composition of borrowings raised through commercial papers as a proportion to our total borrowings **ICD** - Represents the composition of borrowings raised through inter corporate deposits as a proportion to our total borrowings Here Borrowings represents the sum of debt securities, borrowings (other than debt securities) and deposits.	This metric is used by the management to assess the source of capital borrowed by the Company
a.	*Bank Borrowing*		
b.	*NCD*		
c.	*NHB*		
d.	*Commercial Paper*		
e.	*ICD*		
38	Earnings per Share	**Earnings per Share Basic (₹)** is calculated by dividing the profit after tax attributable to equity shareholders by Weighted average number of equity shares outstanding during the relevant fiscal year **Diluted (₹)** is calculated by dividing the profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the relevant fiscal year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive	Earnings per share represents the per share profitability of our business.
a.	*Basic*		
b.	*Diluted*		

Sr. No.	Metrics	Description	Relevance
		potential equity shares into equity shares of the Company.	
Asset Quality Metrics			
39	GNPA (%)	**GNPA (%) -** **(a) HL** – Represents gross NPA pertaining to our home loan product divided by total gross carrying value of loan asset pertaining to home loan as at the last day of the relevant fiscal year. **(b) LAP** – Represents gross NPA pertaining to our loan against property product divided by total gross carrying value loan asset pertaining to loan against property as at the last day of the relevant fiscal year. **(c) LRD** – Represents gross NPA pertaining to our lease rental discounting product divided by total gross carrying value loan asset pertaining to lease rental discounting as at the last day of the relevant fiscal year. **(d) DF** – Represents gross NPA pertaining to our developer financing product divided by total gross carrying value loan asset pertaining to developer financing as at the last day of the relevant fiscal year. **(e) Others** - Represents gross NPA pertaining to our non-collateralised loans divided by total gross carrying value loan asset pertaining to non-collateralised loans as at the last day of the relevant fiscal year.	These metrics are used by the management to assess the asset quality of the loan portfolio and adequacy of provisions against delinquent loans
a.	*HL*		
b.	*LAP*		
c.	*LRD*		
d.	*DF*		
e.	*Others*		
40	NNPA (%)	**NNPA (%) -** **(a) HL** - Represents net NPA pertaining to our home loan product divided by total gross carrying value loan asset after reducing impairment loan allowances on stage 3 loan assets pertaining to home loan product as at the last day of the relevant fiscal year. **(b) LAP** - Represents net NPA pertaining to our loan against property product divided by total gross carrying value loan asset after reducing impairment loan allowances on stage 3 loan assets pertaining to loan against property product as at the last day of the relevant fiscal year. **(c) LRD** - Represents net NPA pertaining to our lease rental discounting product divided by total gross carrying value loan asset after reducing impairment loan allowances on stage 3 loan assets pertaining to lease rental discounting product as at the last day of the relevant fiscal year. **(d) DF** - Represents net NPA pertaining to our developer financing product divided by total gross carrying value loan asset after reducing impairment loan allowances on stage 3 loan assets pertaining to developer financing product as at the last day of the relevant fiscal year. **(e) Others** - Represents net NPA pertaining to our non-collateralised loans divided by total gross carrying value loan asset after reducing impairment loan allowances on stage 3 loan assets pertaining to non-collateralised loans as at the last day of the relevant fiscal year.	
a.	*HL*		
b.	*LAP*		
c.	*LRD*		
d.	*DF*		
e.	*Others*		
41	Provision Coverage the ratio (%)	**Provision Coverage the ratio (%) -** **(a) HL** - Represents the ratio of impairment	

Sr. No.	Metrics	Description	Relevance
a.	*HL*	loss allowance provided on gross NPA pertaining to home loan product to gross stage 3 loan assets pertaining to home loan product. **(b) LAP** - Represents the ratio of impairment loss allowance provided on gross NPA pertaining to loan against property product to gross stage 3 loan assets pertaining to loan against property product **(c) LRD** - Represents the ratio of impairment loss allowance provided on gross NPA pertaining to lease rental discounting product to gross stage 3 loan assets pertaining to lease rental discounting product. **(d) DF** - Represents the ratio of impairment loss allowance provided on gross NPA pertaining to developer financing product to gross stage 3 loan assets pertaining to developer financing product. **(e) Others** - Represents the ratio of impairment loss allowance provided on gross NPA pertaining to non-collateralised loans to gross stage 3 loan assets pertaining to non-collateralised loans	
b.	*LAP*		
c.	*LRD*		
d.	*DF*		
e.	*Others*		
42	Product-wise Stage 1	**Product-wise Stage 1 -** **(a) HL** - Represents the gross carrying value of loan assets pertaining to our home loan product in stage 1 as at the last day of the relevant fiscal year. **(b) LAP** - Represents the gross carrying value of loan assets pertaining to our loan against property product in stage 1 as at the last day of the relevant fiscal year. **(c) LRD** - Represents the gross carrying value of loan assets pertaining to our lease rental discounting product in stage 1 as at the last day of the relevant fiscal year. **(d) DF** - Represents the gross carrying value of loan assets pertaining to our developer financing in stage 1 as at the last day of the relevant fiscal year. **(e) Others** - Represents the gross carrying value of loan assets pertaining to our non-collateralised loans in stage 1 as at the last day of the relevant fiscal year.	
a.	*HL*		
b.	*LAP*		
c.	*LRD*		
d.	*DF*		
e.	*Others*		
43	Product-wise Stage 2	**Product-wise Stage 2 -** **(a) HL** - Represents the gross carrying value of loan assets pertaining to our home loan product in stage 2 as at the last day of the relevant fiscal year. **(b) LAP** - Represents the gross carrying value of loan assets pertaining to our loan against property product in stage 2 as at the last day of the relevant fiscal year. **(c) LRD** - Represents the gross carrying value of loan assets pertaining to our lease rental discounting product in stage 2 as at the last day of the relevant fiscal year. **(d) DF** - Represents the gross carrying value of loan assets pertaining to our developer financing in stage 2 as at the last day of the relevant fiscal year. **(e) Others** - Represents the gross carrying value of loan assets pertaining to our non-collateralised loans in stage 2 as at the last day of the relevant fiscal	
a.	*HL*		
b.	*LAP*		
c.	*LRD*		
d.	*DF*		
e.	*Others*		

Sr. No.	Metrics	Description	Relevance
Credit Rating			
44	Credit Rating	Credit rating issued by a/multiple registered rating agency/ies with the SEBI for long term and short term borrowing facilities of our Company as at the last day of relevant fiscal year.	Credit Ratings represents the long term and short term credit ratings of our Company's various borrowing facilities on the basis of the assessment by independent rating agencies.
a.	Non-Convertible Debenture & Subordinated debt (India Ratings)		
b.	Long-Term Bank Rating/Short-Term Bank Rating (India Ratings)		
c.	Commercial Paper (India Ratings)		
d.	Non-Convertible Debenture (CRISIL)		
e.	Subordinated debt (CRISIL)		
f.	Long-Term / Short-Term Bank Rating (CRISIL)		
g.	Commercial Paper (CRISIL)		

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "*Our Business – Overview*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Overview*", *"Selected Statistical Information"* and *"Restated Financial Information"* on pages 196, 349, 259 and 273, respectively.

J. Comparison of KPIs with Listed Industry Peers

Table I

S.no.	Metrics	LIC Housing Finance Limited (Mn)			PNB Housing Finance Limited (Mn)		
		Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022
Footprint/ Presence							
1	No of States/UTs (#)	NA	26	NA	20	20	18
2	No of Branches (#)	310	281	282	300	189	90
3	No of Locations (#)	NA	NA	NA	NA	NA	NA
4	No of Employees (#)	2,401	2,462	2,467	NA	1,690	1,425
Portfolio Cuts							
5	AUM	28,68,440.0	27,50,470.0	25,11,200.0	7,12,430.0	6,66,170.0	6,69,830.0
6	AUM y-o-y Growth	4.3%	9.5%	8.2%	6.9%	(0.5%)	(11.2%)
7	Disbursement	5,89,370.0	6,41,150.0	6,18,480.0	1,75,830.0	1,49,650.0	1,12,460.0
8	Disbursement y-o-y Growth	(8.1%)	3.7%	12.0%	17.5%	33.1%	7.7%
9	**Product-wise AUM**						
a.	HL (Home Loan)	85.1%	83.2%	81.3%	69.7%	66.7%	60.0%
b.	LAP (Loan Against Property)	10.0%	10.0%	9.7%	NA	23.0%	21.8%
c.	LRD (Lease Rental Discounting)	NA	NA	NA	NA	1.0%	NA
d.	DF (Developer Finance)	2.8%	4.3%	5.2%	NA	NA	NA
e.	Others	2.1%	2.5%	3.8%	NA	NA	NA
10	**AUM Mix**						
a.	On-book	97.8%	97.4%	97.7%	90.1%	86.9%	82.7%
b.	Off-book	2.2%	2.6%	2.3%	9.9%	13.1%	17.3%
11	**HL AUM Mix (by Customer Type)**						
a.	Salaried	88.0%	88.0%	88.0%	60.8%	58.7%	56.0%
b.	Self-employed Professionals	-	-	-	-	-	-
c.	Self-employed Non-Professionals	12.0%	12.0%	12.0%	39.2%	41.3%	44.0%
12	**HL AUM Mix (by Sourcing Channel)**						
a.	Direct	27.0%	22.0%	24.0%	58.0%	59.0%	62.0%
b.	Indirect	73.0%	78.0%	76.0%	42.0%	41.0%	38.0%
13	**HL**						
a.	ATS (at Origination)	2.9+	2.6+	2.4	2.9	2.9	2.8
b.	LTV (at Origination)	52.0%	47.0%	48.0%	NA	71.0%	72.0%
c.	% of AUM with CIBIL Score >750 (at Origination)	NA	NA	NA	NA	NA	NA
14	**LAP**						
a.	ATS (at Origination)	NA	NA	NA	3.1	3.3	3.6
b.	LTV (at Origination)	NA	NA	NA	NA	<50%	49.0%
c.	SORP %	NA	NA	NA	NA	NA	NA
15	**DF**						
a.	ATS (at Origination)	NA	NA	NA	NA	NA	NA
b.	Active developer relationships (funded by DF) (#)	NA	NA	NA	NA	NA	NA
c.	Active Projects (funded by DF) (#)	NA	NA	NA	NA	NA	NA
d.	Approved project financiers (APF) (#)	NA	NA	NA	NA	NA	NA
16	**LRD**						

S.no.	Metrics	LIC Housing Finance Limited (Mn)			PNB Housing Finance Limited (Mn)		
		Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022
a.	ATS (at Origination)	NA	NA	NA	NA	NA	NA
f.	Active Customers [(#)]	NA	NA	NA	NA	NA	NA
Productivity Metrics							
17	AUM/Branch	9,253.0	9,788.1	8,905.0	2,374.8	3,524.7	7,442.6
18	AUM/Employee	1,194.7	1,117.2	1,017.9	NA	394.2	470.1
Financial Metrics							
19	Net Worth	3,13,946.3	2,71,003.4	2,46,718.4	1,49,323.7	1,09,525.7	98,005.4
20	Total Income	2,72,346.4	2,26,742.0	1,99,530.2	70,239.8	64,923.9	61,459.2
21	Net Total Income	88,439.8	64,882.4	57,757.7	27,615.6	25,928.1	20,802.9
22	Profit After Tax	47,654.1	28,910.3	22,872.8	15,274.2	10,562.7	8,219.2
23	PAT y-o-y Growth	64.8%	26.4%	(16.3%)	44.6%	28.5%	(11.2%)
24	Yield on Advances (%)	9.9%	8.8%	8.3%	11.0%	10.9%	10.0%
25	Cost of Borrowings (%)	7.4%	6.9%	6.6%	7.8%	7.3%	7.2%
26	Spread (%)	2.5%	1.9%	1.7%	3.1%	3.6%	2.8%
27	NIM (Net Interest Margin)/ NTI (Net Total Income) (%)	3.2%	2.5%	2.4%	4.5%	4.6%	3.6%
28	Opex to Avg. AR (%)	0.4%	0.4%	0.4%	1.0%	0.9%	0.8%
29	Opex to Net Total Income (%)	13.0%	15.2%	16.9%	22.4%	20.6%	21.2%
30	Credit Cost (%)	0.6%	0.8%	0.9%	0.3%	1.2%	1.0%
31	RoAA (%)	1.7%	1.1%	1.0%	2.5%	1.9%	1.4%
32	RoAE (%)	16.3%	11.2%	10.1%	11.8%	10.2%	8.8%
33	CRAR (%)	18.2%	18.2%	18.1%	29.3%	24.4%	23.4%
34	CRAR (%) - Tier 1	16.6%	16.6%	16.2%	27.9%	22.4%	20.7%
35	Leverage (TA/TE)	9.3	10.3	10.3	4.8	6.1	6.7
36	Debt to Equity Ratio	8.0	9.0	9.1	3.7	4.9	5.4
37	**Borrowing Mix**						
a.	Bank Borrowings	34.0%	34.0%	30.0%	40.2%	42.2%	32.2%
b.	NCD	52.0%	50.0%	53.0%	9.6%	9.8%	14.4%
c.	NHB	4.0%	5.0%	4.0%	9.2%	5.7%	8.8%
d.	Commercial Paper	5.0%	5.0%	4.0%	6.0%	-	-
e.	ICD/ Deposits	4.0%	5.0%	8.0%	32.3%	32.1%	33.3%
f.	Others	1.0%	1.0%	1.0%	2.6%	10.2%	11.3%
38	**Earnings per Share**						
a.	Basic	86.6	52.6	43.1	59.1	53.7	48.8
b.	Diluted	86.6	52.6	43.1	58.9	53.7	48.7
Asset Quality Metrics							
39	GNPA (%)	3.31%	4.41%	4.64%	1.50%	3.83%	8.13%
a.	HL	NA	NA	NA	NA	NA	NA
b.	LAP	NA	NA	NA	NA	NA	NA
c.	LRD	NA	NA	NA	NA	NA	NA
d.	DF	NA	NA	NA	NA	NA	NA
e.	Others	NA	NA	NA	NA	NA	NA
40	NNPA (%)	1.63%	2.50%	2.69%	0.95%	2.76%	5.22%
a.	HL	NA	NA	NA	NA	NA	NA
b.	LAP	NA	NA	NA	NA	NA	NA

S.no.	Metrics	LIC Housing Finance Limited (Mn)			PNB Housing Finance Limited (Mn)		
		Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022
c.	LRD	NA	NA	NA	NA	NA	NA
d.	DF	NA	NA	NA	NA	NA	NA
e.	Others	NA	NA	NA	NA	NA	NA
41	Provision Coverage Ratio (%)	50.8%	43.3%	42.0%	36.7%	27.9%	35.8%
a.	HL	NA	NA	NA	NA	NA	NA
b.	LAP	NA	NA	NA	NA	NA	NA
c.	LRD	NA	NA	NA	NA	NA	NA
d.	DF	NA	NA	NA	NA	NA	NA
e.	Others	NA	NA	NA	NA	NA	NA
42	**Product-wise Stage 1**						
a.	HL	NA	NA	NA	NA	NA	NA
b.	LAP	NA	NA	NA	NA	NA	NA
c.	LRD	NA	NA	NA	NA	NA	NA
d.	DF	NA	NA	NA	NA	NA	NA
e.	Others	NA	NA	NA	NA	NA	NA
43	**Product-wise Stage 2**						
a.	HL	NA	NA	NA	NA	NA	NA
b.	LAP	NA	NA	NA	NA	NA	NA
c.	LRD	NA	NA	NA	NA	NA	NA
d.	DF	NA	NA	NA	NA	NA	NA
e.	Others	NA	NA	NA	NA	NA	NA
Credit Rating							
44	Credit Rating	CRISIL AAA/ CARE AAA	CRISIL AAA/ CARE AAA	CRISIL AAA/ CARE AAA/ ICRA A1+	India Ratings AA+/ CARE AA+/ ICRA AA+	CRISIL AA/ CARE AA/ ICRA AA/ India Rating AA	CRISIL AA/ CARE AA

Table II

S.no.	Metrics	Can Fin Homes Limited (Mn)			Aadhar Housing Finance Limited (Mn)		
		Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022
Footprint/ Presence							
1	No of States/UTs (#)	21	21	21	20	20	20
2	No of Branches (#)	219	205	200	523	469	332
3	No of Locations (#)	NA	NA	NA	NA	NA	NA
4	No of Employees (#)	NA	976	909	NA	3,663	2,769
Portfolio Cuts							
5	AUM	3,49,990.0	3,15,630.0	2,67,110.0	2,11,210.0	1,72,228.3	1,47,777.9
6	AUM y-o-y Growth	10.9%	18.2%	20.8%	22.6%	16.5%	10.9%
7	Disbursement	81,770.0	89,470.0	82,760.0	70,720.0	59,030.0	39,920.0
8	Disbursement y-o-y Growth	(8.6%)	8.1%	90.4%	19.8%	47.9%	12.6%
9	**Product-wise AUM**						
a.	HL (Home Loan)	78.0%	79.0%	90.0%	74.9%	78.1%	81.8%
b.	LAP (Loan Against Property)	5.0%	5.0%	NA	25.1%	21.9%	18.2%

S.no.	Metrics	Can Fin Homes Limited (Mn)			Aadhar Housing Finance Limited (Mn)		
		Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022
c.	LRD (Lease Rental Discounting)	NA	NA	NA	NA	NA	NA
d.	DF (Developer Finance)	NA	NA	NA	NA	NA	NA
e.	Others	NA	NA	NA	NA	NA	NA
10	**AUM Mix**						
a.	On-book	98.7%	98.8%	98.8%	80.0%	80.4%	80.9%
b.	Off-book	1.3%	1.2%	1.2%	20.0%	19.6%	19.1%
11	**HL AUM Mix (by Customer Type)**						
a.	Salaried	72.0%	73.0%	74.0%	NA	61.5%	63.8%
b.	Self-employed Professionals	NA	NA	NA	NA	NA	NA
c.	Self-employed Non-Professionals	28.0%	27.0%	26.0%	NA	38.5%	36.2%
12	**HL AUM Mix (by Sourcing Channel)**						
a.	Direct	72.0%	NA	NA	NA	58.2%	67.4%
b.	Indirect	28.0%	NA	NA	NA	41.8%	32.6%
13	**HL**						
a.	ATS (at Origination)	2.5	2.5	2.1	NA	1.0	0.9
b.	LTV (at Origination)	NA	NA	61.0%	NA	63.7%	62.5%
c.	% of AUM with CIBIL Score >750 (at Origination)	NA	NA	NA	NA	NA	NA
14	**LAP**						
a.	ATS (at Origination)	NA	NA	NA	NA	0.8	0.7
b.	LTV (at Origination)	NA	NA	NA	NA	44.6%	42.9%
c.	SORP %	NA	NA	NA	NA	NA	NA
15	**DF**						
a.	ATS (at Origination)	NA	NA	NA	NA	NA	NA
b.	Active developer relationships (funded by DF) (#)	NA	NA	NA	NA	NA	NA
c.	Active Projects (funded by DF) (#)	NA	NA	NA	NA	NA	NA
d.	Approved project financiers (APF) (#)	NA	NA	NA	NA	NA	NA
16	**LRD**						
a.	ATS (at Origination)	NA	NA	NA	NA	NA	NA
f.	Active Customers (#)	NA	NA	NA	NA	NA	NA
Productivity Metrics							
17	AUM/Branch	1,598.1	1,539.7	1,335.6	403.4	367.2	445.1
18	AUM/Employee	NA	323.4	293.9	NA	47.0	53.4
Financial Metrics							
19	Net Worth	43,438.4	36,472.8	30,666.2	44,460.1	36,955.7	31,453.9
20	Total Income	35,246.9	27,431.3	19,885.1	25,235.9	19,942.7	16,926.6
21	Net Total Income	12,933.1	10,422.7	8,350.0	15,369.0	11,950.8	9,314.6
22	Profit After Tax	7,506.9	6,212.1	4,711.1	7,485.1	5,445.8	4,446.5
23	PAT y-o-y Growth	20.8%	31.9%	3.3%	37.4%	22.5%	30.8%
24	Yield on Advances (%)	10.6%	9.4%	8.2%	14.8%	13.8%	13.6%
25	Cost of Borrowings (%)	7.3%	6.3%	5.3%	7.6%	7.0%	7.2%
26	Spread (%)	3.3%	3.1%	2.9%	7.2%	6.8%	6.4%
27	NIM (Net Interest Margin)/ NTI (Net Total Income) (%)	3.9%	3.6%	3.5%	10.0%	9.3%	8.3%
28	Opex to Avg. AR (%)	0.8%	0.6%	0.6%	3.5%	3.3%	2.8%
29	Opex to Net Total Income (%)	19.9%	16.9%	18.3%	34.9%	35.6%	33.9%

S.no.	Metrics	Can Fin Homes Limited (Mn)			Aadhar Housing Finance Limited (Mn)		
		Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022
30	Credit Cost (%)	0.2%	0.1%	0.2%	0.3%	0.4%	0.4%
31	RoAA (%)	2.3%	2.2%	2.0%	4.9%	4.2%	3.9%
32	RoAE (%)	18.8%	18.5%	16.6%	18.4%	15.9%	15.2%
33	CRAR (%)	24.6%	23.1%	23.2%	38.5%	42.7%	45.4%
34	CRAR (%) - Tier 1	NA	21.7%	21.6%	NA	41.7%	44.2%
35	Leverage (TA/TE)	8.4	9.1	9.1	4.3	4.5	4.6
36	Debt to Equity Ratio	7.3	8.0	8.0	3.1	3.3	3.4
37	**Borrowing Mix**						
a.	Bank Borrowings	59.0%	54.0%	51.0%	55.0%	53.8%	59.6%
b.	NCD	17.0%	17.0%	14.0%	20.0%	20.9%	16.5%
c.	NHB	16.0%	23.0%	22.0%	25.0%	24.7%	22.4%
d.	Commercial Paper	7.0%	5.0%	11.0%	-	-	-
e.	ICD/ Deposits	-	-	-	-	-	-
f.	Others	1.0%	1.0%	2.0%	0.0%	0.5%	1.5%
38	**Earnings per Share**						
a.	Basic	56.4	46.7	35.4	19.0	13.8	11.3
b.	Diluted	56.4	46.7	35.4	18.3	13.4	10.9
Asset Quality Metrics							
39	GNPA (%)	0.82%	0.55%	0.64%	1.10%	1.17%	1.46%
a.	HL	NA	NA	NA	NA	NA	NA
b.	LAP	NA	NA	NA	NA	NA	NA
c.	LRD	NA	NA	NA	NA	NA	NA
d.	DF	NA	NA	NA	NA	NA	NA
e.	Others	NA	NA	NA	NA	NA	NA
40	NNPA (%)	0.42%	0.26%	0.30%	0.65%	0.77%	1.07%
a.	HL	NA	NA	NA	NA	NA	NA
b.	LAP	NA	NA	NA	NA	NA	NA
c.	LRD	NA	NA	NA	NA	NA	NA
d.	DF	NA	NA	NA	NA	NA	NA
e.	Others	NA	NA	NA	NA	NA	NA
41	Provision Coverage Ratio (%)	48.8%	52.7%	53.1%	40.9%	34.2%	26.7%
a.	HL	NA	NA	NA	NA	NA	NA
b.	LAP	NA	NA	NA	NA	NA	NA
c.	LRD	NA	NA	NA	NA	NA	NA
d.	DF	NA	NA	NA	NA	NA	NA
e.	Others	NA	NA	NA	NA	NA	NA
42	**Product-wise Stage 1**						
a.	HL	NA	NA	NA	NA	NA	NA
b.	LAP	NA	NA	NA	NA	NA	NA
c.	LRD	NA	NA	NA	NA	NA	NA
d.	DF	NA	NA	NA	NA	NA	NA
e.	Others	NA	NA	NA	NA	NA	NA
43	**Product-wise Stage 2**						
a.	HL	NA	NA	NA	NA	NA	NA

S.no.	Metrics	Can Fin Homes Limited (Mn)			Aadhar Housing Finance Limited (Mn)		
		Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022
b.	LAP	NA	NA	NA	NA	NA	NA
c.	LRD	NA	NA	NA	NA	NA	NA
d.	DF	NA	NA	NA	NA	NA	NA
e.	Others	NA	NA	NA	NA	NA	NA
Credit Rating							
44	Credit Rating	CARE AAA/ ICRA AAA	CARE AAA/ ICRA AA+	CARE AAA/ ICRA AA+	CARE AA/ ICRA AA	CARE AA/ ICRA AA	CARE AA

Table III

S.no.	Metrics	Aavas Financiers (Mn)			Aptus Value Housing Finance (Mn)		
		Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022
Footprint/ Presence							
1	No of States/UTs (#)	13	12	12	6	5	5
2	No of Branches (#)	367	346	314	262	231	208
3	No of Locations (#)	NA	NA	NA	NA	NA	NA
4	No of Employees (#)	NA	6,034	5,222	2,918	2,405	2,270
Portfolio Cuts							
5	AUM	1,73,126.0	1,41,667.0	1,13,502.0	67,590.0	57,610.0	44,920.0
6	AUM y-o-y Growth	22.2%	24.8%	20.1%	17.3%	28.3%	NA
7	Disbursement	55,822.0	50,245.0	36,022.0	NA	NA	NA
8	Disbursement y-o-y Growth	11.1%	39.5%	35.6%	NA	NA	NA
9	**Product-wise AUM**						
a.	HL (Home Loan)	69.3%	69.9%	72.1%	69.0%	65.0%	67.0%
b.	LAP (Loan Against Property)	13.7%	19.7%	27.9%	NA	NA	NA
c.	LRD (Lease Rental Discounting)	NA	NA	NA	NA	NA	NA
d.	DF (Developer Finance)	NA	NA	NA	NA	NA	NA
e.	Others	17.0%	10.4%	NA	31.0%	35.0%	33.0%
10	**AUM Mix**						
a.	On-book	80.9%	81.0%	79.8%	100.0%	100.0%	100.0%
b.	Off-book	19.1%	19.0%	20.2%	0.0%	0.0%	0.0%
11	**HL AUM Mix (by Customer Type)**						
a.	Salaried	40.2%	39.9%	40.0%	NA	NA	NA
b.	Self-employed Professionals	NA	NA	NA	NA	NA	NA
c.	Self-employed Non-Professionals	59.8%	60.1%	60.0%	74.0%	71.0%	72.0%
12	**HL AUM Mix (by Sourcing Channel)**						
a.	Direct	NA	NA	NA	100.0%	100.0%	100.0%
b.	Indirect	NA	NA	NA	NA	NA	NA
13	**HL**						
a.	ATS (at Origination)	1.0	1.0	0.9	0.5-1.5	1.0	0.7
b.	LTV (at Origination)	NA	NA	NA	NA	NA	NA
c.	% of AUM with CIBIL Score >750 (at Origination)	NA	NA	NA	NA	NA	NA
14	**LAP**						

S.no.	Metrics	Aavas Financiers (Mn)			Aptus Value Housing Finance (Mn)		
		Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022
a.	ATS (at Origination)	0.8	0.7	0.7	NA	NA	0.7
b.	LTV (at Origination)	NA	NA	NA	NA	NA	NA
c.	SORP %	NA	NA	NA	NA	NA	NA
15	**DF**						
a.	ATS (at Origination)	NA	NA	NA	NA	NA	NA
b.	Active developer relationships (funded by DF) (#)	NA	NA	NA	NA	NA	NA
c.	Active Projects (funded by DF) (#)	NA	NA	NA	NA	NA	NA
d.	Approved project financiers (APF) (#)	NA	NA	NA	NA	NA	NA
16	**LRD**						
ca.	ATS (at Origination)	NA	NA	NA	NA	NA	NA
f.	Active Customers (#)	NA	NA	NA	NA	NA	NA
Productivity Metrics							
17	AUM/Branch	471.7	409.4	361.5	258.0	249.4	216.0
18	AUM/Employee	NA	23.5	21.7	23.2	24.0	19.8
Financial Metrics							
19	Net Worth	37,733.1	32,696.6	28,086.5	34,079.5	31,106.4	27,659.0
20	Total Income	20,202.9	16,106.1	13,055.6	11,226.5	9,638.7	7,030.0
21	Net Total Income	11,919.3	10,195.6	8,280.6	7,995.9	7,215.9	5,240.0
22	Profit After Tax	4,906.9	4,300.7	3,568.0	4,806.2	4,245.9	3,082.2
23	PAT y-o-y Growth	14.1%	20.5%	23.2%	13.2%	37.8%	41.5%
24	Yield on Advances (%)	13.6%	13.5%	13.6%	16.4%	17.4%	16.8%
25	Cost of Borrowings (%)	7.5%	6.6%	6.7%	8.7%	8.3%	7.9%
26	Spread (%)	6.1%	6.9%	6.9%	7.7%	9.1%	8.9%
27	NIM (Net Interest Margin)/ NTI (Net Total Income) (%)	9.4%	9.9%	10.0%	12.5%	14.0%	13.4%
28	Opex to Avg. AR (%)	4.3%	4.4%	4.2%	2.5%	2.7%	2.5%
29	Opex to Net Total Income (%)	45.6%	44.1%	41.6%	20.1%	19.7%	18.7%
30	Credit Cost (%)	0.2%	0.1%	0.3%	0.3%	0.6%	0.7%
31	RoAA (%)	3.9%	4.2%	4.3%	7.5%	8.2%	7.9%
32	RoAE (%)	13.9%	14.2%	13.7%	14.7%	14.5%	13.2%
33	CRAR (%)	44.0%	47.0%	51.9%	66.8%	80.8%	85.6%
34	CRAR (%) - Tier 1	43.8%	46.7%	51.3%	NA	76.6%	85.4%
35	Leverage (TA/TE)	4.4	4.1	3.9	2.2	2.1	1.9
36	Debt to Equity Ratio	3.3	3.0	2.8	1.2	1.1	0.8
37	**Borrowing Mix**						
a.	Bank Borrowings	47.5%	45.0%	37.9%	63.0%	60.0%	50.0%
b.	NCD	9.0%	12.2%	17.7%	5.0%	10.0%	14.0%
c.	NHB	19.6%	20.8%	21.5%	24.0%	26.0%	32.0%
d.	Commercial Paper	NA	NA	NA	NA	NA	NA
e.	ICD/ Deposits	NA	NA	NA	NA	NA	NA
f.	Others	23.9%	22.0%	22.9%	8.0%	4.0%	4.0%
38	**Earnings per Share**						
a.	Basic	62.0	54.4	45.3	9.6	8.5	6.3
b.	Diluted	61.9	54.3	45.0	9.6	8.5	6.3
Asset Quality Metrics							

S.no.	Metrics	Aavas Financiers (Mn)			Aptus Value Housing Finance (Mn)		
		Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022
39	GNPA (%)	0.94%	0.92%	0.99%	1.07%	1.15%	1.19%
a.	HL	NA	NA	NA	NA	NA	NA
b.	LAP	NA	NA	NA	NA	NA	NA
c.	LRD	NA	NA	NA	NA	NA	NA
d.	DF	NA	NA	NA	NA	NA	NA
e.	Others	NA	NA	NA	NA	NA	NA
40	NNPA (%)	0.67%	0.68%	0.77%	0.80%	0.86%	0.88%
a.	HL	NA	NA	NA	NA	NA	NA
b.	LAP	NA	NA	NA	NA	NA	NA
c.	LRD	NA	NA	NA	NA	NA	NA
d.	DF	NA	NA	NA	NA	NA	NA
e.	Others	NA	NA	NA	NA	NA	NA
41	Provision Coverage Ratio (%)	28.7%	26.1%	22.2%	25.2%	25.2%	26.1%
a.	HL	NA	NA	NA	NA	NA	NA
b.	LAP	NA	NA	NA	NA	NA	NA
c.	LRD	NA	NA	NA	NA	NA	NA
d.	DF	NA	NA	NA	NA	NA	NA
e.	Others	NA	NA	NA	NA	NA	NA
42	**Product-wise Stage 1**						
a.	HL	NA	NA	NA	NA	NA	NA
b.	LAP	NA	NA	NA	NA	NA	NA
c.	LRD	NA	NA	NA	NA	NA	NA
d.	DF	NA	NA	NA	NA	NA	NA
e.	Others	NA	NA	NA	NA	NA	NA
43	**Product-wise Stage 2**						
a.	HL	NA	NA	NA	NA	NA	NA
b.	LAP	NA	NA	NA	NA	NA	NA
c.	LRD	NA	NA	NA	NA	NA	NA
d.	DF	NA	NA	NA	NA	NA	NA
e.	Others	NA	NA	NA	NA	NA	NA
Credit Rating							
44	Credit Rating	ICRA AA/ CARE AA	ICRA AA Stable/ CARE AA Stable	CARE AA- Positive/ ICRA AA- Positive	ICRA AA-/ CARE AA-	ICRA AA-/ CARE AA-	ICRA AA-/ CARE A+

Table IV

S.no.	Metrics	Home First Finance Company (Mn)		
		Fiscal 2024	Fiscal 2023	Fiscal 2022
Footprint/ Presence				
1	No of States/UTs (#)	13	13	13
2	No of Branches (#)	133	111	80
3	No of Locations (#)	NA	NA	NA
4	No of Employees (#)	1,249	993	851

S.no.	Metrics	Home First Finance Company (Mn)		
		Fiscal 2024	Fiscal 2023	Fiscal 2022
Portfolio Cuts				
5	AUM	96,978.0	71,980.0	53,803.0
6	AUM y-o-y Growth	34.7%	33.8%	29.9%
7	Disbursement	39,634.0	30,129.0	20,305.0
8	Disbursement y-o-y Growth	31.5%	48.4%	85.1%
9	**Product-wise AUM**			
a.	HL (Home Loan)	86.0%	88.0%	91.0%
b.	LAP (Loan Against Property)	13.0%	11.0%	7.0%
c.	LRD (Lease Rental Discounting)	NA	NA	NA
d.	DF (Developer Finance)	NA	NA	1.0%
e.	Others	1.0%	1.0%	1.0%
10	**AUM Mix**			
a.	On-book	84.0%	83.3%	80.0%
b.	Off-book	16.0%	16.7%	20.0%
11	**HL AUM Mix (by Customer Type)**			
a.	Salaried	68.0%	70.0%	72.0%
b.	Self-employed Professionals	NA	NA	1.0%
c.	Self-employed Non-Professionals	32.0%	30.0%	27.0%
12	**HL AUM Mix (by Sourcing Channel)**			
a.	Direct	100.0%	NA	100.0%
b.	Indirect	NA	NA	NA
13	**HL**			
a.	ATS (at Origination)	1.2	1.1	1.1
b.	LTV (at Origination)	55.6%	NA	NA
c.	% of AUM with CIBIL Score >750 (at Origination)	NA	NA	NA
14	**LAP**			
a.	ATS (at Origination)	NA	NA	NA
b.	LTV (at Origination)	NA	NA	NA
c.	SORP %	NA	NA	NA
15	**DF**			
a.	ATS (at Origination)	NA	NA	NA
b.	Active developer relationships (funded by DF) [#]	NA	NA	NA
c.	Active Projects (funded by DF) [#]	NA	NA	NA
d.	Approved project financiers (APF) [#]	NA	NA	NA
16	**LRD**			
a.	ATS (at Origination)	NA	NA	NA
b.	Active Customers [#]	NA	NA	NA
Productivity Metrics				
17	AUM/Branch	729.2	648.5	672.5
18	AUM/Employee	77.6	72.5	63.2
Financial Metrics				
19	Net Worth	21,214.0	18,173.4	15,736.9
20	Total Income	11,565.0	7,956.0	5,957.0
21	Net Total Income	6,567.0	4,913.1	3,800.3

S.no.	Metrics	Home First Finance Company (Mn)		
		Fiscal 2024	Fiscal 2023	Fiscal 2022
22	Profit After Tax	3,057.0	2,282.9	1,861.0
23	PAT y-o-y Growth	33.9%	22.7%	86.1%
24	Yield on Advances (%)	14.5%	14.0%	13.4%
25	Cost of Borrowings (%)	8.3%	7.3%	6.6%
26	Spread (%)	6.4%	6.7%	6.8%
27	NIM (Net Interest Margin)/ NTI (Net Total Income) (%)	9.3%	9.5%	10.0%
28	Opex to Avg. AR (%)	3.3%	3.4%	3.4%
29	Opex to Net Total Income (%)	35.2%	35.5%	33.9%
30	Credit Cost (%)	0.4%	0.4%	0.7%
31	RoAA (%)	4.3%	4.4%	4.9%
32	RoAE (%)	15.5%	13.5%	12.6%
33	CRAR (%)	39.5%	49.4%	58.6%
34	CRAR (%) - Tier 1	39.1%	48.9%	58.1%
35	Leverage (TA/TE)	4.5	3.7	3.3
36	Debt to Equity Ratio	3.4	2.6	2.2
37	**Borrowing Mix**			
a.	Bank Borrowings	62.0%	60.0%	47.0%
b.	NCD	3.0%	6.0%	4.0%
c.	NHB	18.0%	15.0%	27.0%
d.	Commercial Paper	NA	NA	NA
e.	ICD/Deposits	NA	NA	NA
f.	Others	17.0%	19.0%	23.0%
38	**Earnings per Share**			
a.	Basic	34.7	26.0	21.3
b.	Diluted	33.7	25.2	20.9
Asset Quality Metrics				
39	**GNPA (%)**	1.70%	1.60%	2.30%
a.	HL	NA	NA	NA
b.	LAP	NA	NA	NA
c.	LRD	NA	NA	NA
d.	DF	NA	NA	NA
e.	Others	NA	NA	NA
40	**NNPA (%)**	1.20%	1.10%	1.80%
a.	HL	NA	NA	NA
b.	LAP	NA	NA	NA
c.	LRD	NA	NA	NA
d.	DF	NA	NA	NA
e.	Others	NA	NA	NA
41	**Provision Coverage Ratio (%)**	29.4%	31.3%	21.7%
a.	HL	NA	NA	NA
b.	LAP	NA	NA	NA
c.	LRD	NA	NA	NA
d.	DF	NA	NA	NA
e.	Others	NA	NA	NA

S.no.	Metrics	Home First Finance Company (Mn)		
		Fiscal 2024	Fiscal 2023	Fiscal 2022
42	**Product-wise Stage 1**			
a.	HL	NA	NA	NA
b.	LAP	NA	NA	NA
c.	LRD	NA	NA	NA
d.	DF	NA	NA	NA
e.	Others	NA	NA	NA
43	**Product-wise Stage 2**			
a.	HL	NA	NA	NA
b.	LAP	NA	NA	NA
c.	LRD	NA	NA	NA
d.	DF	NA	NA	NA
e.	Others	NA	NA	NA
Credit Rating				
44	Credit Rating	ICRA AA-/ CARE AA-/ India Ratings AA-	ICRA AA-/ CARE AA-	ICRA A+ Positive/ India Rating AA-Stable

Source:
All the financial information for listed industry peers mentioned above is on a standalone basis and is extracted or derived from their audited financial statements for the year ended March 31, 2024, as available on the website of the stock exchanges and the respective companies.

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K. Price per share of the Company (as adjusted for corporate actions, including bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOS Schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

Sr. No.	Name of the allottees	Date of allotment of Equity Shares	Number of Equity Shares allotted	% of paid-up share capital	Issue price per Equity Share (₹)	Nature of allotment	Nature of consideration	Total consideration (in ₹ million)
1.	Bajaj Finance Limited	April 3, 2024	1,107,419,709	14.2%	18.1	Rights issue	Cash	20,000.0
	Total		**1,107,419,709**					
	Weighted average cost of acquisition							**₹12.2**

L. Price per share of the Company based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving the Promoters, members of the Promoter Group or Shareholders with rights to nominate directors during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities ("**Security(ies)**"), where the Promoters, members of the Promoter Group, or the Shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft 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-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.

M. The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition based on Primary Issuances/ Secondary Transactions, as set out above in paragraph L above, are set out below:

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price	Cap Price
Weighted average cost of acquisition (WACA) of Primary issuances	12.2	[●] times	[●] times
Weighted average cost of acquisition (WACA) of Secondary transactions	NA	[●] times	[●] times

N. Justification for Basis of Offer price

1. The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoters, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions in the last three years preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs and financial ratios for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022

Please note the following rationale in relation to the justification of the Offer Price:

[●]*

* *To be included on finalisation of Price Band*

2. The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by our Promoters, the Promoter Group or other shareholders with rights to nominate directors by way of primary

and secondary transactions in the last three years preceding the date of this Draft Red Herring Prospectus in view of external factors, if any

[●]*

* *To be included on finalisation of Price Band*

O. The Offer Price is [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company in consultation with the Book Running Lead Managers, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Restated Financial Information*" on pages 33, 196, 349 and 273, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the section entitled "*Risk Factors*" or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

Date: June 7, 2024

To:
The Board of Directors
Bajaj Housing Finance Limited
Bajaj Auto Limited Complex
Mumbai-Pune Road, Akurdi
Pune – 411 035
Maharashtra, India

Sub: Statement of possible special tax benefits (under direct and indirect tax laws) available to Bajaj Housing Finance Limited (the "Company") and the shareholders of the Company prepared in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and under applicable tax laws in India for the proposed initial public offering of equity shares (the "Equity Shares") of the Company (the "Offer").

This Certificate is issued in accordance with the Engagement Letter dated May -- 2024.

1. We, , **Khandelwal Jain & Co**., Chartered Accountants and **G.D. Apte & Co.,** Chartered Accountants, the joint statutory auditors of the Company, have been informed that the Company proposes to file the draft red herring prospectus with respect to the Offer (the "**DRHP**") with the Securities and Exchange Board of India ("**SEBI**"), BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**") in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") and subsequently proposes to file

(i) Red Herring Prospectus proposed to be filed with SEBI, the Stock Exchanges and the Registrar of Companies, Maharashtra at Pune ("**Registrar of Companies**" and such Red Herring Prospectus, the "**RHP**");

(ii) Prospectus proposed to be filed with SEBI, the Stock Exchanges and the Registrar of Companies (the "**Prospectus**"); and

- any other documents or materials to be issued in relation to the Offer (collectively with the DRHP, RHP and Prospectus, the "**Offer Documents**"),

hereby confirm that the enclosed **Annexure A** ("**Statement**") prepared by the Company and initialled by us for identification purpose for the Offer, provides the possible special tax benefits available to the Company and to its shareholders, under direct and indirect tax laws applicable for financial year 2024-25, relevant to the assessment year 2025-26 presently in force in India as on the date of this certificate, including the Income-tax Act, 1961 as amended by the Finance Act, 2023 applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India (the "**Act**"), the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, applicable goods and services tax legislations, as promulgated by various states in India (collectively, the "**GST Acts**"), Customs Act, 1962 ("**Customs Act**"), the Customs Tariff Act, 1975 ("**Tariff Act**") and Foreign Trade Policy 2015-2020 (as extended), read with the rules, regulations, circulars and notifications issued in connection thereto, each as amended (collectively, the "**Taxation Laws**" and the Act, the GST Acts, Customs Act and Tariff Act, as defined above, are collectively referred to as the "**Relevant Acts**"). Several of these benefits are dependent on the Company and/or its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Hence, the ability of the Company and/or its shareholders to derive the possible special tax benefits is dependent upon their fulfilling such conditions, if any, which based on business imperatives the Company and/or its shareholders face in the future, the Company and / or its shareholders may or may not choose to fulfil.

2. The statement of possible special tax benefits available to the Company and its shareholders is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company and/or its shareholders, the same would include those benefits as enumerated in the Statement. The benefits discussed in the enclosed Statement cover only the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits (under both direct and indirect tax laws) available to them. The benefits discussed in the enclosed Statement are not exhaustive. Any benefits under the Taxation Laws other than those specified in the Statement are considered to be general tax benefits and therefore not covered within the ambit of the Statement.

3. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

4. 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 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.

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

   1. the Company and/or its shareholders will continue to obtain the benefits as per the Statement in the future; or
   2. the conditions prescribed for availing of the benefits as per the Statement, where applicable have been/would be met with; or
   3. The revenue authorities/courts will concur with the views expressed therein.

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

7. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India ("**ICAI**") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI. Further, 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.

This certificate is issued for the purpose of the Offer, and can be used, in full or part, along with the Statement, for inclusion in the draft red herring prospectus, updated draft red herring prospectus, red herring prospectus, prospectus and any other material used in connection with the Offer (together, the "**Offer Documents**").

We hereby consent to our name and the aforementioned details being included in the Offer Documents and / or consent to the submission of this certificate as may be necessary, to Securities and Exchange Board of India, any regulatory / statutory authority, stock exchanges, any other authority as may be required and / or for the records to be maintained by the BRLMs in connection with the Offer and in accordance with applicable law.

This certificate may be relied on by the BRLMs, their affiliates and legal counsels to the Company and the BRLMs and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Offer. We hereby consent to this certificate being disclosed by the BRLMs, if required:

(i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or
(ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We undertake to update you of any changes in the abovementioned position, which comes to our knowledge or as intimated to us by the Company, until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that we are neither privy to nor have been informed of any change in respect of the matters covered in this certificate.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

For G.D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W
Umesh S. Abhyankar
Partner
Membership Number: 113053
UDIN: 241130538K8FU4436
Pune, June 7, 2024
Encl.: As above

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number: 105049W
Shailesh Shah
Partner
Membership Number: 033632
UDIN: 240335328KFHWY3145
Pune, June 7, 2024

Annexure A

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO BAJAJ HOUSING FINANCE LIMITED ('THE COMPANY') AND ITS SHAREHOLDERS

UNDER THE INCOME-TAX ACT, 1961 ('Act')

This statement sets out below the possible tax benefits available to the Company and its investors to whom shares may be allotted in terms of proposed Issue under the current tax laws presently in force in India. Several of these benefits are dependent on fulfilling various conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act. Accordingly, the ability of the Company and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which are based on the business imperatives, the Company or the shareholders may or may not choose to fulfil.

This statement sets out below the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences/implications of the subscription, ownership and disposal of equity shares pursuant to the proposed Issue. This statement is only intended to provide general information to the investors and is neither exhaustive or comprehensive nor designed or intended to be a substitute for professional/legal tax advice. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

In respect of non-residents, the tax rates and the consequent taxation, mentioned in this section shall be further subject to any benefits available under the Double Taxation Avoidance Agreement ('DTAA'), if any, read with the relevant multi-lateral instrument ('MLI') between India and the country in which the non-resident is resident for tax purposes.

Special Tax benefit available to the Company under the Act:

- **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. The said deduction is allowed subject to fulfillment of certain conditions as specified under the section. It is to be noted that the 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 'Profit and gain of business or profession of the year in which such amount is withdrawn.

- **Deduction of provision for bad and doubtful debts incurred by the Company.**

  Any bad debt or part thereof which has been written off as irrecoverable in the books of accounts is allowable as a deduction under section 36(1)(vii) of the Act in computing the "Profits and gains of business or profession", subject to the fulfilment of the conditions specified in section 36(2) of the Act. The Company should be entitled for such deduction under section 36(1)(vii) of the Act.

  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 provisions made for bad and doubtful debts in its books of account 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 "Profit and gain of business of profession."

  The subsequent claim of deduction of actual bad debts under section 36(1)(vii) of the Act should be reduced to the extent of deduction already allowed 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.

  Special provision in case of income 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 and eligible to claim the benefit of offering to tax the interest income on bad and doubtful loans, which are not credited to profit and loss account of that year, on realization basis. Such benefit is available in respect of certain categories of bad and doubtful loans as may be prescribed.

General tax benefits available to the Company under the Act:

- **Benefit of lower rate of tax under Section 115BAA of the Act**

Section 115BAA of the Act provides an option to a domestic company to pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess).

In case the Company opts for concessional income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions/ exemptions:

i Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
ii Deduction under clause (iia) of sub-section (1) of section 32 (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 other than the provisions of section 80JJAA (Deduction in respect of employment of new employees) and 80M (Deduction in respect of certain inter-corporate dividends);
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 above.
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 point i to vii above.

The provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable if the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act. Further, the Company will not be entitled to claim tax credit relating to MAT.

The Company, Bajaj Housing Finance Limited pays tax as per rates prescribed under section 115BAA of the Act. This option once exercised, cannot be subsequently withdrawn for the same or any other tax years.

The Company has opted to apply section 115BAA of the Act.

- **Section 80JJAA – Deduction of additional employee cost**

The Company is entitled to claim a deduction of an amount equal to 30% of additional employee cost 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 under section 80JJAA of the Act, subject to the fulfilment of prescribed conditions therein.

- **Section 80M: Deduction on inter-corporate dividends**

Section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends from financial year 2020-21 and thereafter. The section inter-alia provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, 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. The “due date” means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

- **Income Computation Disclosure Standard**

The Company is maintaining its books of account as per IND AS. The Company follows the Income Computation and Disclosure Standards (ICDS) for computing total income for income-tax purpose. The Company will have to make ICDS adjustments to arrive at taxable total income.

- **General Tax benefits/implications to Shareholder/ Investors of the Company**

Resident shareholder

- Dividend income earned by the shareholders should be taxable in their hands at the applicable rates in accordance with the provisions of the Act. In the case of domestic corporate shareholders, deduction under section 80M of the Act is available on fulfilling the conditions. The Company will withhold tax at applicable rates on payment of dividend to shareholders.

- Where shares are held as capital assets, as per Section 112A of the Act, long-term capital gains arising inter alia from transfer of an equity share through the recognized stock exchange, should be taxed at 10% (plus applicable surcharge and cess) (without indexation and foreign exchange fluctuation benefit) of such capital gains, subject to fulfillment of prescribed conditions under the Act. Tax shall be levied where such capital gains exceed ₹1,00,000.

- Where shares are held as capital assets, as per Section 111A of the Act, short term capital gains arising inter alia from transfer of an equity share through the recognized stock exchange, should be taxed at 15% (plus applicable surcharge and cess) subject to fulfillment of prescribed conditions under the Act.

Non- resident shareholder

- In respect of non-resident shareholders, the tax rates and the consequent taxation shall be as per the provisions of the Act and it is further subject to any benefits available under the applicable DTAA, if any, between India and the country of which the non-resident is a tax resident, as read with the MLI and subject to furnishing of tax residence certificate, Form 10F and any other document as may be required. The Company will withhold tax at applicable rates on payment of dividend to shareholders.

- **Special tax benefits/implications to Shareholder/ Investors of the Company**

  Except the above and apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits for the shareholders.

UNDER THE INDIRECT TAX LAWS

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 "Indirect Taxation laws".

- **Special Indirect Tax benefit available to the Company under the Act**

  There are no special indirect tax benefits available to the Company.

- **Special Indirect Tax benefits/implications to Shareholder/ Investors of the Company**

  There are no special indirect tax benefits available to the shareholders of the Company.

Disclaimers:

1. The above Statement covers general tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
2. The above Statement of general tax benefits sets out the provisions of Indian tax laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
3. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, 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 proposed offer.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views

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

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 Bajaj Housing Finance Limited

Gaurav Kalani
Chief Financial Officer
Pune
June 7, 2024

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information contained in this section is derived from a report titled "Analysis of housing finance market in India" dated June 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 appointed by us pursuant to an engagement letter dated May 6, 2024 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. 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 www.bajajhousingfinance.in/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 Draft 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 18.* *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.*

MACROECONOMIC SCENARIO IN INDIA

Global economy is witnessing tightening of monetary conditions

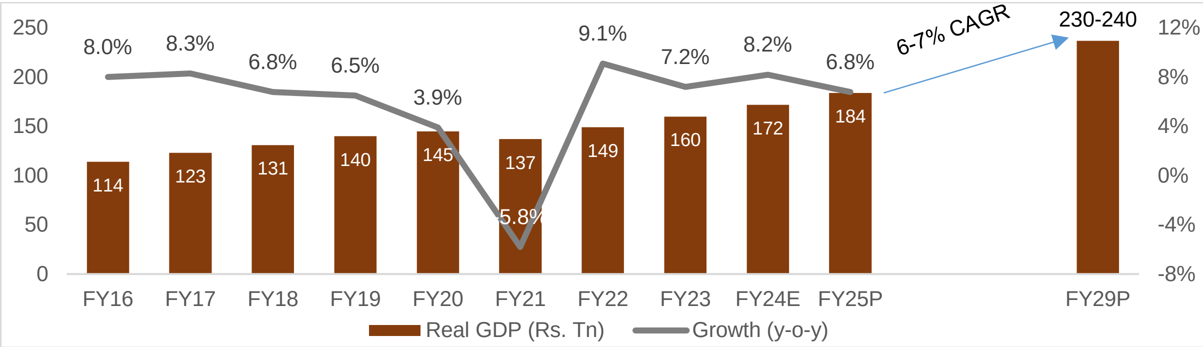
The global economy is witnessing a tightening of monetary conditions in most regions (United States of America, United Kingdom among others). The International Monetary Fund (IMF) (World Economic Outlook Update – April 2024), projects that global growth prospects for Fiscal 2024 and Fiscal 2025 will hold steady at 3.2%. The trade outlook for the calendar year 2024 is expected to be negatively impacted by geopolitical frictions, persisting inflation and lower global demand. Furthermore, deceleration in domestic growth could lead to some softening in imports. The central bank policy rates expected to be elevated to fight inflation amid withdrawal of fiscal support and low underlying productivity growth. Due to restrictive monetary policy, inflation is falling in most regions. The IMF (World Economic Outlook Update – April 2024), projects that global headline inflation is expected to be around 5.9% in calendar year 2024 and 4.5% in calendar year 2025.

India is expected to remain one of the fastest growing economies in the world

The Indian economy was among the fastest-growing in the world prior to onset of the Covid-19 pandemic. In the years leading up to the pandemic, the country's economic indicators posted gradual improvements owing to strong local consumption and lower reliance on global demand.

Despite global geopolitical instability, India continues to maintain its position as one of the fastest-growing economies globally. In February 2024, the National Statistical Office (NSO) in its second advance estimate of national income estimated the real GDP to grow at 7.6% year-on-year basis in Fiscal 2024, while fourth quarter Fiscal 2024, growth was much stronger than 5.9% factored in in the second advance estimates of the National Statistics Office ("**NSO**") in February. This prompted NSO to revise the Fiscal 2024 GDP growth estimate to 8.2%. Going forward, CRISIL MI&A expects a moderation in GDP growth rate to 6.8% in Fiscal 2025, largely due to factors such as demographic advantage, robust domestic demand, economic reforms, manufacturing and infrastructure development, technological advancements, and digital push.

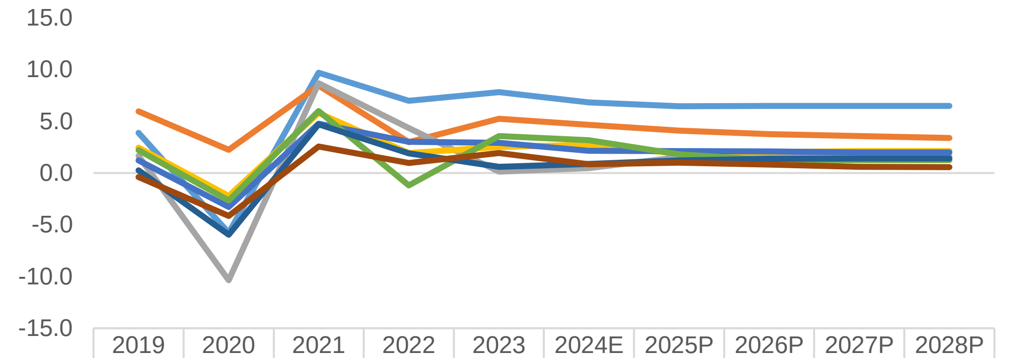
India's economy expected to grow at 6.8% in fiscal 2025



Note: E = Estimated, P = Projected; GDP growth till fiscal 2023 is actuals. GDP Estimates for fiscals 2023- 2024 is based on NSO Estimates and 2024-2025 is projected based on CRISIL MI&A estimates and that for fiscals 2025-2029 based on IMF estimates; Source: NSO, CRISIL MI&A, IMF (World Economic Outlook – April 2024 update)

In Fiscal 2022, Fiscal 2023 and Fiscal 2024, Indian economy has outperformed its global counterparts by witnessing a faster growth. Going forward as well, the 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)



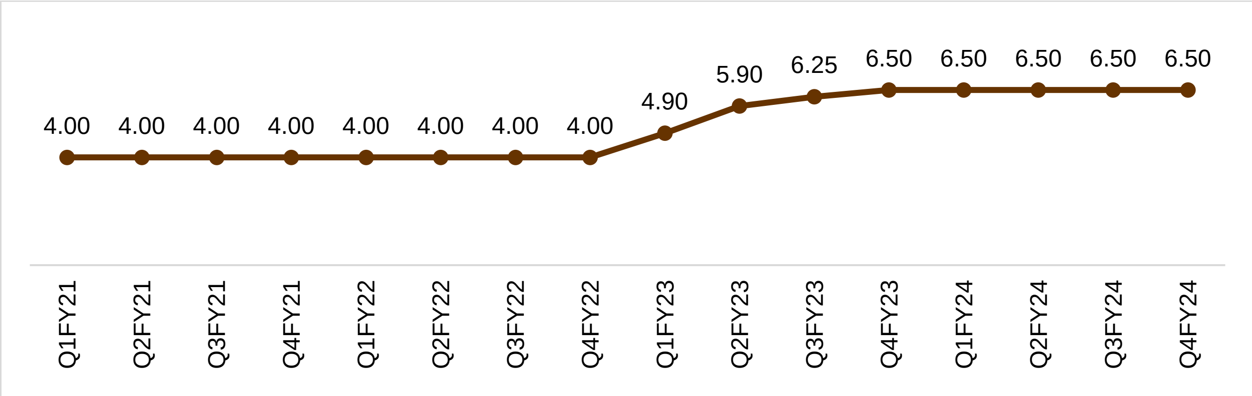
	2019	2020	2021	2022	2023	2024E	2025P	2026P	2027P	2028P
India	3.9	-5.8	9.7	7.0	7.8	6.8	6.5	6.5	6.5	6.5
China	6.0	2.2	8.5	3.0	5.2	4.6	4.1	3.8	3.6	3.4
United Kingdom	1.6	-10.4	8.7	4.3	0.1	0.5	1.5	1.7	1.7	1.6
United States	2.5	-2.2	5.8	1.9	2.5	2.7	1.9	2.0	2.1	2.1
Brazil	1.2	-3.3	4.8	3.0	2.9	2.2	2.1	2.1	2.0	2.0
Russia	2.2	-2.7	6.0	-1.2	3.6	3.2	1.8	1.3	1.3	1.3
South Africa	0.3	-6.0	4.7	1.9	0.6	0.9	1.2	1.4	1.4	1.4
Japan	-0.4	-4.1	2.6	1.0	1.9	0.9	1.0	0.8	0.6	0.6

Note: All forecasts refer to IMF forecasts. GDP growth is based on constant prices, Growth numbers for India till 2022 are for financial year, 2023 is as per IMF estimates for Fiscal 2023. Post Fiscal 2024, all estimates for India are as per calendar year. Data represented for other countries is for calendar years, E: Estimated, P: Projected; Source: IMF (World Economic Outlook – April 2024), CRISIL MI&A

The Repo rate remains unchanged, with phase of aggressive rate hikes behind us

The current fiscal begins with unchanged repo rates by the RBI. Globally, major central banks are currently cautious about cutting rates, amid slower disinflation and strong growth. On the domestic front, while the forecast of an above-normal monsoon bodes well for disinflation, freak weather events and crude oil prices are the lurking risks. The RBI Monetary Policy Committee (MPC) in its April 2024 meeting voted to keep the policy rates unchanged, with a 5-1 majority. The repo rate remains at 6.50%, standing deposit facility (SDF) at 6.25%, and marginal standing facility (MSF) at 6.75% It also maintained status quo on the 'withdrawal of accommodation' stance, with a 5-1 majority.

Repo rate in India (%)



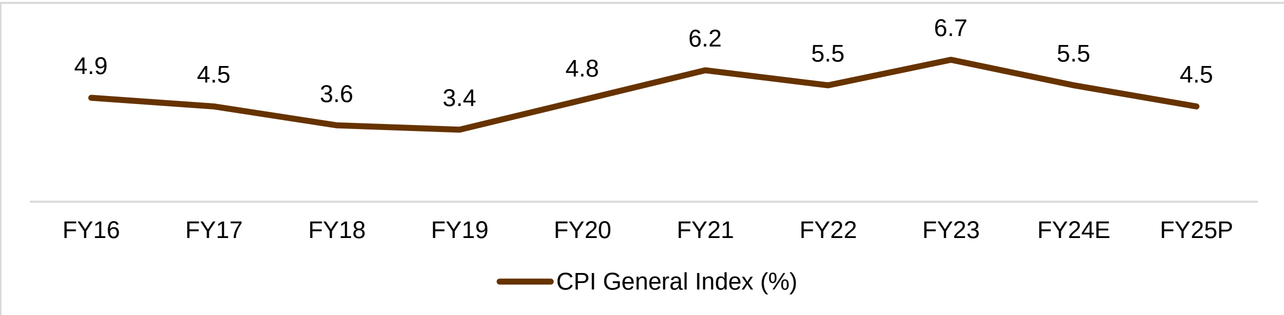
Source: RBI, CRISIL MI&A

Consumer Price Index ("CPI") inflation to average at 4.5% in Fiscal 2025

CPI inflation eased to a five-month low of 4.9% in March 2024 from 5.1% in February 2024. While core inflation declined to a record low of 3.3%, fuel deflated 3.2% on the back of lower domestic fuel prices. The worry, though, remains on persistently high food inflation, at 8.5%. Higher cereals inflation, erratic vegetable inflation and elevated pulses inflation are a cause of concern given the India Meteorological Department's (IMD) prediction of higher-than-normal temperatures between April and June 2024. CRISIL MI&A expects CPI inflation to continue to soften in Fiscal 2025 to 4.5% from an estimated 5.5% in Fiscal 2024, supported by the assumption of a normal monsoon, softer domestic demand, and benign global oil prices.

Inflation to moderate to 4.5% in Fiscal 2025

Note: E = Estimated; P = Projected, Source: CRISIL MI&A



Macroeconomic outlook for Fiscal 2025

Macro variables	FY24E	FY25P	Rationale for outlook
Real GDP (y-o-y)	8.2%	6.8%	Slowing global growth is likely to weaken India's exports, while peak impact of past rate hikes and lower fiscal impulse could temper domestic demand. Despite the lower forecast, India continuous to grow at the highest rate among major economies propelled by budgetary support to capital expenditure and strong rural demand to support growth.
Consumer price index (CPI) inflation (y-o-y)	5.5%	4.5%	Lower commodity prices, base effect, and cooling off domestic demand is likely to help in moderating inflation in Fiscal 2025.
10-year Government security yield (Fiscal end)	7.0%	6.8%	A moderate reduction in gross market borrowings to lower pressures on yields in Fiscal 2025. This, coupled with lower inflation, is likely to moderate yields in Fiscal 2025. India's inclusion in the JP Morgan Emerging Market Bond Index is favourable for capital flows into government debt.
Fiscal Deficit (% of GDP) *	5.8%	5.1%	Persistent efforts in fiscal consolidation aided by moderation in revenue spend and robust tax collections to bring down the deficit and lead to lower government market borrowings.

Macro variables	FY24E	FY25P	Rationale for outlook
CAD (current account balance/GDP) (%)	-1.0%	-1.0%	Softer crude oil prices and moderation in domestic growth will keep the trade deficit in check despite tepid exports of goods. Alongside, robust services trade surplus and healthy remittances will keep the current account deficit (CAD) in check
Rs/$ (March average)	83.0	83.5	Narrower CAD and healthy foreign portfolio flows into debt amid a favourable domestic macro environment will support the rupee

E – Estimated, P – Projected, *Fiscal 2024 and Fiscal 2025 numbers are government's revised and budget estimates
Source: Reserve Bank of India (RBI), National Statistics Office (NSO), CRISIL MI&A

Positive government measures to aid economic growth for India

- The Interim Budget of 2024-25 announced a 17.7% rise in capital expenditure in the next fiscal with infrastructure sectors seeing an increase in allocations. Budgeted capex allocation for the next fiscal is 4.6% of the GDP, which is up from 4.3% for Fiscal 2024. Public sector capex has also gone up to 5.6%. In a year where the Indian economy is expected to see a cyclical slowdown owing to global slowdown and impact of interest rates and tightening financial conditions on domestic demand, higher capex would support growth in the economy. Policy pushes and new age opportunities such as cutting-edge technologies, digitization, cashless economy, and decentralization of services to lead capex growth in Fiscal 2025.

- Budgetary support towards rural areas through rural employment and incomes will support rural demand. Aggregate spends on the four key schemes – Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA), Pradhan Mantri Awas Yojana (Gramin) (PMAY-G), Pradhan Mantri Gram Sadak Yojana (PMGSY) and Pradhan Mantri Kisan Samman Nidhi (PM-Kisan) are budgeted to increase 13.2% year-on-year in Fiscal 2025 after an approximately 10% drop in each of the previous two fiscals.

Key structural reforms: Long-term positives for the Indian economy

- The GST regime has been stabilizing fast and is expected to bring more transparency and formalization, eventually leading to higher economic growth. Number of GST returns filed saw a approximately 38% jump from Fiscal 2019 (approximately 169 million) to Fiscal 2023 (approximately 232 million), till January 2024 a total of approximately 90 million GST returns have been filed in Fiscal 2024.

- PMAY was introduced in 2015 to provide affordable housing for all by the end of 2022. The timelines were revised to Fiscal 2024 and Fiscal 2025 for PMAY-G and PMAY-Urban respectively due to delays in completion. Execution under the scheme has been encouraging with approximately 2.60 million houses being completed as of May 2024, out of the targeted 2.95 million houses. The target for the next five years has been further increased by approximately 2 million houses in the Fiscal 2025 budget estimate; a 68% addition to the current target of approximately 3 million houses. The move provides an impetus to the real estate sector as well its stakeholders including – developers, engineering, procurement and construction contractors, allied industries such as steel, cement etc.

- The government has also launched the Jan Dhan, Aadhar, and Mobile (JAM) trinity which aims to link Jan Dhan accounts, mobile numbers and Aadhar cards of all Indian nationals to transfer cash benefits directly to the bank account of the intended beneficiary and avoid leakage of government subsidies.

- Government launched the Digital India program, on July 1, 2015 with the vision of transforming India into a digitally empowered society and a knowledge-based economy, by ensuring digital access, digital inclusion, digital empowerment and bridging the digital divide. Some of the key initiatives and related progress under Digital India are as follows:

    - Unified Mobile Application for New-age Governance (UMANG) – for providing government services to citizens through mobile. More than 1,984 e-Services as of March 2024 and over 4 billion transactions have taken place on UMANG as of March 2024.

    - Unified Payment Interface (UPI) is the leading digital payment mechanism, it has onboarded 550+ banks and has facilitated more than 13,440 million transactions (by volume) worth ₹19.7 trillion in March 2024.

    - Cyber Security: The Government has taken necessary measures to tackle challenges about data privacy and data security through introducing the Information Technology (IT) Act, 2000 which has necessary provisions for data privacy and data security.

    - Common Services Centers (CSCs) are offering government and business services in digital mode in rural areas through Village Level Entrepreneurs (VLEs). Over 400 digital services are being offered by these CSCs. As of March 2024, 0.58 million CSCs are functional (including urban & rural areas) across the country, out of which, 0.47 million CSCs are functional at Gram Panchayat level.

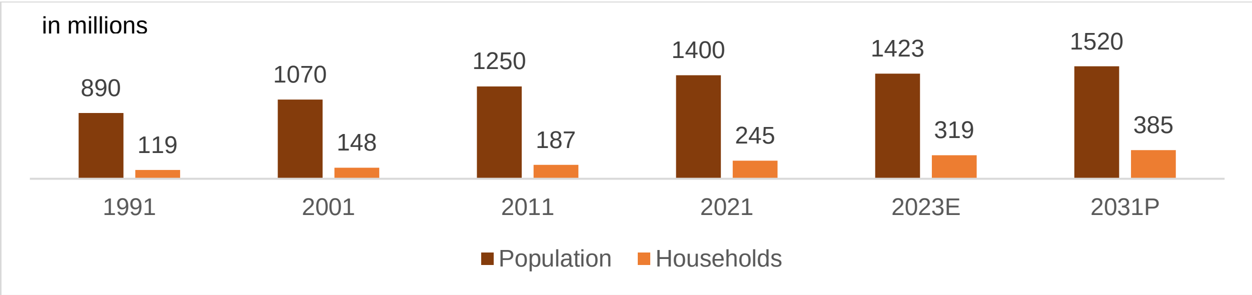
Overall, these initiatives will improve the digital connectivity of Indians along with boosting business sentiment, thereby creating new opportunities.

Key growth drivers

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. The population, which grew at nearly 1.5% CAGR between 2001 and 2011, is expected by CRISIL MI&A to increase at 1.1% CAGR between 2011 and 2021 to reach 1.40 billion. The population is expected to reach 1.5 billion by 2031, and the number of households are expected to reach approximately 385 million over the same period.

India's population growth trajectory and number of households

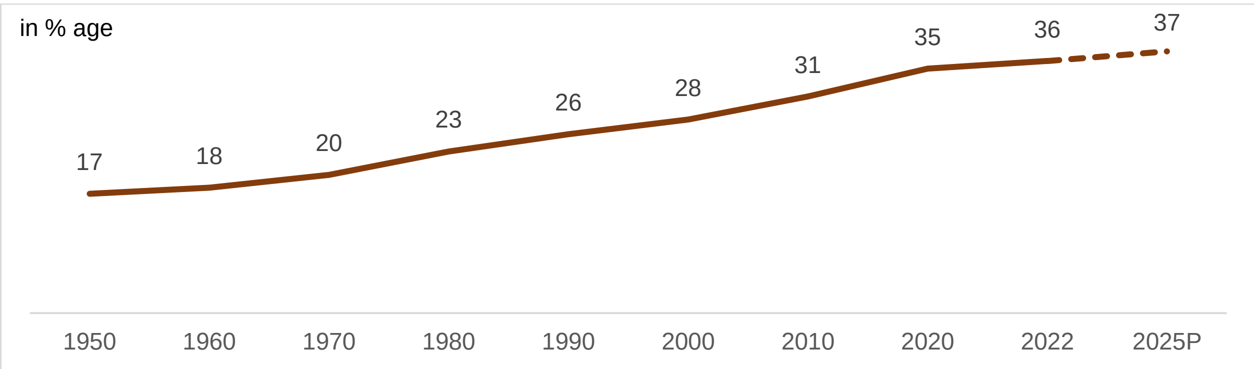


Note: As at the end of each Fiscal. P: Projected, Source: United Nations Department of Economic and Social Affairs, (https://population.un.org/wpp/), Census India, CRISIL MI&A

Urbanization

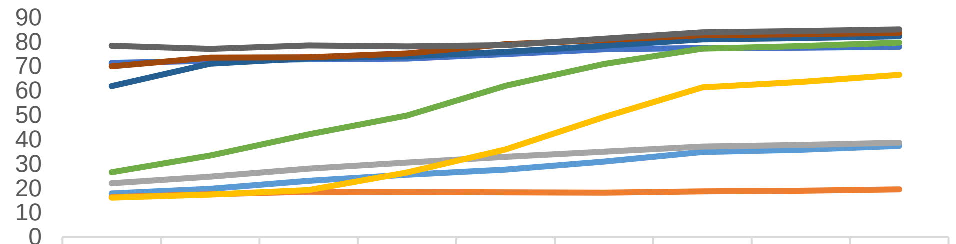
Urbanisation is one of India's most important economic growth drivers. It is expected to drive substantial investments in infrastructure development, which in turn is expected to create jobs, develop modern consumer services, and increase the ability to mobilise savings. India's urban population has been rising consistently over the decades. As per the 2018 revision of World Urbanization Prospects, the urban population was estimated at 36% of India's total population in 2022. According to the World Urbanization Prospects, the percentage of the population residing in urban areas in India is expected to increase to 37.4% by 2025.

Urban population as a percentage of total population (%)



Note: E- Estimated, P – Projected, Source: Census 2011, World Urbanization Prospects: The 2018 Revision (UN)

Urban population as a percentage of total population globally



	1960	1970	1980	1990	2000	2010	2020	2022	2023
India	17.9	19.8	23.1	25.5	27.7	30.9	34.9	35.9	37.4
Sri Lanka	16.4	17.6	18.6	18.5	18.4	18.2	18.7	19.0	19.6
Pakistan	22.1	24.8	28.1	30.6	33.0	35.0	37.2	37.7	38.7
China	16.2	17.4	19.4	26.4	35.9	49.2	61.4	63.6	66.5
Germany	71.4	72.3	72.8	73.1	75.0	77.0	77.5	77.6	78.0
Malaysia	26.6	33.5	42.0	49.8	62.0	70.9	77.2	78.2	79.7
France	61.9	71.1	73.3	74.1	75.9	78.4	81.0	81.5	82.3
United States	70.0	73.6	73.7	75.3	79.1	80.8	82.7	83.1	83.7
United Kingdom	78.4	77.1	78.5	78.1	78.7	81.3	83.9	84.4	85.1

Note: P: Projected
Source: Census 2011, World Urbanization Prospects: The 2018 Revision (UN)

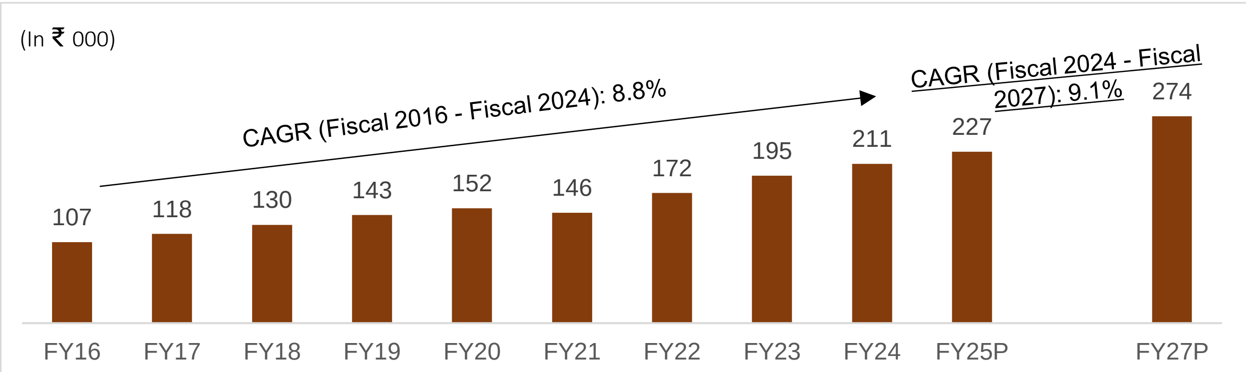
Increasing per capita GDP

India's per capita net national income expanded 6.7% in Fiscal 2024, reflecting robust economic growth and the government's continued endeavour to make the country an upper middle-income economy. In Fiscal 2023, India's per capita income expanded by 5.9%. As per IMF estimates, India's per capita income (at constant prices) is expected to grow at 5-6% CAGR in real terms from Fiscal 2024 to Fiscal 2027.

Per capita NNI	Fiscal 2024 (₹ '000)		Growth at constant prices (%) *Fiscal*										
	Current prices	Constant prices	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	183	106	4.6	6.2	6.7	6.8	5.7	5.8	2.9	-7.6	7.6	5.9	6.7

Note: P – projected. (^) Per capita NNI as per Second Advance Estimates of National Income, 2023-24
Source: Ministry of Statistics and Program Implementation (MoSPI), International Monetary Fund (IMF), CRISIL MI&A

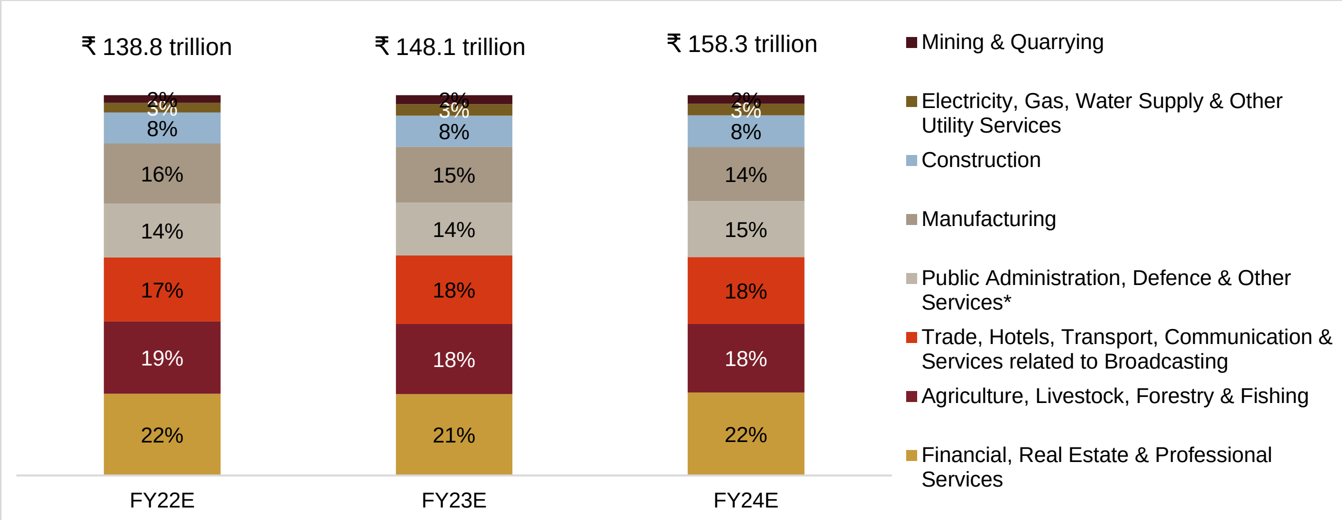
Trend in Nominal GDP per capita (at current prices)



Note: P - projected. Fiscal24 estimates are based on second advance estimates by MoSPI Fiscal 2025 – Fiscal 2027 Projections based on IMF – World Economic Outlook (April 2024 update)
Source: MOSPI, IMF, CRISIL MI&A

Contribution of different sectors to India's growth

Trend in Gross Value Added (GVA) at current prices by economic activity denotes that financial, real estate and professional services have consistently contributed the highest to the GVA and contributed an estimated 22% in Fiscal 2024 and stood at ₹ 34,820 billion, Total GVA at current prices witnessed a CAGR of 6.9% from Fiscal 2022 to Fiscal 2024.



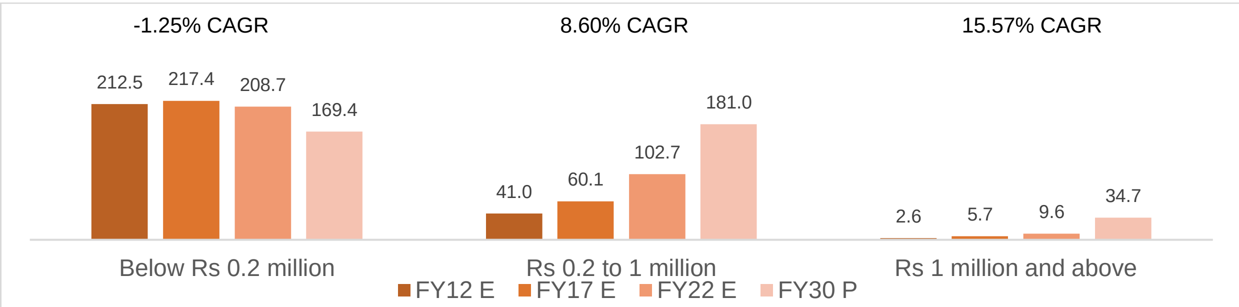
*Note: *- Public Administration, Defense & Other Services category includes the Other Services sector i.e. Education, Health, Recreation, and other personal services; E- Estimated; Fiscal 2022 are Revised Estimates, Fiscal 2023 are Provisional Estimates, Fiscal 2024 are First Advance Estimates as per NSO.*
Source: MOSPI, CRISIL MI&A

Aspirational Indian population to help sustain growth for the country

Proportion of Aspirational 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 aspirational 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 aspirational Indian 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, which is likely to translate into increased opportunities for financial service providers.

Aspirational India households (annual income between ₹ 0.2 to 1 million) to witness moderate growth over Fiscal 2012 to Fiscal 2030

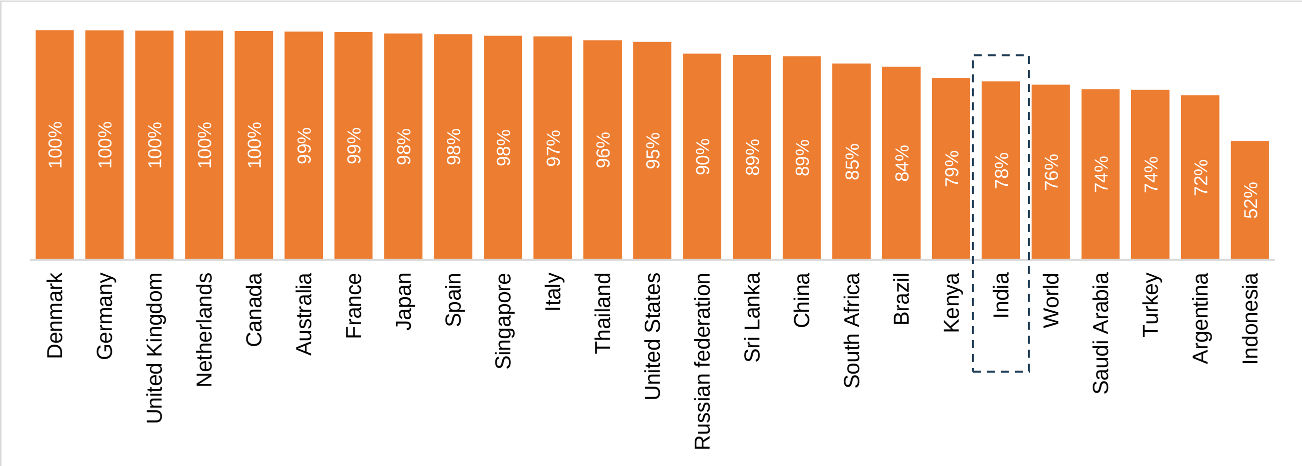


Note: E: Estimated, P: Projected; Source: CRISIL MI&A

Financial Inclusion on a fast path in India

According to the World Bank's Global Findex Database 2021, the global average of adult population with an account opened with a bank, financial institution, or mobile money provider, was approximately 76% in calendar year 2021. 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.

Adult population with a bank account (%): India vis-à-vis other countries (2021)

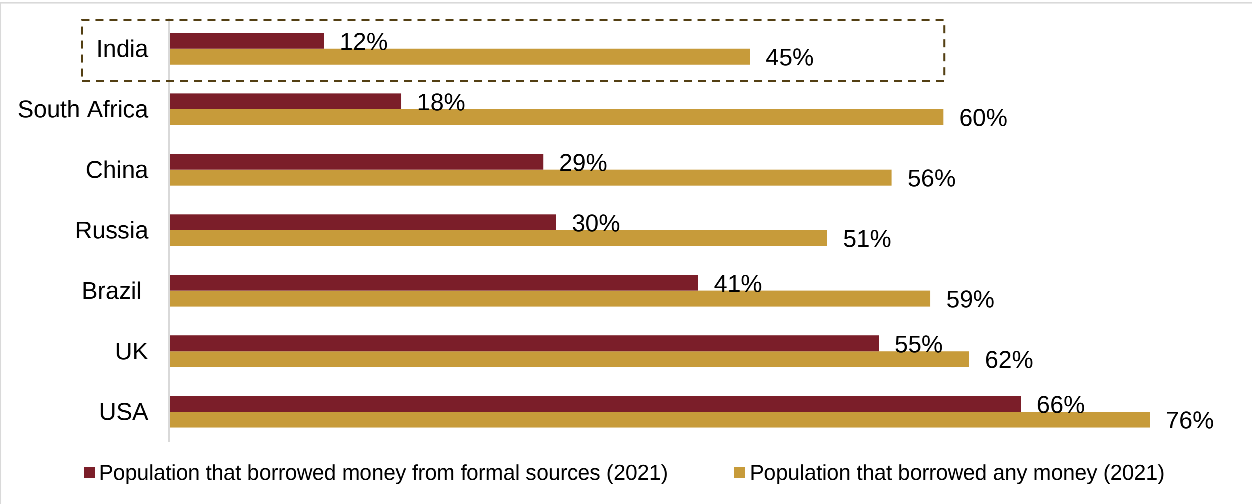


Note: 1. Global Findex data for India excludes northeast states, remote islands, and selected districts. 2. Account penetration is for the population within the age group of 15+, Source: World Bank – The Global Findex Database 2021, CRISIL MI&A

A significant proportion of the population still lacks access to formal banking facilities. According to NABARD All India Rural Financial Inclusion Survey 2016-17, 40% loans were reported as taken from non-institutional investors or informal channels like relative and friends, money lenders and local landlords.

According to the World Bank's Global Findex Database 2021, only 12% of the Indian population borrowed money through a formal channel like financial institutions which has increased significantly from 8% in 2017, this is very low compared to other developed and developing countries.

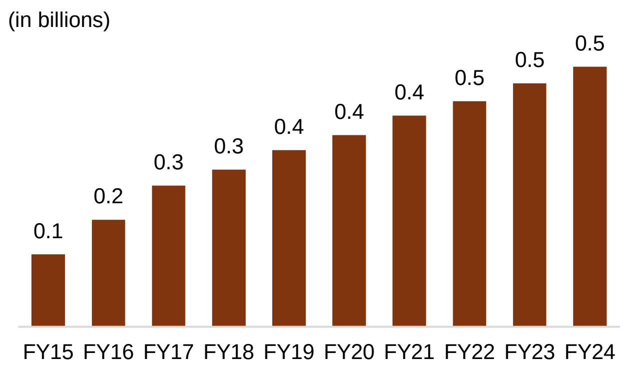
Only 12% of India's population borrowed money from formal sources (calendar year 2021)



Note: 1. Global Findex data for India excludes northeast states, remote islands, and selected districts. 2. Data is for the population within the age group of 15+ 3. Money borrowed from formal sources includes money borrowed from Banks, NBFCs and usage of credit card.
Source: World Bank - The Global Findex Database 2021, CRISIL MI&A

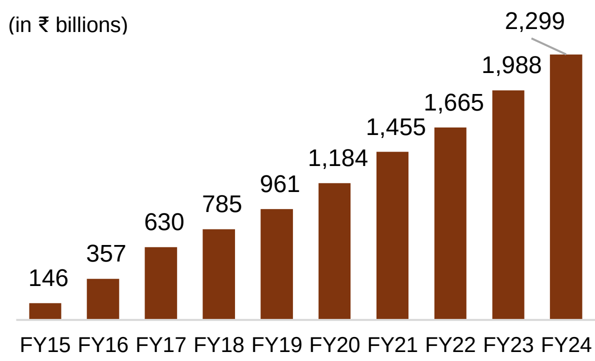
Multiple initiatives have been taken by the Government of India to promote financial inclusion in the nation, the government also launched the Pradhan Mantri Jan Dhan Yojana to provide banking services to all households in the country. As of March 31, 2024, approximately 0.52 billion PMJDY accounts had been opened, of which 67% were in rural and semi-urban areas, with total deposits of ₹2,299 billion.

Number of PMJDY accounts



Source: PMJDY; CRISIL MI&A

Total balance in PMJDY accounts

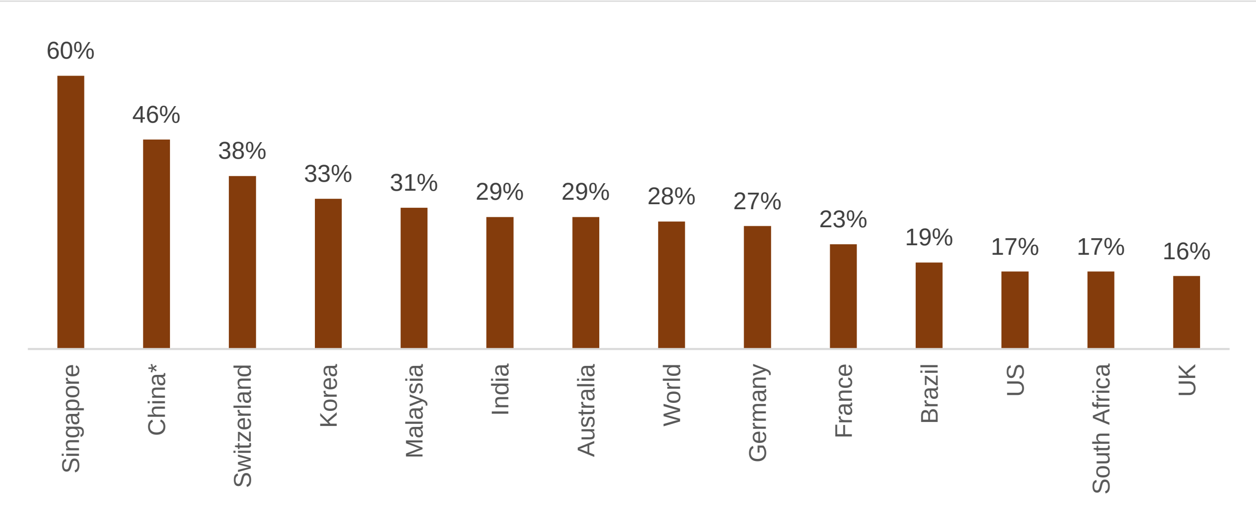


Source: PMJDY; CRISIL MI&A

Household savings expected to increase

India's slowing economy took a toll on much-needed savings too, with the Gross Domestic savings rate touching a 15-year low in Fiscal 2020 to approximately 27%, post which in the next two fiscals the savings have witnessed a growth and touched approximately 30% during Fiscal 2022. Despite the slow-down, India remains favorable in terms of gross domestic savings rate compared with most other emerging market peers at 29% in Fiscal 2022, greater than the world average of 28%.

India's gross domestic savings rate is higher than global average (2022)

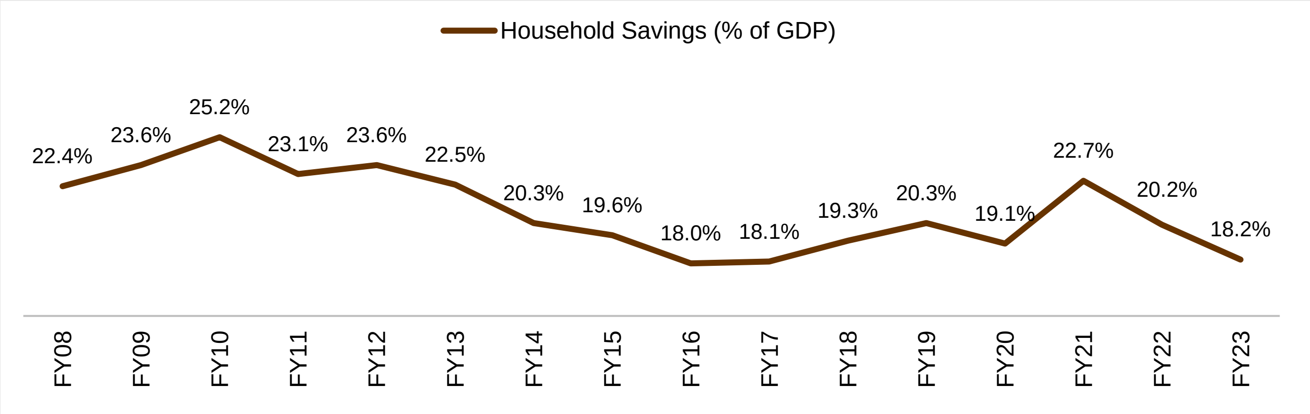


Note: Gross Domestic Saving consists of savings of household sector, private corporate sector and public sector; (*) Data as of CY2022; Source: World Bank[1], Handbook of Statistics on Indian Economy 2022-23, RBI, MOSPI, CRISIL MI&A

Specifically, household savings as a percentage of GDP has been sliding since Fiscal 2012 potentially due to an increase in borrowings for consumption needs posed by higher inflation rates, with its share as a proportion of GDP falling significantly from 23.6% in Fiscal 2012 to 18.0% in Fiscal 2016. Household saving increased significantly in Fiscal 2021 to reach 22.7%, post which it declined to 20.2% in Fiscal 2022 and in Fiscal 2023, household savings as percentage of GDP stood at 18.2%.

CRISIL MI&A expects India to continue being a high savings economy owing to higher gross domestic savings rate as compared to world average.

Household savings as a percentage of GDP declined in Fiscal 2022 and Fiscal 2023



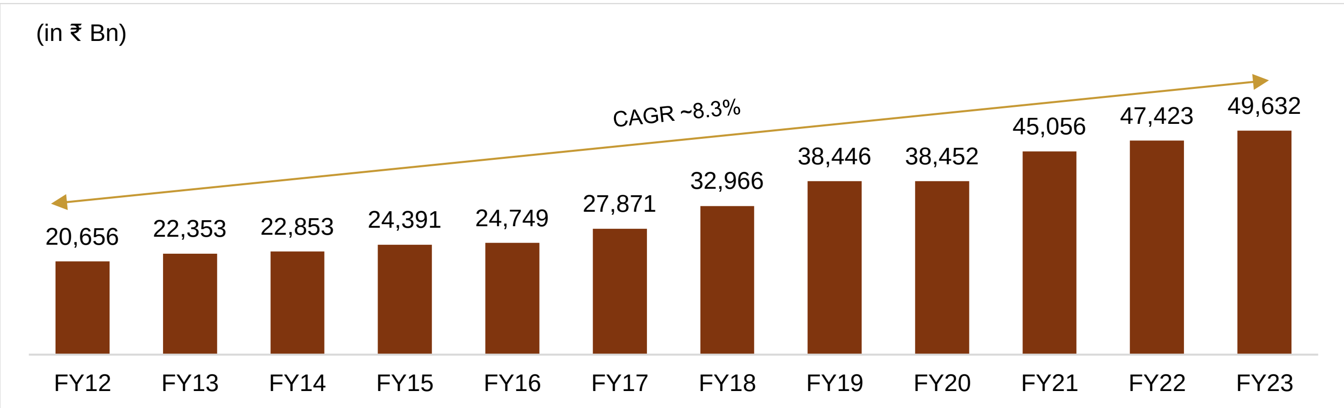
Source: Ministry of Statistics and Programme Implementation (MOSPI), RBI, CRISIL MI&A

Gross domestic savings trend

Parameters (₹ Billion)	March 2014	March 2015	March 2016	March 2017	March 2018	March 2019	March 2020	March 2021	March 2022	March 2023
GDS	36,082	40,200	42,823	48,251	54,807	60,004	59,411	57,869	73,631	81,500
Household sector savings (net financial savings, savings in physical assets and in the form of gold and silver ornaments)	22,853	24,391	24,749	27,871	32,966	38,446	38,452	45,056	47,423	49,632
Household sector savings as proportion of GDS (%)	63%	61%	58%	58%	60%	64%	65%	78%	64%	61%
Gross financial savings	11,908	12,572	14,962	16,147	20,564	22,637	23,246	30,670	26,120	29,736
Gross financial savings (% of GDS)	33.0%	31.3%	34.9%	33.5%	37.5%	37.7%	39.1%	53.0%	35.5%	36.5%
Financial liabilities	3,587	3,768	3,854	4,686	7,507	7,712	7,747	7,374	8,993	15,572
Savings in physical assets	14,164	15,131	13,176	15,946	19,442	23,095	22,522	21,355	29,683	34,834
Savings in physical assets as a proportion of GDS (%)	39%	38%	31%	33%	35%	38%	38%	37%	40%	43%
Savings in the form of gold and silver ornaments	368	456	465	465	467	427	431	405	613	634

Note: The data is for financial year ending March 31. Physical assets are those held in physical form, such as real estate, etc.
Source: MOSPI, National Accounts Statistics, CRISIL MI&A

Household savings growth



Note: The data is for the financial year ending March 31.
Source: MOSPI, CRISIL MI&A

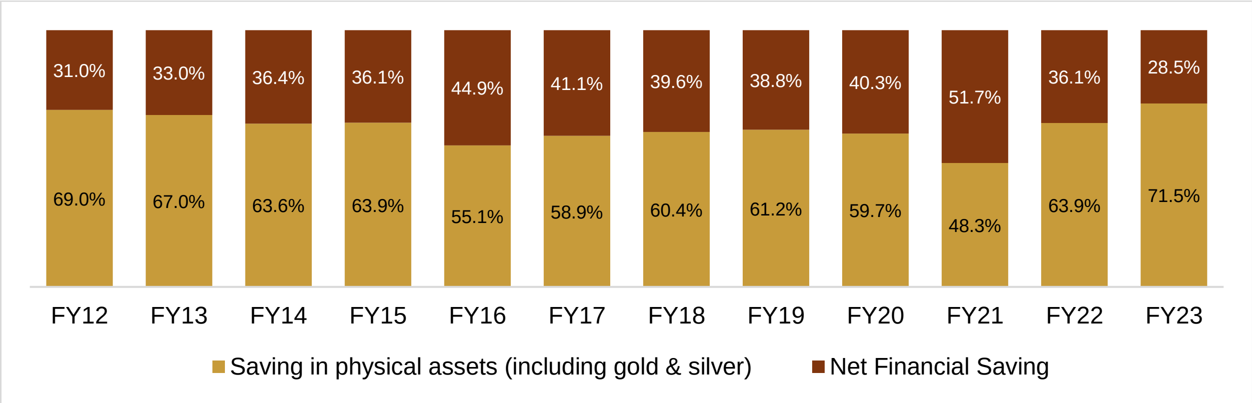
CRISIL MI&A expects India to continue being a high savings economy and savings rate increasing in the medium-term, as households become more focused on building a budget and financial plan for the future post the COVID-19 pandemic-induced uncertainty.

Physical assets still account for majority of the savings

Unlike most other countries, where financial savings account for a significant proportion of savings, physical assets in the form or real estate, gold and silver still account for most household savings in India.

Household savings in physical assets witnessed an increase to 71% in Fiscal 2023 from 69% in Fiscal 2012. The share of savings in physical assets dipped during Fiscal 2021 to 48% due to nation-wide lockdowns and slowdown in household construction. Post covid, during Fiscal 2022 with opening of lockdown's this share increased significantly to 63.9% and further to 71.5% in Fiscal 2023, due to increase in prices of gold and silver during the fiscals along with rise in construction of houses. Going forward, CRISIL MI&A expects the share of financial assets as a proportion of net household savings to increase over the next five years.

Trend of household savings in India



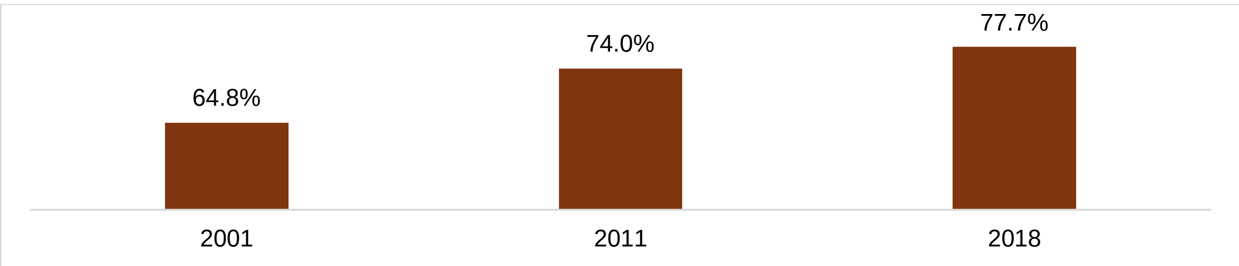
Note: The data is for financial year ending March 31, Source: Handbook of Statistics on Indian Economy 2022-23, RBI, MOSPI, CRISIL MI&A

Financial penetration to rise with increase in awareness of financial products

Overall literacy rate in India is at 77.7% as per the results of recent NSO survey conducted from July 2017 to June 2018, which is still below the world literacy rate of 86.5%. However, according to the National Financial Literacy and Inclusion Survey (NCFE-FLIS) 2019, only 27% of Indian population is financially literate indicating huge gap and potential for financial services industry. The survey defines financial literacy as combination of awareness, knowledge, skill, attitude, and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.

As per multiple survey indicator for 2020-21, launched in 2023, 89.4% of total adult population of India had a bank account in any financial institution, the report also stated that 92.4% of the male adult population and 86.3% of female adult population in India had a bank account in any financial institution.

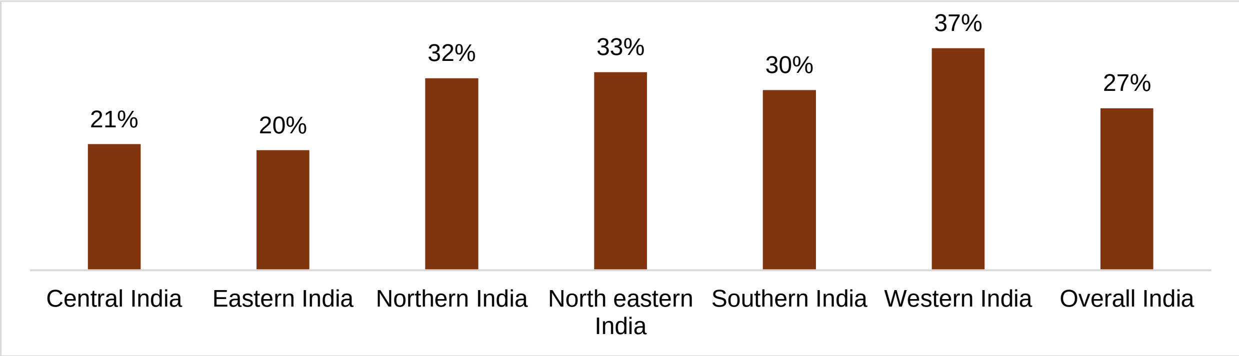
Overall literacy rate on the rise in India



Source: Census 2011, NSO Survey on household social consumption (2017-18),CRISIL MI&A

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.

Financial Literacy across India as of 2019



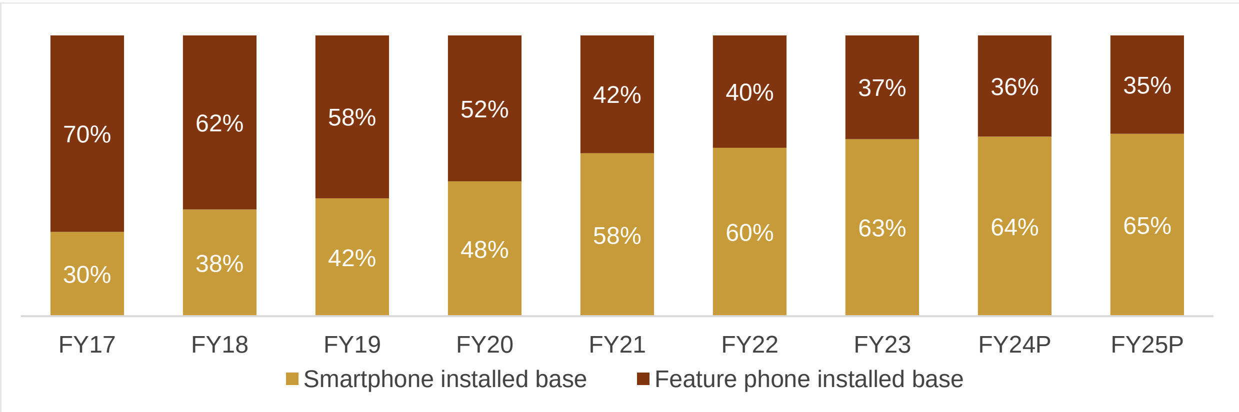
Source: National Financial Literacy and Inclusion Survey (NCFE-FLIS) 2019 Report, National Centre for Financial Education

Digitization to support economic growth and financial services

Technology is expected to play a pivotal role in taking the financial sector to the next level of growth, by helping to surmount challenges stemming from India's vast geography, which makes physical footprints in smaller locations commercially unviable. Technology is conducive for India, considering its demographic structure where the median age is less than 30 years. The young population is tech savvy and at ease with using it to conduct the entire gamut of financial transactions. With increasing smartphone penetration and faster data speeds, consumers are now encouraging digitization as they find it more convenient. Digitization is expected to help improve efficiency and optimize costs. Players with better mobile and digital platforms are expected to draw more customers and emerge as winners in the long term.

Mobile penetration: Higher mobile penetration, improved connectivity, and faster and cheaper data speed, supported by Aadhar and bank account penetration have led India to shift from being a cash-dominated economy to a digital one.

Data-savvy and younger users to drive adoption of smartphones



Note: E: Estimated, P: Projected
Source: CRISIL MI&A

Rise in 4G and 5G penetration and smartphone usage

As per projections, India had 1,170 million wireless subscribers at the end of Fiscal 2024. The reach of mobile network, internet and electricity is continuously expanding the subscriber footprint to remote areas leading to rising smartphone and internet penetration in India.

In Fiscal 2023, 5G was launched which led to conversion of 25 million subscribers to 5G, as it was offered at 4G data prices. In Fiscal 2025, CRISIL MI&A expects 5G subscribers to rise drastically to 100 million and 150 million respectively since data consumption will increase due to high usage on OTT platforms, in education services, banking services, healthcare, and the gaming industry.

All-India mobile and data subscriber base

	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024 (P)	Fiscal 2025 (P)
Wireless subscribers (million)	1,170	1,183	1,162	1,157	1,181	1,142	1,144	1,170	1,189
Data subscribers (million)	401	473	615	720	799	814	883	917	933
Data subscribers as a proportion of wireless subscribers	34%	40%	53%	62%	68%	71%	77%	78%	78%
4G data subscribers (million)	131	287	478	645	719	734	786	746	713
4G data subscribers' proportion	33%	61%	78%	90%	90%	90%	89%	81%	76%

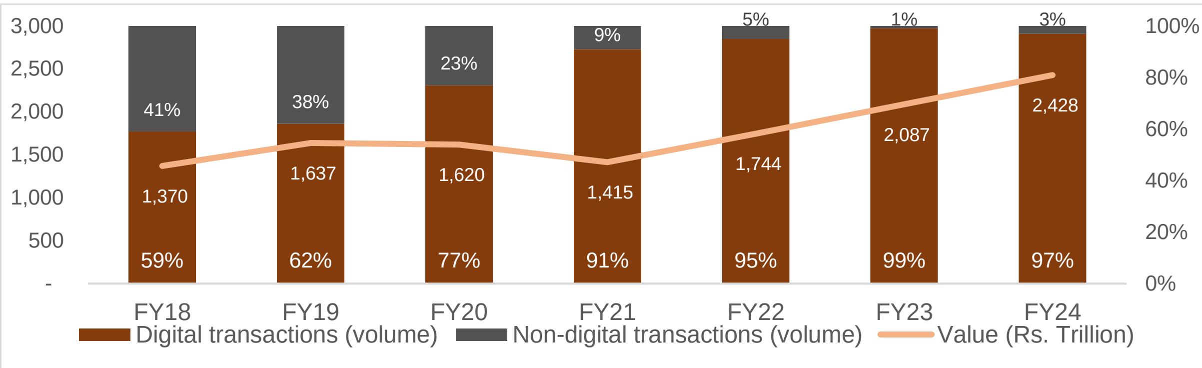
Note: P: Projected, Source: TRAI, CRISIL MI&A

Proportion of data subscribers is hence expected to rise to approximately 78% in Fiscal 2025 from approximately 62% at Fiscal 2020. India's 4G data rates are among the lowest in the world. So, a combination of affordable handsets, growing consumer preference for data on the go and affordable data tariffs are set to accelerate the adoption of wireless internet in India, leading to a 4G data subscriber proportion at approximately 90% in Fiscal 2023.

Digital payments have witnessed substantial growth

Total digital payments in India have witnessed significant growth over the past few years. Between Fiscal 2018 and Fiscal 2024, the volume of digital payments transactions has increased from 14.6 billion to 164.4 billion, growing at a CAGR of approximately 50%, causing its share in overall payment transactions to increase from 59% in Fiscal 2018 to 97% in Fiscal 2024. During the same period, the value of digital transactions has increased from ₹ 1,370 trillion in Fiscal 2018 to ₹ 2,428 trillion in Fiscal 2024. Consumers are increasingly finding transacting through mobile convenient. CRISIL MI&A expects the share of mobile banking and prepaid payment instruments to increase dramatically over the coming years. In addition, CRISIL MI&A expects improved data connectivity, low digital payment penetration and proactive government measures to drive digitalization in the country, transforming it into a cashless economy.

Trend in value and volume of digital payments



Note: Digital Payments includes RTGS payments, Credit transfers (AePS, APBS, ECS Cr, IMPS, NACH, NEFT, UPI), Debit Transfers (BHIM, ECS Dr, NACH Dr, NETC), Card Payments (Debit and Credit Cards) and Prepaid Payments Instruments; Source: RBI, CRISIL MI&A

Credit Through UPI

The RBI recently announced a proposal to broaden the United Payments Interface (UPI) scope by allowing transfer to and from pre-sanctioned credit lines with banks. Previously to this announcement, only amounts held in bank deposits could be transferred through the UPI, this will allow overdraft accounts, credit cards and prepaid wallets to be eligible for linking to UPI. As per the announcement, this step enables the inclusion of credit lines as a funding account.

Digital Public infrastructure reforms by Government of India

Digitization improves the transparency and efficiency of government processes, and widespread digital transformations help governments and institutions with policy implementation and broad policy outreach. However, digital platforms built too specific or narrowly for a particular context may not be the most effective or efficient as policies, governing objectives, and societal conditions change. The key idea for Digital Public Infrastructure (DPI) is not the complete digitization of narrow public services but the establishment of a building block of digital modularity, which can be used modularly by both government and private players to create the specific digital infrastructure required. The India Stack is a collective name for a set of open APIs and public goods in digital form.

Open Credit Enablement Network (OCEN)

Open Credit Enablement Network (OCEN) was introduced as a step for promoting financial inclusion and democratization of credit in India. OCEN is set of open standards which facilitates interactions and collaborations among borrowers, lenders, lending service providers, and technology service providers. This will help various digital platforms in leveraging their position in delivery of credit and value addition in lending value chain. Moreover, OCEN will also promote innovation in distribution of credit, making loans accessible to MSMEs, small vendors and individuals, leading to financial inclusion.

Use of generative AI and new technologies increasing productivity

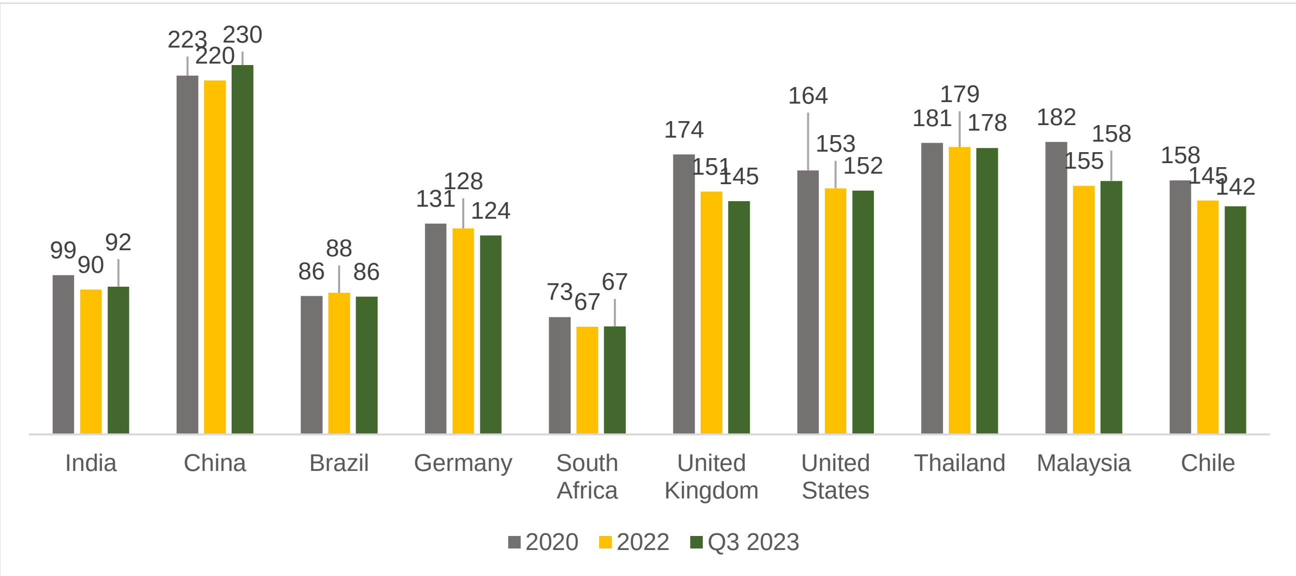
Gen AI leverages extensive training on large datasets to swiftly produce diverse content forms like text and multimedia in response to prompts. Gen AI, exemplified by ChatGPT in BFSI, enables efficient, conversational banking, delivering prompt and responses, enhancing customer experiences, and saving time. Gen AI does well in fraud prevention, where it can swiftly detect potentially fraudulent activity by analysing customer behaviour patterns. This can help BFSI companies to take proactive measures to help bolster transaction security. Gen AI aids in risk analysis and synthetic data generation. This helps to offer detailed insights from intricate financial datasets which can be employed for decision making. The different uses of Gen AI now show a fraction of its potential to transform the BFSI sector.

Credit penetration in India

Credit penetration is lower in India compared to other countries

In terms of the credit to GDP ratio, India has 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 as compared to other markets, with retail credit hovering at around 26% of GDP as of Fiscal 2023.

Credit to GDP ratio (%) (Q3 Calendar Year 2023)



Note: Data is represented for calendar years for all countries except India. For India, numbers are for fiscal year
Source: Bank of International Settlements, CRISIL MI&A

Chandigarh, Delhi, Maharashtra, and Telangana, have a higher banking credit penetration compared to other states

Delhi, Maharashtra, Telangana, and Chandigarh have a banking credit to GDP ratio of more than 100% as of March 2023 which indicates that banking credit penetration in the state is higher as compared to other states in the country. Chandigarh has the highest banking credit penetration of 257% as of March 2023 followed by Delhi at 235%. Maharashtra has the third highest banking credit penetration in Indian States at 164%. Sikkim, Tripura, Himachal Pradesh had the lowest banking credit penetration among all states in Fiscal 2023.

Banking credit penetration across states in India as of Fiscal 2023

State/Union Territory	State GSDP (Constant Price) (₹ in billion)	Banking Credit Penetration	Rural Banking Credit Share	Semi-urban Banking Credit Share	Urban Banking Credit Share	Metropolitan Banking Credit Share
Chandigarh*	302.9	257%	0%	0%	99%	-

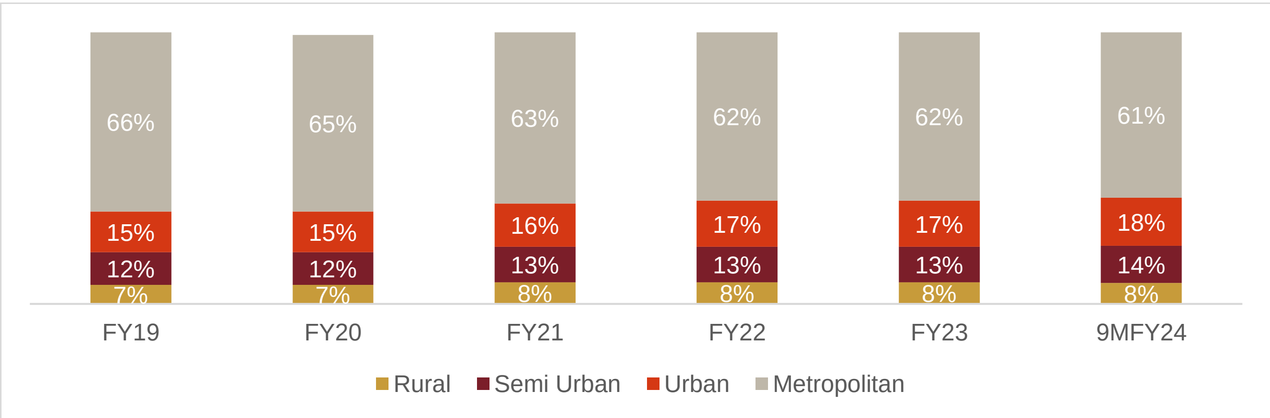
State/Union Territory	State GSDP (Constant Price) (₹ in billion)	Banking Credit Penetration	Rural Banking Credit Share	Semi-urban Banking Credit Share	Urban Banking Credit Share	Metropolitan Banking Credit Share
Delhi	6,526.5	235%	0%	1%	3%	95%
Maharashtra*	20,279.7	164%	2%	5%	5%	88%
Telangana	7,267.1	107%	9%	11%	8%	72%
Tamil Nadu	14,533.2	91%	11%	23%	14%	51%
Kerala*	5,727.5	85%	4%	50%	46%	-
Andhra Pradesh	7,543.4	85%	18%	25%	30%	28%
Karnataka	13,263.2	77%	11%	11%	16%	62%
Haryana	6,084.2	75%	10%	14%	68%	8%
Jammu & Kashmir-UT	1,347.2	68%	34%	28%	21%	18%
Punjab	4,615.4	68%	19%	28%	26%	27%
Puducherry*	278.3	66%	12%	20%	69%	-
Rajasthan	7,994.5	64%	16%	23%	25%	37%
Madhya Pradesh	6,431.2	64%	13%	22%	18%	46%
West Bengal	8,540.2	63%	14%	9%	20%	57%
Others	2,774.0	45%	25%	28%	40%	41%

*Note: Credit penetration calculated as banking credit to states as of Fiscal 2023 divided by state GSDP (at constant prices) as of Fiscal 2023; GDP taken as GSDP at constant prices, Base Year: 2011-12., * GSDP taken for Fiscal 2022; Tier-wise share is taken as outstanding in the tier divided by total outstanding in the state; Source: RBI, MOSPI, CRISIL MI&A*

Rural and semi-urban India – Under penetration and untapped market presents a huge opportunity for growth of financiers

Bank 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 September 30, 2023. Between the same period, credit share has witnessed a marginal rise in rural (7% in Fiscal 2019 to 8% in H1 Fiscal 2024) and semi-urban areas (12% in Fiscal 2019 to 14% in H1 Fiscal 2024). As of March 31, 2023, rural areas, which accounts for almost 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 will 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 regions in banking credit increased between Fiscal 2019 & as at December 31, 2023



Note: As at the end of each Fiscal and as of December 31, 2023; Source: RBI, MOSPI, CRISIL MI&A

Rural economy is becoming structurally far more resilient

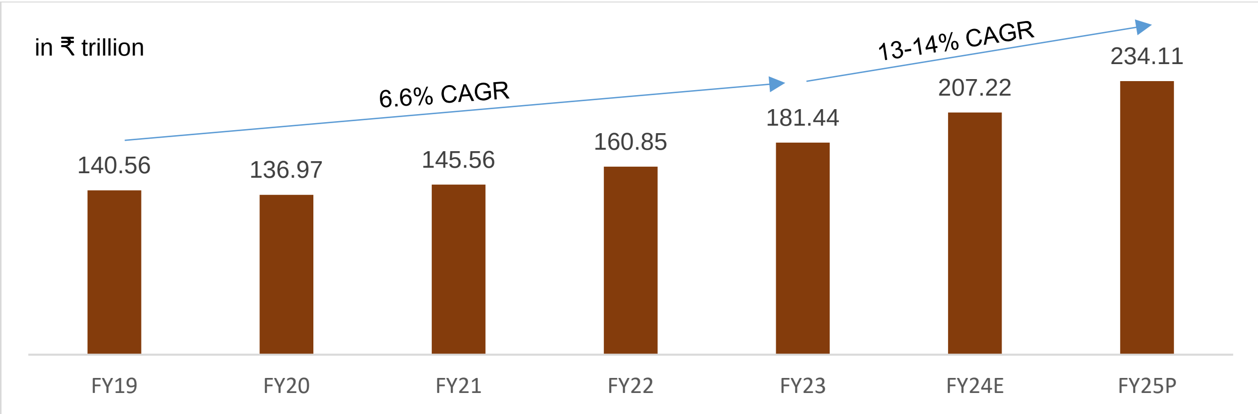
According to Census 2011, there are about 640,000 villages in India, which are inhabited by about 893 million people, comprising about 65% of the country's population as of calendar year 2021. The rural economy is far more resilient today due to increased spends under MNREGA and irrigation programmes, direct benefit transfer (DBT), the PM-Kisan scheme, PM Ujwala Yojana for cooking gas, PM Awas Yojana for housing, and Ayushman Bharat scheme for healthcare. To supplement this, there has been a continuous improvement in rural infrastructure such as electricity and roads. These government initiatives have led to lesser leakages and higher incomes in the hands of the rural populace, thereby enhancing their ability and willingness to spend on discretionary products and services. The structural changes, combined with a positive macro environment, will improve rural business prospects, provide business opportunities for the banking and financial services sector, and drive the long-term growth of the economy.

OVERVIEW AND MARKET LANDSCAPE OF NBFCS IN INDIA

Systemic credit to grow at 13-14% CAGR between Fiscal 2023 and Fiscal 2025

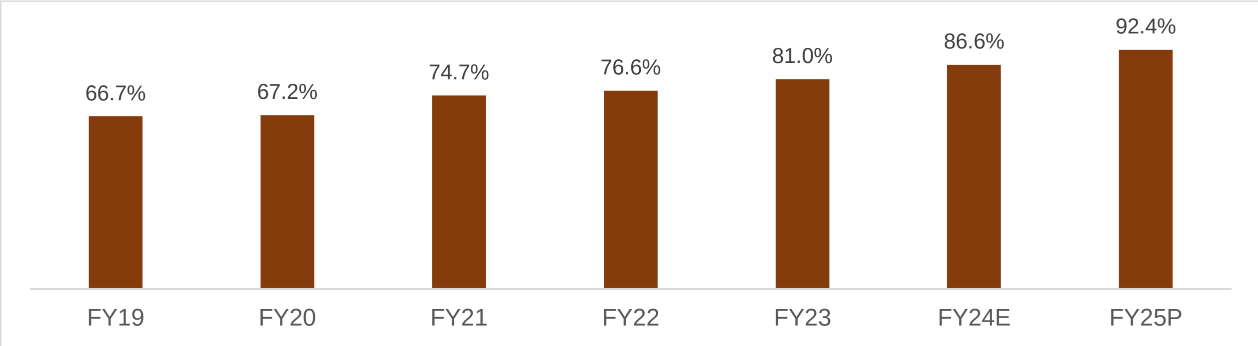
Corporate credit determines the growth in overall credit as it accounts for nearly two-third of systemic credit. The slowdown in economic activity, coupled with heightened risk aversion among lenders, tightened the overall credit growth to approximately 6.3% in Fiscal 2021. In Fiscal 2022, the systemic credit growth picked up steam despite the second wave of COVID-19 hurting economic growth in the first quarter of the fiscal. The retail credit has been a strong driving force behind the growth in overall credit. Retail credit witnessed a growth of 10% year on year during Fiscal 2021 and 14% during Fiscal 2022, while non-retail credit grew at a slower pace of 3% and 9% during Fiscal 2021 and Fiscal 2022. The systemic credit grew at 10.3% in Fiscal 2022 to reach approximately ₹ 161 trillion. The growth was mainly driven by the budgetary push towards investments, pick-up in private investment, and business activities. In Fiscal 2023, Systemic credit showed strong growth on back of pent-up retail demand from sectors like housing and vehicle and strong credit demand from NBFCs and trade segment. CRISIL MI&A projects systemic credit to grow at 13-14% CAGR between Fiscal 2023 and Fiscal 2025.

Systemic credit to grow by 13-14% between FY23 and FY25



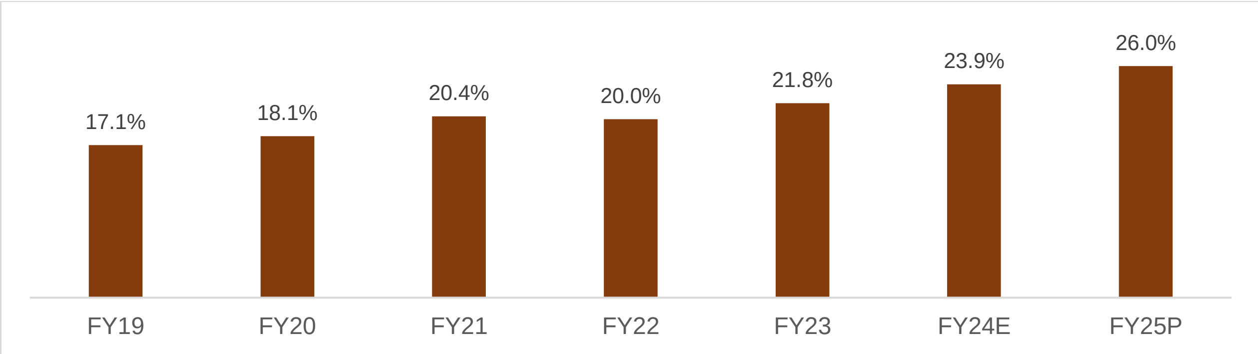
Note: P: Projected; Systemic credit includes domestic banking credit (after deduction of bank lending to NBFC), NBFC credit, commercial papers, external borrowings, corporate bonds excluding those issued by Banks and NBFC; Source: RBI, Company reports, CRISIL MI&A

Banking Credit to Real GDP (%)



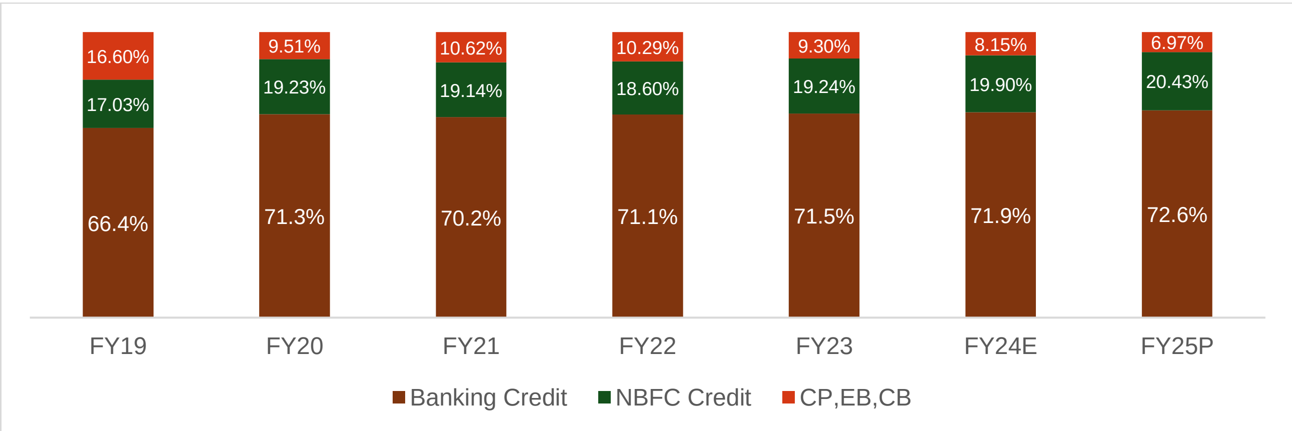
Source: RBI, Crisil MI&A

NBFC Credit to Real GDP (%)



Source: Crisil MI&A estimates

Share of NBFC credit in overall systemic credit to reach 20% in Fiscal 2025



Note: P: Projected; Systemic credit includes domestic banking credit, NBFC credit, commercial papers, external borrowings, corporate bonds excluding those issued by Banks and NBFC; Source: RBI, Company Reports, CRISIL MI&A

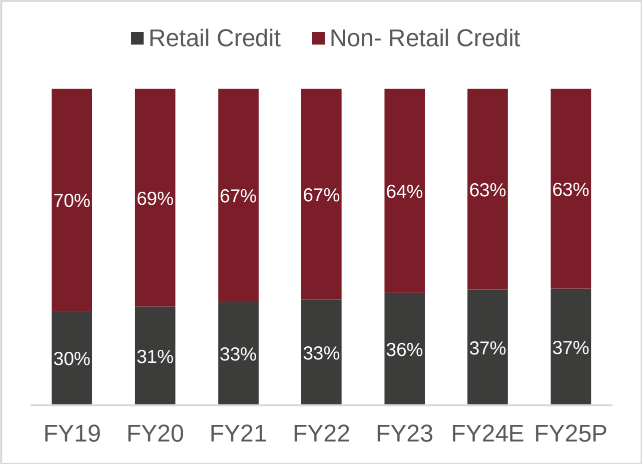
The retail credit (includes Housing finance, Vehicle Financing, Gold Loans, Education Loans, Consumer Durables, Personal loans, Credit cards and Microfinance) in India stood at ₹ 63 trillion, as of Fiscal 2023 which rapidly grew at a CAGR of 14.3% between Fiscal 2019 and Fiscal 2023. Retail credit growth in Fiscal 2020 was around approximately 12.1% which came down to approximately 9.6% in Fiscal 2021.

However, post-pandemic, retail credit growth revived back to reach approximately 13.5% in Fiscal 2022. In Fiscal 2023, retail credit has grown at approximately 22.3% year on year basis. The Indian retail credit market has grown at a strong pace over the last few years and is expected to further grow at a CAGR of 17-18% between Fiscal 2023 and Fiscal 2025 to reach ₹ 87 trillion by Fiscal 2025. The moderation of growth of retail credit is on account of normalisation in unsecured segment which had witnessed exuberant growth in the past and impact of RBI’s risk weight circular.

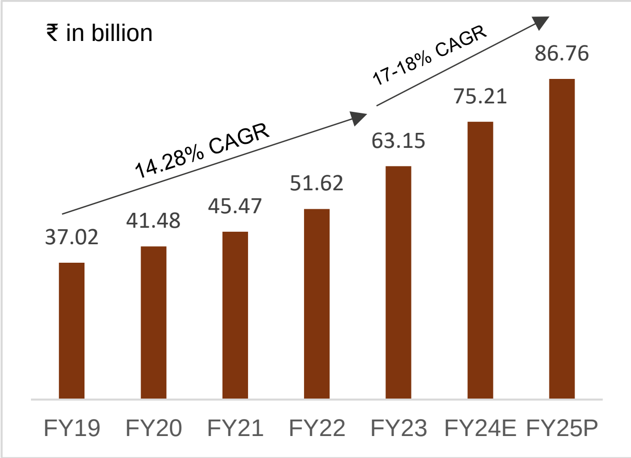
Retail segment to account for 37% of overall

Retail credit growth to continue a strong footing in

systemic credit by Fiscal 2025

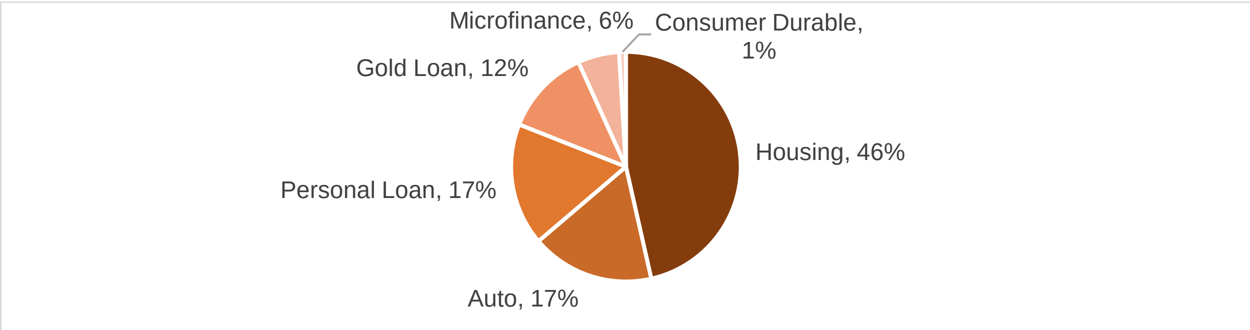


Fiscal 2024 and Fiscal 2025



Note: P = Projected, Source: RBI, CRISIL MI&A

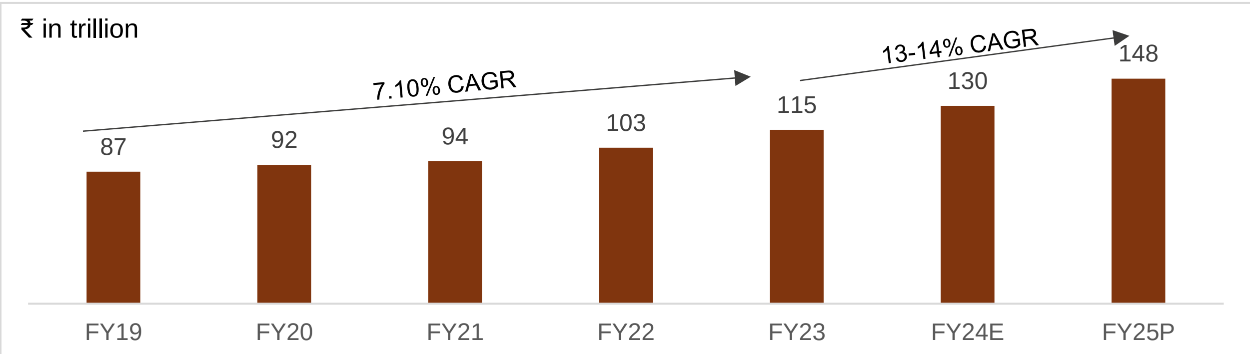
Retail credit mix as of Fiscal 2023



Source: CRISIL MI&A

Systemic non-retail credit expected to grow at 13-14% CAGR between Fiscal 2023 and Fiscal 2025

Note: P = Projected; Source: RBI, CRISIL MI&A



NBFC Credit to grow faster than systemic credit

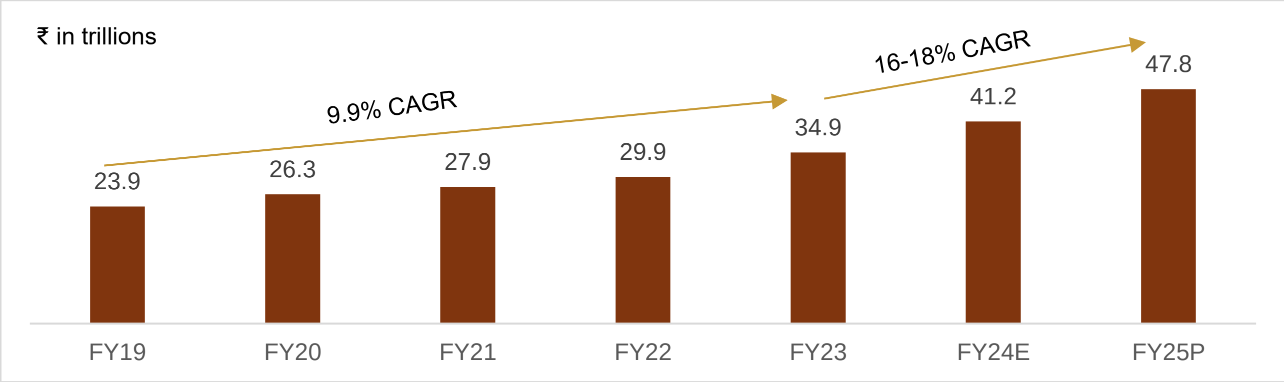
Over the past decade, banking credit growth lagged systemic credit growth for several years as NBFCs grew at a much faster pace. NBFCs clocked 15% CAGR in credit, between Fiscal 2016 and Fiscal 2018, mainly due to aggressive expansion of their footprint and entry of numerous new players across India. This also coincided with a decline in bank credit growth.

However, the NBFC sector faced headwinds after the IL&FS default in September 2018, followed by a liquidity crisis. Later, funding challenges and the Covid-19 pandemic added to the pressures, curbing growth. Banks benefitted in this milieu and used their surplus liquidity to gain market share in terms of credit in a few key segments.

During Fiscal 2019 to Fiscal 2024, NBFC credit is estimated to have witnessed a growth at CAGR approximately 11%, while NBFC retail credit is estimated to have grown at approximately 14% CAGR over the same time-period. NBFCs have shown remarkable resilience and gained importance in the financial sector ecosystem, growing from less than ₹ 2 trillion AUM at the turn of the century to ₹ 41 trillion at the end of Fiscal 2024.

Going forward, CRISIL MI&A expects NBFC credit to grow at 16-18% in Fiscal 2025, along with rapid revival in the economy. Further growth of the NBFC industry will be driven mainly by large players with strong parentage who have funding advantage and capability to invest and expand into newer geographies.

NBFC credit to grow at CAGR 16-18% between Fiscal 2023 and Fiscal 2025



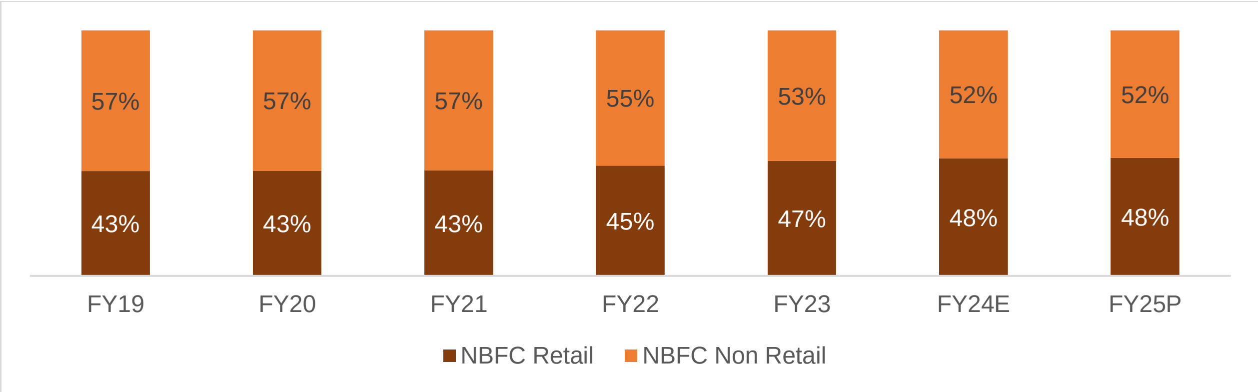
Note: P = Projected; Source: RBI, Company reports, CRISIL MI&A, note: HDFC is not considered while calculating overall NBFC Credit

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 less in focus by the Banks.

NBFCs play a vital role in financial inclusion in India

Financing needs in India have risen in sync with the notable economic growth over the past decade. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions. NBFCs help fill gaps in the availability of financial services with respect to products as well as customer and geographic segments. A strong linkage at the grassroots level makes them a critical cog in the financial machine. They cater to the unbanked and underbanked masses in rural and semi-urban India and lend to the informal sector and people without credit histories, thereby enabling the government and regulators to realize the mission of financial inclusion.

Share of retail credit in total NBFC credit to grow to 48% by end of Fiscal 2024 and expected to remain stable in Fiscal 2025



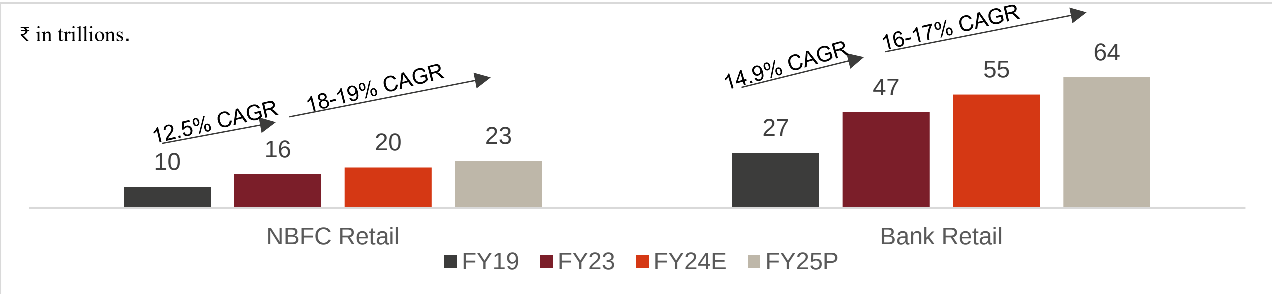
Note: P = Projected; Retail credit includes housing finance, vehicle finance, microfinance, gold loans, construction equipment finance, consumer durable finance, MSME loans and education loans; Source: Company reports, CRISIL MI&A

Retail segment to support NBFCs overall credit growth

The NBFC sector has, over the years, evolved considerably in terms of size, operations, technological sophistication, and entry into newer areas of financial services and products. The number of NBFCs as well as the size of the sector have grown significantly, with a number of players with heterogeneous business models starting operations. Overall NBFC credit during Fiscal 2019 to Fiscal 2023, witnessed a CAGR of approximately 10% which was majorly led by retail segment which accounts for approximately 47% of overall NBFC credit and witnessed a CAGR of approximately 13%, while NBFC non-retail credit witnessed a growth of approximately 8% during the fiscals.

Going forward, growth in the NBFC retail segment is expected at 18-19% CAGR between Fiscal 2023 and Fiscal 2025 which will support overall NBFC credit growth, with continued focus on the retail segment and multiple players announcing plans to reduce wholesale exposure, the retail segment's market share is expected to rise further to 48% (vs the wholesale's 52%) by end of Fiscal 2024 and remain stable in Fiscal 2025.

Growth in retail credit for banks and NBFCs

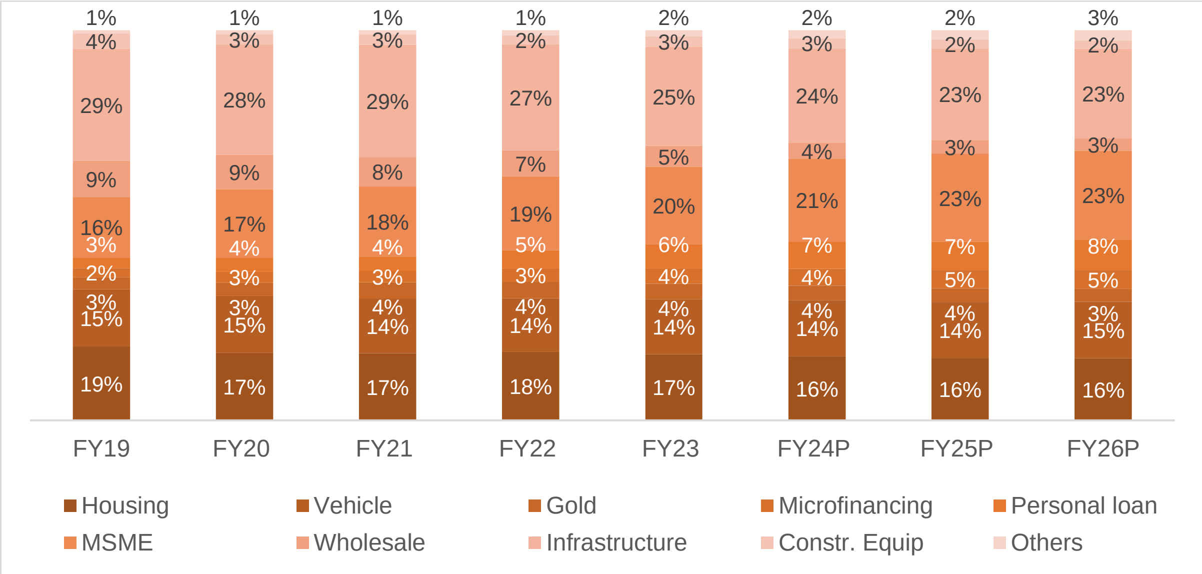


Note: P = Projected; Retail credit above includes housing finance, vehicle finance, microfinance, gold loans, construction equipment finance, consumer durable finance, MSME loans and education loans; Source: Company reports, RBI, CRISIL MI&A

Housing finance accounts for third highest share in overall NBFC credit as of Fiscal 2023

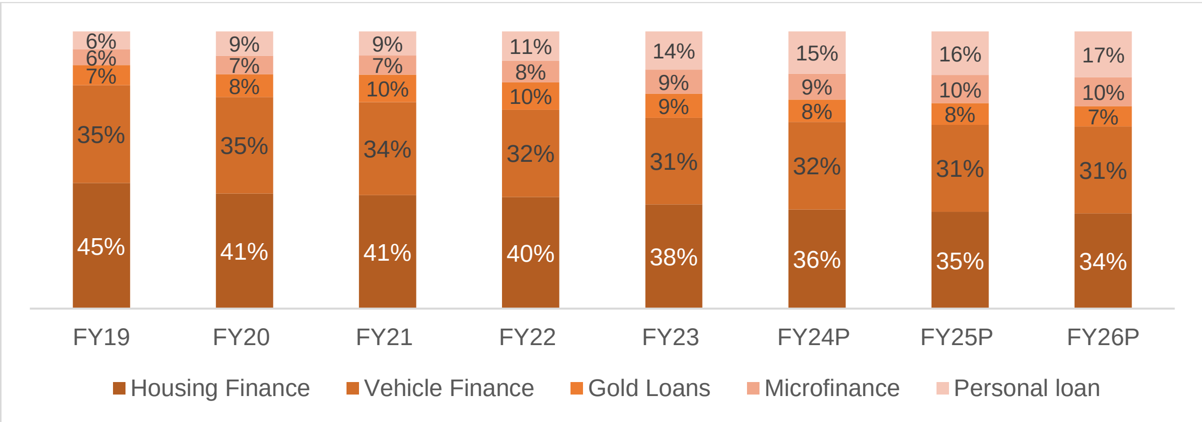
As of Fiscal 2023 infrastructure financing accounts for the highest share in NBFC credit (25%), which was followed by MSME loans which account for 20% share of overall NBFC credit. Housing finance accounted for third highest share in overall NBFC credit outstanding with 17% share in overall NBFC credit.

Distribution of NBFC Credit across asset classes



Note: Others include education loan and consumer durable loans, Infrastructure includes PFC & REC
Source: Company reports, CRISIL MI&A

Housing finance accounted for the highest share in NBFC retail credit



Source: Company reports, CRISIL MI&A

Housing finance accounted for the highest share in NBFC retail credit across fiscals accounting for 38% as of Fiscal 2023, witnessing a fall in share from 45% in Fiscal 2019. This was followed by vehicle financing and personal loans with 32% and 15% share in Fiscal 2023 respectively. Top 3 asset classes accounted for approximately 83% of total NBFC retail credit.

Housing finance has the lowest GNPAs and second lowest credit costs across asset classes for NBFCs

Across asset classes, housing finance is one of the safest asset classes with lowest GNPA (%) across segments at 1.6% for Fiscal 2023, and second lowest credit costs after gold loans (0.1%) at 0.5% for Fiscal 2023. While MFI loans had the highest interest income across asset classes and return on assets was highest in gold loans at 4.7% for Fiscal 2023.

ROA Tree for NBFCs across asset classes

Asset Class	Financial Metric	Fiscal 2022	Fiscal 2023	Fiscal 2024 (E) and Fiscal 2025 (P)
Housing Loans	Interest income to average assets	8.7%	9.2%	9.5-9.7%
	Interest expense to average assets	5.7%	5.9%	6.2-6.4%
	Credit Cost	0.6%	0.5%	0.3-0.5%
	Opex	0.9%	0.9%	0.8-1.0%
	ROA	1.5%	1.9%	1.9-2.1%

Asset Class	Financial Metric	Fiscal 2022	Fiscal 2023	Fiscal 2024 (E) and Fiscal 2025 (P)
	GNPA	2.1%	1.6%	1.1-1.2%
MSME Loans	Interest income to average assets	14.5%	15.5%	15.5-16%
	Interest expense to average assets	5.6%	5.7%	5.8-6.2%
	Credit Cost	1.2%	1.3%	1.3-1.5%
	Opex	4.2%	3.6%	3.4-3.6%
	ROA	3.3%	3.7%	3.6-3.9%
	GNPA	3.1%	2.6%	2.4-2.7%
Auto Loans	Interest income to average assets	12.0%	12.4%	13.2-13.4%
	Interest expense to average assets	6.0%	5.8%	6.9-7.1%
	Credit Cost	2.5%	1.8%	1.6-1.8%
	Opex	1.6%	2.5%	2.0-2.2%
	ROA	1.9%	2.3%	2.4-2.6%
	GNPA	6.6%	5.0%	4-4.5%
Gold Loans	Interest income to average assets	16.4%	14.9%	15-17%
	Interest expense to average assets	5.6%	5.2%	5.1-5.3%
	Credit Cost	0.1%	0.1%	0.2-0.3%
	Opex	5.1%	4.9%	4.9-5.1%
	ROA	5.6%	4.7%	5.4-5.6%
	GNPA	2.8%	3.0%	2.5-2.7%
Affordable Housing Loans	Interest income to average assets	9.9%	10.3%	10.8-11.0%
	Interest expense to average assets	5.4%	5.4%	5.8-6.0%
	Credit Cost	0.7%	0.4%	0.2-0.4%
	Opex	1.5%	1.7%	1.7-1.9%
	ROA	2.3%	2.8%	2.8-3.0%
	GNPA	3.0%	2.0%	1.5-1.7%
MFI Loans	Interest income to average assets	15.8%	17.3%	17.8-18%
	Interest expense to average assets	7.1%	7.2%	7.4-7.6%
	Credit Cost	2.9%	2.4%	1.7-1.9%
	Opex	4.6%	4.8%	4.4-4.6%
	ROA	1.2%	2.9%	4-4.2%
	GNPA	6.0%	2.9%	1.8-2%

Source: CRISIL MI&A, Company Documents, Note: Ratios on average total assets

HOUSING SCENARIO IN INDIA

The housing sector is regarded as the engine of economic growth and can give a big push to the economy through its forward and backward linkages with more than 250 ancillary industries. The sector's strong inter-industry linkages and investments can have multiplier effects on generation of income and employment in the country. Recognising the importance of housing as a basic human need, the government has announced multiple schemes to continue their focus on housing in the country.

Indian household investment in real estate

In a country like India,real estate is one of the largest investments for a majority of people in their lifetime and holds significant importance. As a consequence of India's large population, having a decent house is a dream many spend their lives trying to fulfil. As per the 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.

As per 2011 census, India has approximately 331 million houses of which only 130 million houses were in good habitable condition

As per 2011 census, India has 330.84 million houses of which 244.64 million houses were used for residence purpose or residence-cum-other use purpose. Further, 130.12 million houses amongst the occupied ones were classfied as 'good habitable condition', followed by 101.44 million (41.46%) as 'liveable habitable condition' and remaining as 'dilapidated habitable condition'.

Average household size as per 2011 census stood at 4.9 persons per household (in millions)

As per 2011 census, total number of households in India stood at 246.69 million, with rural and urban regions accounting for 68% and 32% share respectively. The average household size in India stood at 4.9 persons per household. Average household size in rural and urban regions stood at 4.9 and 4.8 persons respectively.

Average household size in urban regions stood at 4.8 persons per household and 4.9 persons per household in rural regions

Characteristics	Total	Rural	Urban
Total Population	1210.1	833.0	377.1
Total Households	246.6	167.8	78.8
Average Household size	4.9	4.9	4.8

Source: Census 2011, State of Housing in India 2013, CRISIL MI&A

As per 2011 census, out of total households (246.69 million) in India, 4% have no exclusive rooms, 37% have only one room, 32% have two rooms, 14% have three rooms and 13% have four rooms and above. One room household dominate the share of overall households in both rural and urban regions.

Households by number of dwelling rooms (in millions)

Area	Number of Households	Distribution of Households having number of dwelling rooms				
		No Exclusive Room	One Room	Two Rooms	Three Rooms	Four Rooms & Above
Rural	167.83	7.21	66.15	53.99	21.31	19.16
Urban	78.86	2.43	25.34	24.14	14.49	12.47
India	246.69	9.64	91.49	78.13	35.8	31.63

Source: Census 2011, State of Housing in India 2013, CRISIL MI&A

Housing shortage in India (in millions)

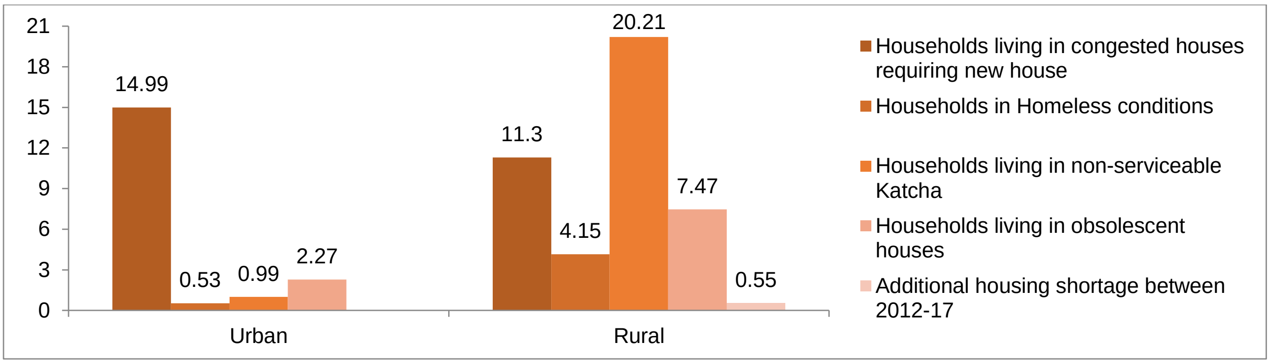
Area	Total Number of Census Homes	Occupied Census House	Distribution of Occupied Census Houses			
			Residence	Residence cum other use	Total of Residence and Residence cum other use	All other Non-Residential Use
Rural	220.70	207.12	159.93	6.23	166.16	40.96
Urban	110.14	99.04	76.13	2.35	78.48	20.56
Total	330.84	306.16	236.06	8.58	244.64	61.52

**Other non- residential use – Shop, Office, School, College, Hotel, lodge, guest house, hospital dispensary, Factory, workshop, work shed, place of worship, etc; Source: Census 2011, Ministry of Housing and Urban Poverty Alleviation National Buildings Organisation; Planning Commission, CRISIL MI&A*

Housing shortage in India

Despite the constant focus on the housing segment, housing in India is far from adequate. The shortage of overall houses (rural & urban regions) is at a very high level at 62.5 million houses (as per twelfth five-year plan 2012-17) due to changing social and demographic pattern in India such as nuclearization of families and rapid growth of urbanisation.

Housing shortage split between urban-rural (2012) – (in million)



Source: 2012 Estimates, Ministry of Rural development, Planning commission, CRISIL MI&A

In its Twelfth Five Year Plan (2012-2017), the Government accorded this issue utmost importance and focused on increasing the amount of housing units available both in the urban as well as the rural sector. As per the estimates of the Twelfth Five Year Plan, the shortage of housing in the urban segment of the society stood at 18.78 million. The economically weaker section (EWS) accounts for approximately 56% of the shortage. Lower Income Group (LIG) approximately accounts for approximately 39% of housing shortage in urban regions.

Urban Housing shortage split among Socio-Economic Group (2012) – million

Category	Urban Housing Shortage	(in %)
EWS	10.55	56.2%

LIG	7.41	39.5%
MIG & HIG	0.82	4.3%
Total	18.78	100%

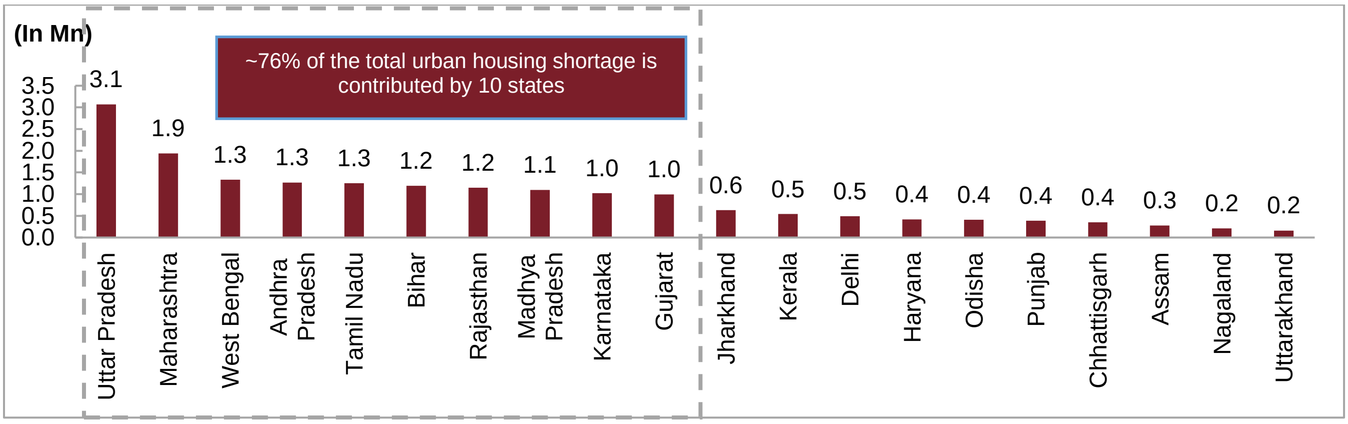
Note: 2012 Estimates; Source: Ministry of Rural development, Ministry of Housing and Urban Poverty Alleviation National Buildings Organisation; Planning Commission, CRISIL MI&A

The erstwhile Planning Commission and Ministry of Rural Development, Government of India, has taken official initiative to assess the quantum of housing shortage in rural India. As per the estimates of the Twelfth Five Year Plan, in 2012 the shortage of housing in the rural segment of society stood at 43.13 million.

76% of total urban housing shortage is contributed by top 10 states (2012)

As per the estimates of the Twelfth Five Year Plan, 10 states accounted for approximately 76% of the urban housing shortage. Uttar Pradesh has a housing shortage of over 3 million, followed by Maharashtra (1.94 million), West Bengal (1.33 million), Andhra Pradesh (1.27 million) and Tamil Nadu (1.25 million).

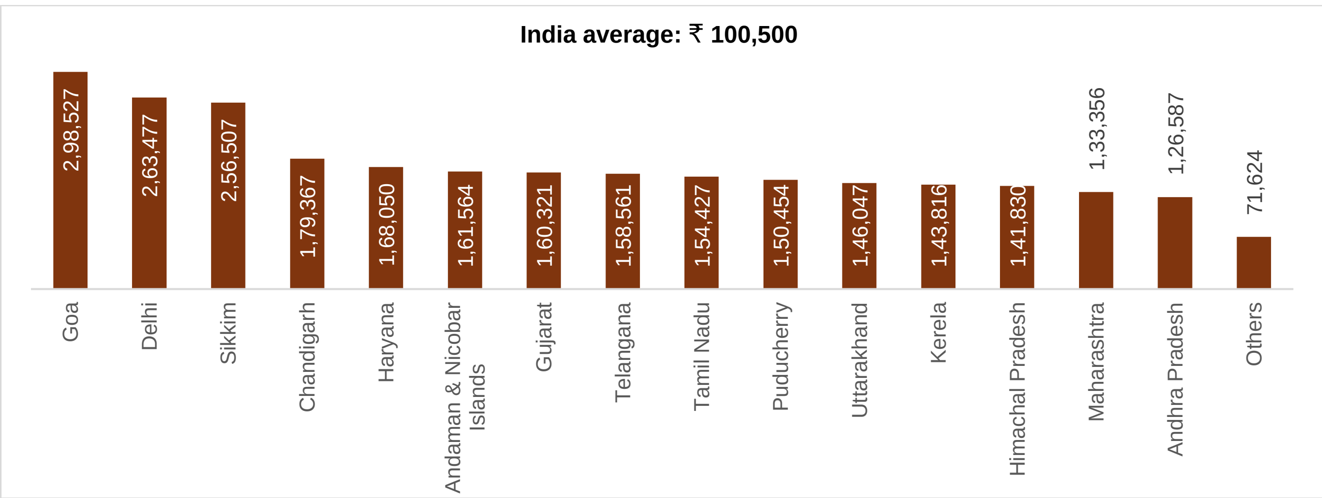
State-wise housing shortage



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 & 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 the country.

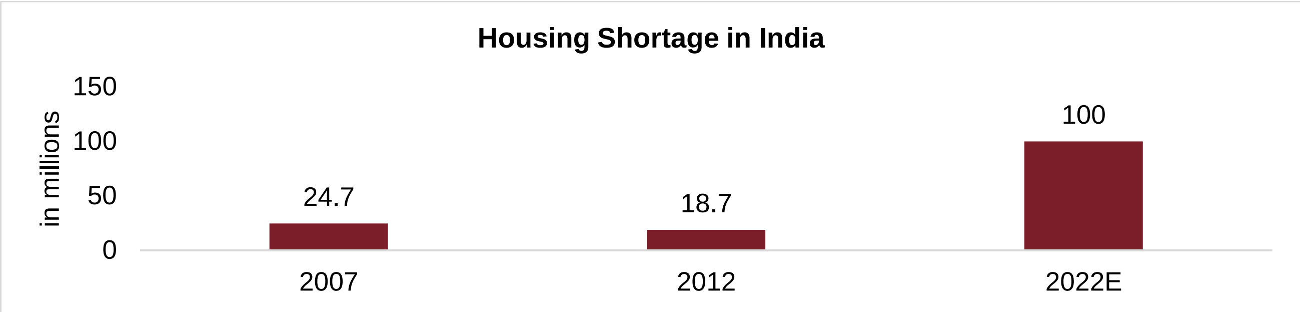
45% of the India's States have a lower per capita income than national average (Fiscal 2023)



Source: RBI CRISIL MI&A

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 securitisation 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 Lower income group (LIG) and Economic weaker section (EWS) with a small proportion (5-7%) of the shortage coming from middle income group 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 PMAY loans) as of March 2023 is around ₹ 28.7 trillion. This indicates the immense latent potential of the market; in case a concrete action is taken for addressing the shortage of houses in the country.

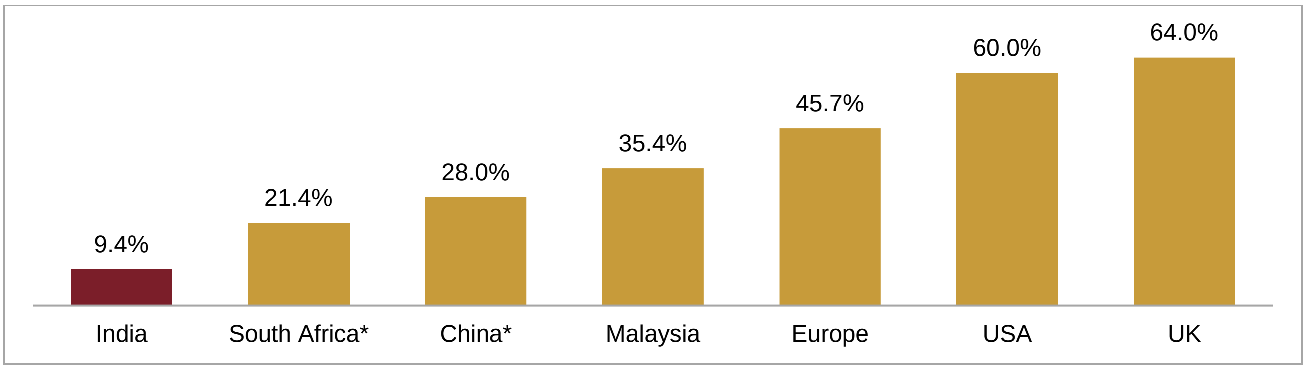


Note: E: Estimated; Source: RBI, Planning Commission, CRISIL MI&A

India's mortgage penetration is lower than other economies

India has very low penetration in terms of housing finance as compared to its rising peers which shows a high potential for expansion of Indian housing finance companies. The housing finance market continues to face supply constraints from Banks and NBFCs, particularly for the lower income.

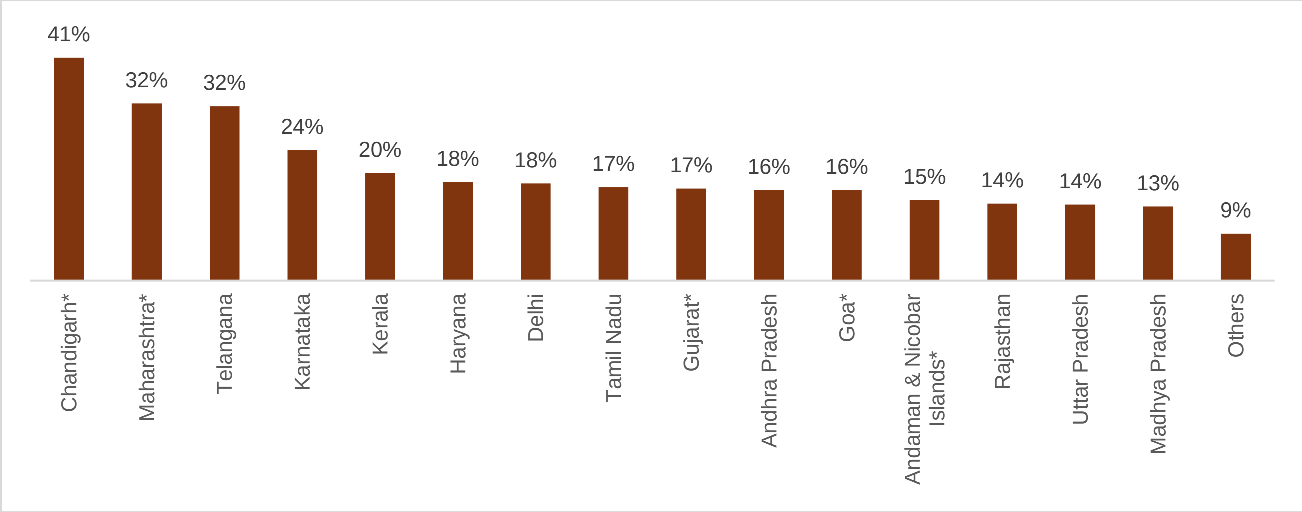
Mortgage-to-GDP ratio in India (Fiscal 2023) compared with other countries (Calendar Year 2018)



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, NHB, CRISIL MI&A

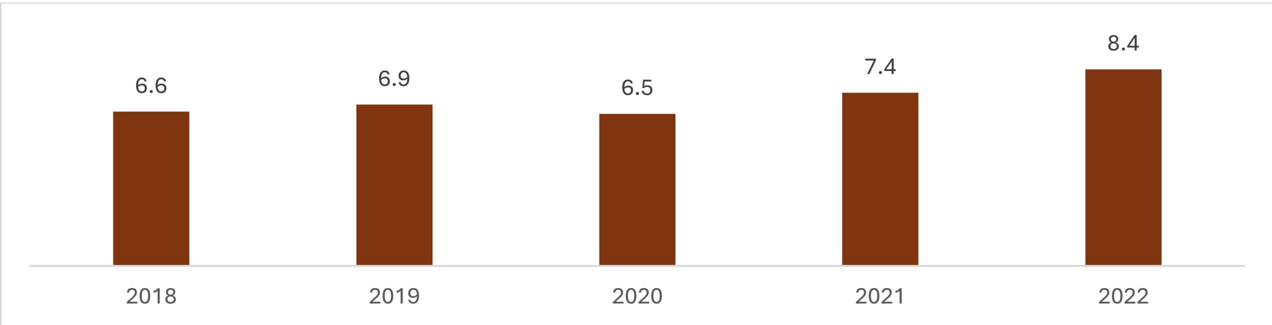
State-wise mortgage penetration in India

The mortgage-to-GDP ratio varies widely based on home loan market size, ranges between approximately 4% and approximately 42% in Fiscal 2023. Chandigarh has the highest housing loan penetration with approximately 41% of GDP followed by Maharashtra (approximately 32%) and Telangana (approximately 32%) 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*

India GDP per capita in PPP (in '000 USD) has increased to 8.4 in 2022 from 6.6 in 2018

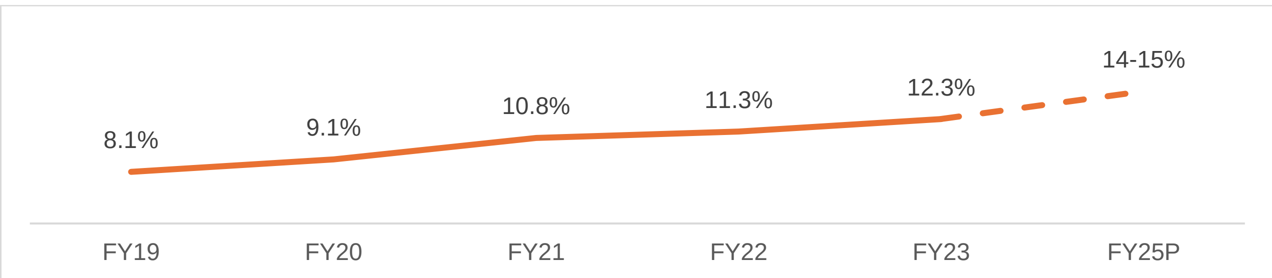


Source: World Bank, CRISIL MI&A

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 urbanisation 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.

Trend in mortgage-to-GDP ratio in India



Note: P – Projected, Data for mortgage to GDP for India includes both Housing loans outstanding over constant GDP for India; Source – NHB, World Bank, CRISIL MI&A

Factors affecting mortgage-to-GDP ratio in India

Mortgage penetration in India is far lower than other emerging economies (South Africa, China, Malaysia etc.) owing to lower per capita income and higher proportion of informal employment in the country. However, CRISIL MI&A believes rising urbanisation, growing disposable income, favourable demographics and government measures will lead to higher mortgage penetration going forward.

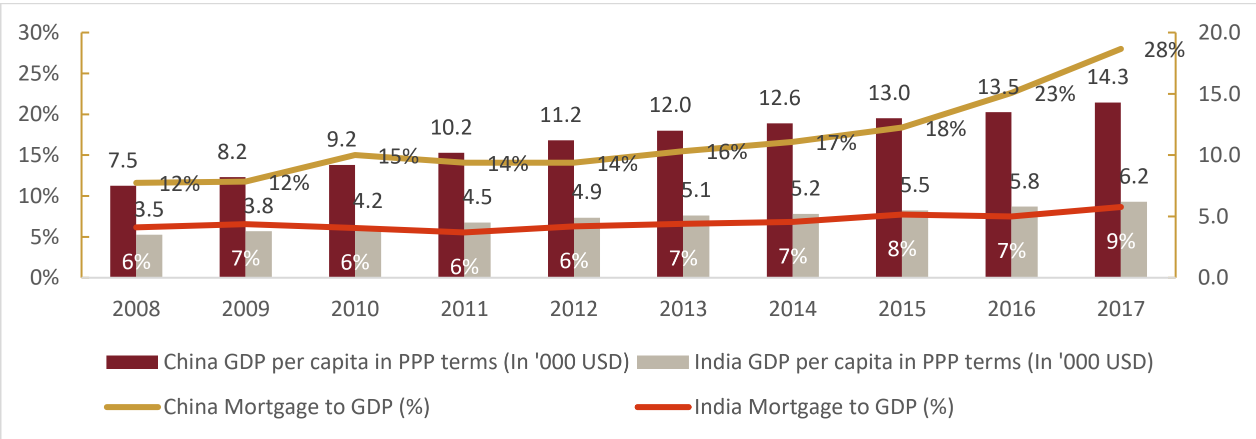
1- Higher affordability led by increase in disposable income
2- Rapid growth in urbansisation
3- Higher proportion of young population
4- Government measures to push housing sector such as "Housing for all", impetus packages to tackle the pandemic, NHB Refinance scheme, SARFAESI Act, etc.
5 - Formalization of credit

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

Rise in per capita income to drive the growth of mortgage penetration in India

The mortgage penetration in China is correlated to the GDP per capita of the country and the mortgage to GDP ratio of China has grown from 12% in 2008 to 28% in 2017. The per capita income of the country has increased from USD 7,500 in 2008 to USD 14,300 in 2017. India has gone through a similar trajectory with mortgage penetration in the country increasing from 6% in 2008 to 9% in 2017 which is correlated to the increase in per capita income of the country from USD 3,500 in 2008 to USD 6,200 in 2017. India's GDP per capita income stood at USD 8,400 at end of 2022 witnessing significant growth in the past five fiscals.



Source – HOFINET, Peoples Bank of China, World Bank, CRISIL MI&A

Positive customer sentiments, along with rising supply of premium housing projects helped in housing sales revival post pandemic

Between Fiscal 2021 and Fiscal 2023, new launches were lower than incremental demand, the overall unsold inventory level continued to decline sequentially. Developers were restricting new launches during Fiscal 2021 and were cautious even during Fiscal 2022. In post-pandemic environment where hybrid mode of work is established, consumer preferences have pivoted towards larger and bigger configurations in premium housing projects. In sync with this trend, large established developers have also gradually aligned their new launches to premium projects.

Among top residential markets, during Fiscal 2019 maximum number of new projects were launched in Mumbai Metropolitan Region (MMR) with 71 new projects, followed by Hyderabad with 46 launches and Pune with 31 new launches. In Fiscal 2023, the highest number of launches happened in MMR with 73 new launches, followed by Hyderabad with 66 and Bengaluru with 48.

In Fiscal 2023, Hyderabad had the highest proportion of unsold inventory to total inventory at 81% followed by MMR at 80%. From Fiscal 2019 to 2023, NCR region witnessed the highest fall in unsold to new inventory proportion (32%) followed by Bengaluru (11%). Proportion of unsold inventory increased in Ahmedabad from 47% in Fiscal 2019 to 64% Fiscal 2023.

Top residential markets witnessed strong momentum in the past few fiscals supported by sustained economic growth and continuation of hybrid working models, growth is expected to continue in Fiscal 2025 primarily due to necessity for larger living spaces and an enhanced lifestyle, catalysed by the pandemic.

New launches highest in MMR followed by Hyderabad and Pune in Fiscal 2019

Fiscal 2019	Bengaluru	Hyderabad	Kolkata	Pune	MMR	NCR	Chennai	Ahmedabad	Kochi	Chandigarh
New Launches	27	46	9	31	71	25	14	5	4	6
Total Inventory	128	160	76	129	344	160	49	32	10	11
Demand	37	21	24	30	48	32	16	17	4	2
Unsold inventory	91	140	52	99	296	128	33	15	6	9
Unsold Inventory as % of total inventory	71%	87%	68%	77%	86%	80%	67%	47%	59%	82%

Source: Company reports, CRISIL MI&A Estimates

New launches highest in MMR followed by Hyderabad and Bengaluru in Fiscal 2023

Fiscal 2023	Bengaluru	Hyderabad	Kolkata	Pune	MMR	NCR	Chennai	Ahmedabad	Kochi	Chandigarh
New Launches	48	66	9	38	73	11	12	18	2	5
Total Inventory	115	243	44	117	300	92	39	33	6	26
Demand	46	47	15	37	60	49	15	12	2	2
Unsold inventory	69	196	30	80	240	44	24	21	4	24
Unsold Inventory as % of total inventory	60%	81%	67%	68%	80%	47%	63%	63%	66%	94%

Source: Company reports, CRISIL MI&A Estimates

Highest new launches expected in MMR followed by Hyderabad and Bengaluru in Fiscal 2025

Fiscal 2025(P)	Bengaluru	Hyderabad	Kolkata	Pune	MMR	NCR	Chennai	Ahmedabad	Kochi	Chandigarh
Launches	64	68	12	46	86	48	19	25	4	5
Total Inventory	128	293	36	121	345	62	43	54	8	32
Demand	68	62	16	44	62	52	17	16	2	2
Unsold inventory	60	231	20	77	283	10	26	38	6	31
Unsold Inventory as % of total inventory	47%	79%	55%	64%	82%	16%	61%	70%	75%	94%

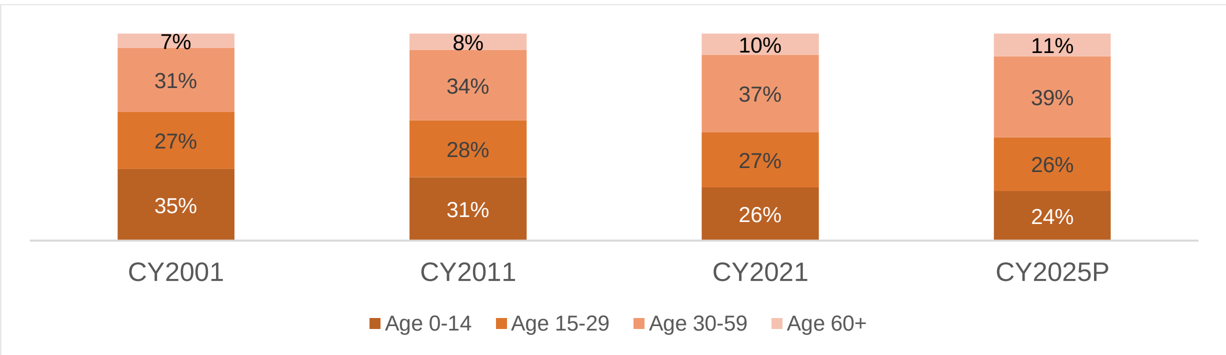
Source: Company reports, CRISIL MI&A Estimates

Favourable Demographic

Shift towards younger age profile for home loan borrowings

As per United Nations DESA estimates, as of July 2023, India has one of the largest young populations in the world, with a median age of 28.2 years. As of calendar year 2021, 64% of India's population was between 15 and 59 years, with 26% of the nation's population under the age of 14. In comparison, in 2020, the United States (US), China and Brazil had 74%, 62% and 78%, respectively, of their population below the age of 60.

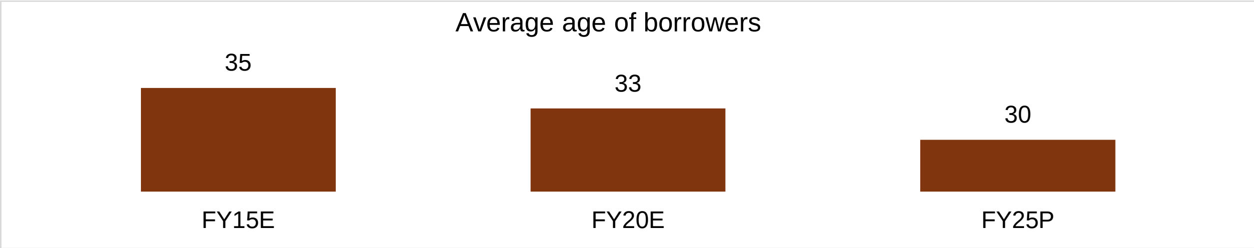
India's demographic dividend



Note: E: Estimated, P: Projected; Source: United Nations Department of Economic and Social affairs, CRISIL MI&A

Average age of borrowers has been declining over the years and was estimated at 33 years in Fiscal 2020. CRISIL MI&A expect this figure to decline further with growth in salaries and people's strengthening preference for accumulating assets, both for investment purpose and tax benefits, coupled with increased access to formal credit India's demographic profile is expected to favour the Housing industry, leading to growth in the Housing Finance market.

Declining age of borrowers

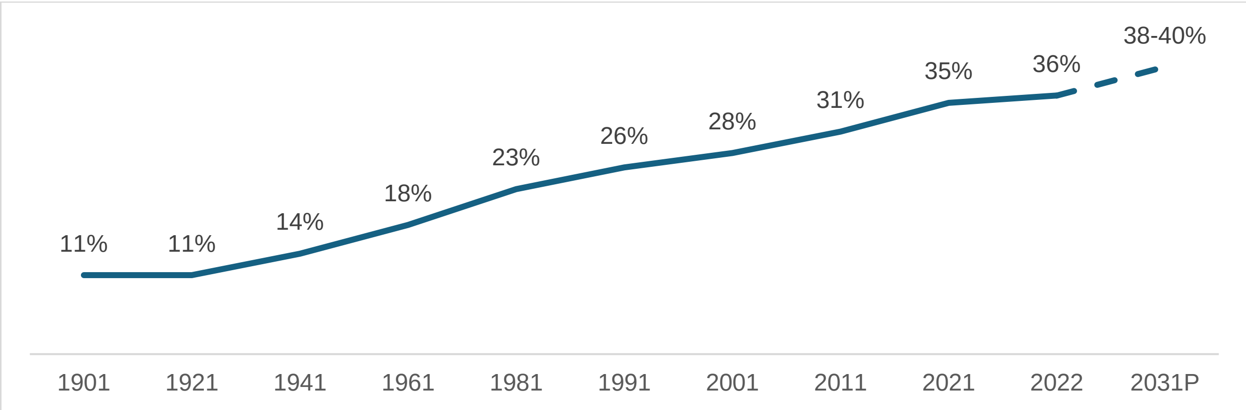


Note: E – Estimated, P – Projected, Source: CRISIL MI&A

Continuous increase in share of urban population to boost demand for housing in urban areas

The share of urban population in relation to the total population has been consistently rising over the years. People from rural areas move to cities for better job opportunities, education, better life, etc. Entire families or only a few people (generally earning member or students) may migrate, while a part of the family continues to hold on to the native house. The urban population of India was at 508 million in 2022, witnessing a CAGR of 2.4% from 2011; rural population was 908 million witnessing a CAGR of 0.46% from 2011, Urbanisation levels rose from 31% in 2011 to 36% in 2022. 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.

Urban population as a percentage of total population

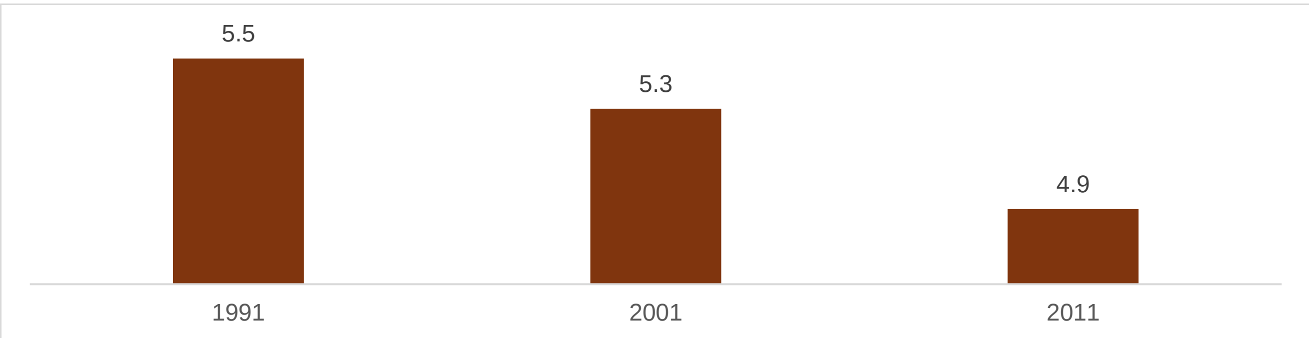


Note: P: Projected; Source: United Nations Population Division's world urbanization prospects, World Bank, CRISIL MI&A

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 labour in search of better employment opportunities. These trends are expected to continue in future.

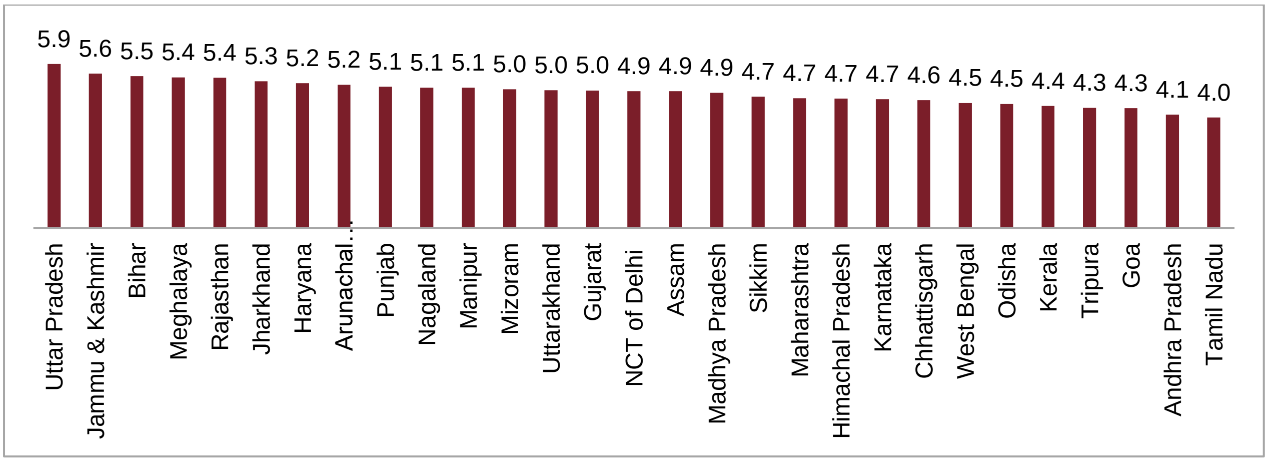
Trend in average household size



Source: Census 2011, CRISIL MI&A

Furthermore, according to the census data 2011, majority of the Indian households live in a one-room or two-room house. According to the NSSO Survey on Housing Conditions conducted in 2012, the average floor area of a dwelling unit was 40.03 sq. m in rural India and 39.20 sq. m in urban India during 2012.

State-wise average household size



Source: NSSO (National Sample Survey Organisation), CRISIL MI&A

Rising demand for independent houses

Indians traditionally prefer to live in independent houses. The census data 2011 also clearly shows that Indians prefer independent housing. However, the increase in population density, especially in urban areas, has increased the demand for flats. This is expected to continue to drive the demand for such homes, which are often self-constructed, especially in the smaller cities.

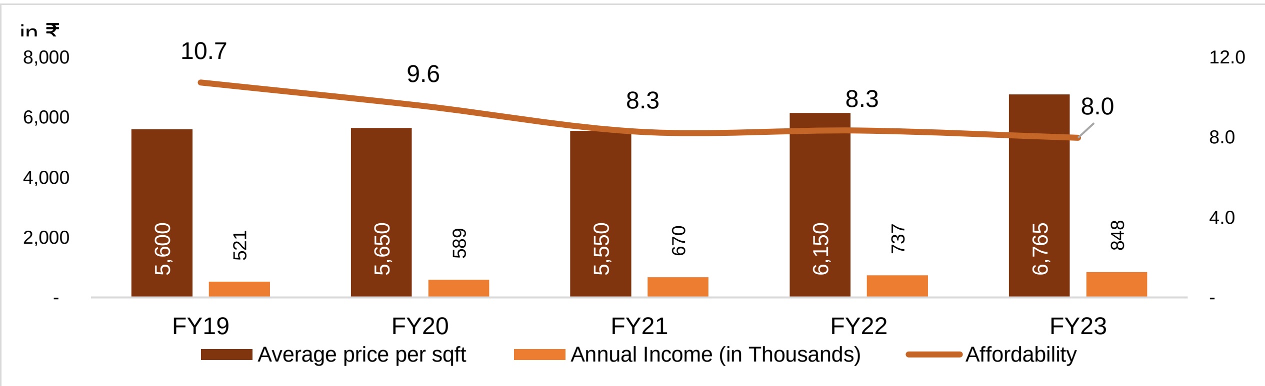
Infrastructure development to boost demand for Real Estate

Government of India has increased its focus towards infrastructural development, which can be seen through the rising allocation towards infrastructural development in the Union budget. Real estate market is impacted by infrastructure growth. Development of new infrastructure such as roads, bridges, airports, smart cities etc., opens up new areas for development and increases the value of existing properties. It also attracts businesses and population growth to an area, which boosts the local economy and supports the real estate market.

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 underwriting and providing credit to the vulnerable or informal segment owing to advancement in technology has also led to higher demand for housing.

Real estate prices are relatively higher though affordability has only improved historically



Note: The charts indicate the price per sqft based on top 10 markets -Delhi NCR, Mumbai, Pune, Ahmedabad, Chennai, Kolkata, Bangalore, Chandigarh, Hyderabad, and Kochi, at a Pan India level, the overall prices could be way lower than estimates, Affordability is computed as average price per sqft / annual income; Source: CRISIL MI&A

Regulatory Initiatives in the Housing Finance segment

Regulatory Authority on HFCs shifted from NHB to the RBI

The Union Budget 2019-20 announced the transfer of regulatory power on housing finance companies (HFCs) from National Housing Bank (NHB) to the Reserve Bank of India (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.

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 Pradhan Mantri Awas Yojana (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 was also raised from ₹ 1 million to ₹ 2 million.

Under the eligibility criteria prescribed by the National Housing Bank under The Refinance Scheme under Affordable Housing Fund for the Fiscal 2022 (**"Refinance Scheme"**) read with paragraph 12.1(i) of the Master Directions – Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2020 (**"PSL Master Directions"**), individual housing loans with a ticket size lower than ₹ 2.5 million in non-metropolitan areas are considered as affordable housing loans. Furthermore, paragraph 12.1(i) of the PSL Master Directions sets out that loans up to ₹ 3.5 million to individuals in metropolitan centres (with population of one million and above); and up to ₹ 2.5 million to individuals in other centers, for the purchase or construction of a dwelling unit, per family, will be eligible for priority sector classification, provided the overall cost of the dwelling unit in the metropolitan centre and at other centres does not exceed ₹ 4.5 million and ₹ 3.0 million, respectively.

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.

Securitisation and reconstruction of financial assets and enforcement of security and interest (SARFAESI) Act 2002

HFCs registered under the NHB Act with assets above Rs. 1 billion were bought under the ambit of SARFAESI act which has helped them accelerate recoveries.

Implementation of the Real Estate (Regulation and Development) Act (RERA)

Implementation of the RERA in 2017 had a direct impact on the supply-demand dynamics in the sector. RERA is expected to improve transparency, timely delivery, and organized operations over time. It does not permit developers to launch new projects before registering them with the real estate authority.

This is a major shift from the practices followed earlier by developers, wherein they managed to sell part of the project through soft/pre-launch activities. RERA puts an end to fund diversion across projects as it mandates 70% of the funds collected from customers for a specific project should be maintained in a separate escrow account and used only for the same project. Besides, developers have to disclose project-related information, such as project plan, layout, government approvals, carpet area of units, construction status and delivery schedule.

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:

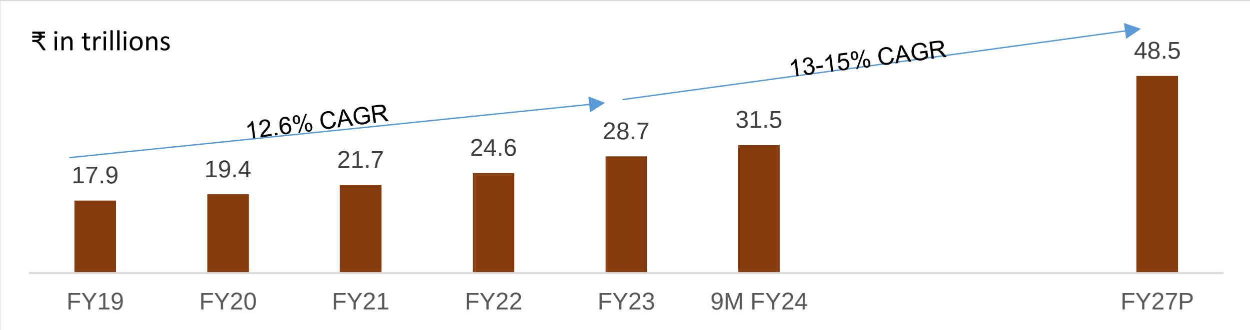
- The complaint at the initial stage will be handled by the authority, with further appeal resting with the RERA Appellate Tribunal. A second appeal is also allowed to be filed before a High Court

OVERVIEW OF HOUSING FINANCE MARKET OF INDIA

Housing finance market in India to log a CAGR of 13-15% from Fiscal 2023 to 2027

The Indian housing finance market clocked a healthy approximately 12.6% CAGR (growth in credit outstanding) from Fiscal 2019 to Fiscal 2023, on account of rise in disposable incomes, healthy demand, and greater number of players entering the segment. Over the past two fiscals, housing finance segment has seen favourable affordability on account of stable property rates and improved annual income of individual borrowers. The overall housing finance segment credit outstanding is approximately ₹ 28.7 trillion as of Fiscal 2023, which increased during Fiscal 2023, the overall housing market grew 16.7%, led by the aspirations of a growing young population with rising disposable income migrating to metro cities and elevated demand in Tier 2 and 3 cities as well. Demand for home loans remained largely unscathed despite a sudden rise in repo rates. Moreover, the income of the salaried class remained largely intact despite the economic slowdown caused by the Covid-19 pandemic and rise in inflation, thereby allaying lenders' concerns about any deterioration in asset quality. Going forward, Crisil MI&A expects overall housing segment to grow at a CAGR of 13-15% from Fiscal 2023 to Fiscal 2027.

Housing finance outstanding witnessed a CAGR of 12.6% CAGR from Fiscal 2019 to Fiscal 2023



Source: CRIF Highmark, CRISIL MI&A

Prime housing finance segment witnessed the fastest growth in housing finance from Fiscal 2019 to Fiscal 2023

Among major ticket-size brackets, Prime housing segment (Loans above ₹ 5.0 million) witnessed the fastest growth from Fiscal 2019 to Fiscal 2023, growing at a CAGR of 19.5% which was followed by loans in the mass market housing segment (loans between ₹ 2.5 to ₹ 5.0 million) which grew at a CAGR of 15.9% and affordable housing (loans less than ₹ 2.5 million) growing at a rather slow pace of 5.6% during the fiscals.

Market share for ticket brackets, in value terms was equally distributed as at December 31, 2023, with both affordable and prime housing segment accounting for 34% market share each and mass market housing with 32% share in overall housing.

Outstanding credit ticket-wise breakup (₹ in trillions)							
Ticket Size	**Fiscal 2019**	**Fiscal 2020**	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**	**December 31, 2023**	**Fiscal 2019 – Fiscal 2023 CAGR**
Affordable Housing (Less than ₹2.5 million)	8.2	8.6	9.1	9.6	10.2	10.6	5.6%
Mass Market Housing ₹2.5 to 5.0 million	5.1	5.7	6.6	7.7	9.2	10.2	15.9%
Prime Housing More than ₹5.0 million	4.6	5.1	6.0	7.3	9.3	10.7	19.5%

Source: CRIF Highmark, CRISIL MI&A

Ticket Size	**Fiscal 2019**	**Fiscal 2020**	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**	**December 31, 2023**
Affordable Housing (Less than ₹2.5 million)	46%	44%	42%	39%	35%	34%
Mass Market Housing ₹2.5 to 5.0 million	29%	30%	30%	31%	32%	32%
Prime Housing More than ₹5.0 million	26%	26%	28%	30%	33%	34%

Source: CRIF Highmark, CRISIL MI&A

Disbursement Ticket-wise breakup (₹ in billions)							
Ticket Size	**Fiscal 2019**	**Fiscal 2020**	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**	**December 31, 2023**	**Fiscal 2019 – Fiscal 2023 CAGR**
Affordable Housing (Less than ₹2.5 million)	1345.2	1371.7	1485.6	1961.3	2261.7	1651.8	13.9%
Mass Market Housing ₹2.5 to 5.0 million	1083.4	1227.0	1552.1	2195.9	2626.9	1982.0	24.8%
Prime Housing More than ₹5.0 million	979.2	1137.2	1507.4	2594.6	3682.8	3260.6	39.3%

Source: CRISIL MI&A

Ticket-wise share in disbursement (%)						
Ticket Size	**Fiscal 2019**	**Fiscal 2020**	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**	**December 31, 2023**
Affordable Housing (Less than ₹2.5 million)	39.5%	36.7%	32.7%	29.0%	26.4%	24.0%
Mass Market Housing ₹2.5 to 5.0 million	31.8%	32.8%	34.1%	32.5%	30.6%	28.7%
Prime Housing More than ₹5.0 million	28.7%	30.4%	33.2%	38.4%	43.0%	47.3%

Source: CRISIL MI&A

Urban regions account for highest share (approximately 66%) in Housing finance outstanding as at December 31, 2023, followed by Rural regions with approximately 20% share

As at December 31, 2023, urban regions accounted for the highest share in overall housing finance credit with 65.6% share which was followed by rural regions which accounted for 19.6% share, Semi-urban regions accounted for 9.1% share in credit outstanding. Among tier's fastest credit growth between Fiscal 2019 and Fiscal 2023 was witnessed in rural regions which grew at a CAGR of 15.3%, followed by Semi-urban regions with a CAGR of 15.0%. Urban regions witnessed a CAGR of 11.4% during the fiscals.

Tier (₹ in trillion)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	Share December 31, 2023
Urban Regions	12.3	13.2	14.7	16.5	19.1	21.1	65.6%
Semi-Urban Regions	1.4	1.6	1.8	2.1	2.5	2.9	9.1%
Rural Regions	3.1	3.4	3.9	4.5	5.4	6.3	19.6%
Others	0.9	1.0	1.1	1.3	1.5	1.8	5.7%

Source: CRIF Highmark, CRISIL MI&A

Semi-urban regions had the highest asset quality among major tier brackets as at December 31, 2023

Tier	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023
Urban Regions	1.6%	2.4%	2.6%	2.5%	2.2%	2.1%
Semi-Urban Regions	1.9%	2.6%	2.5%	2.4%	2.0%	1.8%
Rural Regions	2.3%	3.1%	3.1%	2.8%	2.5%	2.2%
Others	1.5%	1.9%	2.0%	1.9%	1.7%	1.6%

Source: CRIF Highmark, CRISIL MI&A

Top 10 states account for approximately 81% share in overall Housing finance outstanding as at December 31, 2023, with top 5 states accounting for approximately 57% share

As at 31 December, 2023, Maharashtra accounted for the highest share in overall housing finance outstanding with approximately 22% share, which was followed by Karnataka, Tamil Nadu, Telangana, and Gujarat in top 5 states by credit outstanding with 10.5%, 8.7%, 8.1%, 8.0% share respectively. In terms of asset quality, among the top 20 states Telangana had the highest asset quality with 90+ DPD at 0.9%, followed by Assam and Rajasthan with 1.0% and 1.3% 90+ DPD respectively. While Tamil Nadu, Delhi and Madhya Pradesh had the lowest asset quality among top 20 states with 4.0%, 3.3% and 3.1% 90+ DPD respectively.

Maharashtra accounted for the highest share in housing finance credit as of December 31, 2023, with approximately 22% share

State (₹ in billion)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	CAGR (Fiscal 2019 – Fiscal 2023)	Share (December 31, 2023)	GNPA (Fiscal 2023)	GNPA (December 31, 2023)
Maharashtra	4065.6	4344.8	4867.4	5483.5	6373.1	7118.0	11.9%	22.1%	2.0%	2.4%
Karnataka	1951.4	2094.2	2292.0	2538.9	2983.4	3369.9	11.2%	10.5%	1.6%	2.1%
Tamil Nadu	1753.0	1883.4	2054.7	2261.3	2560.1	2812.0	9.9%	8.7%	2.3%	4.0%
Telangana	1151.3	1312.6	1536.4	1830.5	2246.6	2611.4	18.2%	8.1%	0.7%	0.9%
Gujarat	1375.0	1502.6	1718.8	2008.4	2298.8	2595.2	13.7%	8.0%	1.6%	2.0%
Uttar Pradesh	1079.4	1166.6	1299.0	1459.9	1703.4	1924.6	12.1%	6.0%	3.0%	2.6%
Delhi	953.1	997.1	1091.4	1211.3	1401.4	1538.8	10.1%	4.8%	3.4%	3.3%
Andhra Pradesh	751.4	857.7	970.5	1130.0	1352.9	1536.0	15.8%	4.8%	1.2%	1.5%
Rajasthan	640.8	715.7	816.7	946.4	1120.5	1288.8	15.0%	4.0%	1.3%	1.3%
Kerala	799.2	876.8	954.7	1063.8	1199.9	1285.9	10.7%	4.0%	2.1%	2.5%

State (₹ in billion)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	CAGR (Fiscal 2019 – Fiscal 2023)	Share (December 31, 2023)	GNPA (Fiscal 2023)	GNPA (December 31, 2023)
West Bengal	597.4	652.2	734.0	847.1	990.1	1093.9	13.5%	3.4%	2.5%	2.7%
Madhya Pradesh	542.7	597.7	669.7	749.3	880.2	1007.9	12.8%	3.1%	3.1%	3.1%
Haryana	567.3	600.9	662.9	757.6	887.4	1002.5	11.8%	3.1%	2.3%	2.1%
Punjab	325.5	346.8	381.8	436.5	502.9	565.7	11.5%	1.8%	3.4%	3.1%
Bihar	187.6	217.1	252.8	301.0	378.6	437.1	19.2%	1.4%	1.8%	1.5%
Odisha	183.3	200.3	226.2	262.8	317.1	354.8	14.7%	1.1%	2.0%	2.0%
Chhattisgarh	176.6	195.1	219.1	243.3	281.5	312.1	12.4%	1.0%	1.8%	1.8%
Uttarakhand	169.3	184.1	211.2	234.3	268.5	299.4	12.2%	0.9%	1.8%	1.7%
Assam	120.7	135.2	149.5	166.4	190.8	205.0	12.1%	0.6%	1.6%	1.0%
Jharkhand	110.5	120.6	134.4	155.2	183.5	203.0	13.5%	0.6%	2.0%	1.9%
Others	361.2	407.3	454.9	517.7	605.1	677.3	13.8%	2.1%	1.7%	1.7%

Source: CRIF Highmark, CRISIL MI&A

Among Top 10 states, Delhi had the highest concentration of top 5 districts in overall housing credit outstanding

State	Number of Districts	Top 5 Districts	Concentration in portfolio outstanding (%)	Concentration in loan accounts (%)
Maharashtra	36	Pune, Thane, Mumbai, Mumbai Suburban, Raigarh	75%	58%
Karnataka	30	Bangalore, Mysore, Dakshina Kannada, Belgaum, Dharwad	83%	73%
Tamil Nadu	37	Chennai, Tiruvallur, Coimbatore, Chengalpattu, Kancheepuram	55%	42%
Telangana	33	Medchal Malkajgiri, Hyderabad, Rangareddy, Sangareddy, Warangal	79%	68%
Gujarat	33	Ahmadabad, Surat, Vadodara, Rajkot, Gandhinagar	71%	62%
Uttar Pradesh	75	Ghaziabad, Lucknow, Gautam Buddha Nagar, Kanpur Nagar, Agra	50%	43%
Andhra Pradesh	13	Visakhapatnam, Krishna, East Godavari, Guntur, West Godavari	61%	62%
Delhi	10	South Delhi, Northwest Delhi, West Delhi, Southwest Delhi, East Delhi	84%	82%
Kerela	14	Ernakulam, Thiruvananthapuram, Thrissur, Kottayam, Kollam	60%	55%
Rajasthan	33	Jaipur, Jodhpur, Ajmer, Kota, Udaipur	55%	48%

Source: CRIF Highmark, CRISIL MI&A

Share of Top 10 districts in overall housing finance outstanding witnessed a decline from 51% in Fiscal 2019 to 48% by December 31, 2023

City (₹ in billion)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023
Mumbai	2209.3	2343.9	2626.4	2963.5	3377.1	3605.0
Delhi NCR	1818.8	1901.8	2075.2	2305.9	2668.5	2889.1
Bangalore	1495.6	1591.4	1742.0	1907.0	2227.0	2453.4
Pune	943.2	998.4	1118.7	1238.5	1451.6	1593.2
Hyderabad	585.7	658.4	763.6	900.2	1099.5	1236.4
Chennai	680.6	707.4	749.6	808.5	905.0	961.5
Kolkata	438.3	471.7	530.7	608.8	703.9	766.1
Ahmadabad	373.0	411.5	477.5	568.4	656.8	717.6
Surat	356.0	370.2	404.9	441.0	481.1	521.4
Jaipur	222.9	241.1	274.8	308.5	355.3	394.7
Others	8739.4	9713.1	10935.2	12555.0	14800.3	16386.0

Source: CRIF Highmark, CRISIL MI&A

Public sector banks account for highest share (43%) among lenders in overall housing finance credit as of December 31, 2023

As at December 31, 2023, public sector banks account for the highest share in overall housing credit (43.1%), which was followed by Private Sector banks with 35.6% share and Housing Finance companies with 18.8% share. During fiscals 2019-23, among major lenders Private Sector banks witnessed the fastest growth in housing finance credit with a CAGR of 16%, followed by public sector banks with 13.1% CAGR during Fiscal 2019 to Fiscal 2023 and housing finance companies with 10% CAGR.

Lender-wise share in outstanding credit across Fiscal 2019 to Fiscal 2023

Lender (₹in billions)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	Share (December 31, 2023)	CAGR (Fiscal 2019 – Fiscal 2023)
Foreign Banks	241.9	229.9	227.6	247.7	225.7	239.8	0.8%	-1.7%
Housing Finance Companies	4228.5	4300.5	4470.3	4703.4	5389.4	5919.5	18.8%	6.3%
NBFCs	125.1	135.9	261.8	196.0	282.9	349.1	1.1%	22.6%
Private Sector Banks	5626.2	6100.9	7215.8	8774.0	10167.8	11218.9	35.6%	15.9%
Public Sector Banks	7630.2	8612.6	9469.0	10587.2	12496.6	13586.4	43.1%	13.1%
Small Finance Bank	11.0	29.7	54.3	97.3	163.8	211.1	0.7%	96.2%

Source: CRIF Highmark, CRISIL MI&A

Public Sector Banks account for highest share (40%) among lenders in overall housing finance disbursement as of December 31, 2023

Among major lenders, Private Sector Banks witnessed the fastest growth in housing finance disbursement across Fiscals 2019 to 2023, followed by Public Sector Banks and Housing Finance companies with approximately 23% and approximately 21% CAGR from Fiscal 2019 to 2023. Among lenders, public sector banks had the highest share, at approximately 40%, followed by private sector banks with approximately 37% share and Housing finance companies with approximately 19% share as of 31 December 2023.

Lender wise disbursement in Overall Housing Finance from Fiscal 2019 to December 31, 2023

Lender (₹in billions)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	Share (December 31, 2023)	CAGR (Fiscal 2019 – Fiscal 2023)
Foreign Banks	21.9	24.2	32.6	57.5	98.9	88.5	1.3%	45.7%
Housing Finance Companies	782.6	655.8	884.7	1280.6	1652.8	1323.3	19.2%	20.6%
NBFCs	34.9	38.5	36.4	60.6	117.6	117.0	1.7%	35.5%
Private Sector Banks	1048.3	1234.0	1706.0	2724.9	3171.9	2520.3	36.6%	31.9%
Public Sector Banks	1511.9	1766.7	1860.9	2575.4	3441.5	2771.8	40.2%	22.8%
Small Finance Bank	8.2	16.8	24.6	52.7	88.7	73.5	1.1%	81.4%

Source: CRIF Highmark, CRISIL MI&A

Lender wise disbursement in Prime Housing Finance from Fiscal 2019 to December 31, 2023

Lender (₹in billions)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	Share (December 31, 2023)	CAGR (Fiscal 2019 – Fiscal 2023)
Foreign Banks	17.5	19.4	27.4	49.5	89.5	81.0	2%	50.4%
Housing Finance Companies	155.7	119.1	160.7	260.5	407.4	361.9	11%	27.2%
NBFCs	8.2	9.9	10.0	23.5	50.2	41.8	1%	57.4%
Private Sector Banks	452.8	531.0	776.8	1369.8	1712.5	1470.1	45%	39.5%
Public Sector Banks	344.9	457.6	532.2	889.8	1417.5	1301.0	40%	42.4%
Small Finance Bank	0.1	0.2	0.4	1.6	5.6	4.8	0%	222.6%

Source: CRIF Highmark, CRISIL MI&A

Lender wise disbursement in Affordable Housing Finance from Fiscal 2019 to December 31, 2023

Lender (INR Bn)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	Share (December 31, 2023)	CAGR (Fiscal 2019 – Fiscal 2023)
Foreign Banks	1.2	1.3	1.3	2.0	2.2	1.7	0.1%	15.0%
Housing Finance Companies	408.9	340.0	417.0	576.8	721.2	554.9	33.6%	15.2%
NBFCs	17.2	18.8	18.7	25.3	47.4	55.9	3.4%	28.8%
Private Sector Banks	287.0	337.5	395.0	542.2	553.7	389.1	23.6%	17.9%
Public Sector Banks	623.3	659.3	632.4	770.4	869.2	596.2	36.1%	8.7%
Small Finance Bank	7.6	14.7	21.3	44.5	68.0	54.0	3.3%	73.1%

Source: CRISIL MI&A

Private Sector Banks had the highest asset quality among major lenders with 90+ DPD at 1.2% as of December 31, 2023

In Fiscal 2020, GNPAs of the overall housing loan portfolio increased sharply from 1.6% to 2.3% due to slippages as consumer perception of the general economic situation, employment scenario, and household income had plunged. Continuing consumer pessimism and lockdowns in Fiscal 2021 further impacted self-employed customers and micro, small, and medium enterprises.

Housing finance companies also faced asset-quality challenges, leading to a peak rise of approximately 60 bps in GNPAs to 3.9% in Fiscal 2021. Subsequently, the asset quality of the overall housing finance improved to 2.3% in fiscal 2022, and 2.0% in Fiscal 2023, led by economic recovery, pent-up credit demand, and government schemes such as the Liquidity Infusion Facility Scheme, the Affordable Housing Fund and other measures announced under the ambit of the Atma Nirbhar Bharat Package.

Among lenders, private sector banks had the highest asset quality, with 90+ DPD at approximately 1.2%, followed by public sector banks at approximately 1.6%. 90+ DPD for housing finance companies stood at approximately 4.8% as of December 31, 2023.

Private Banks had the highest asset quality among lenders as at 31 December, 2023

Lender	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023
Foreign Banks	2.34%	2.66%	2.89%	2.52%	2.00%	1.66%
Housing Finance Companies	1.65%	3.35%	3.86%	4.18%	3.44%	4.77%
NBFCs	4.18%	4.44%	2.51%	5.46%	4.20%	2.49%
Private Banks	1.02%	1.22%	1.81%	1.37%	1.21%	1.23%
Public Sector Banks	1.97%	2.51%	2.14%	2.12%	1.95%	1.68%
Small Finance Banks	3.11%	2.07%	2.35%	2.82%	2.87%	2.46%

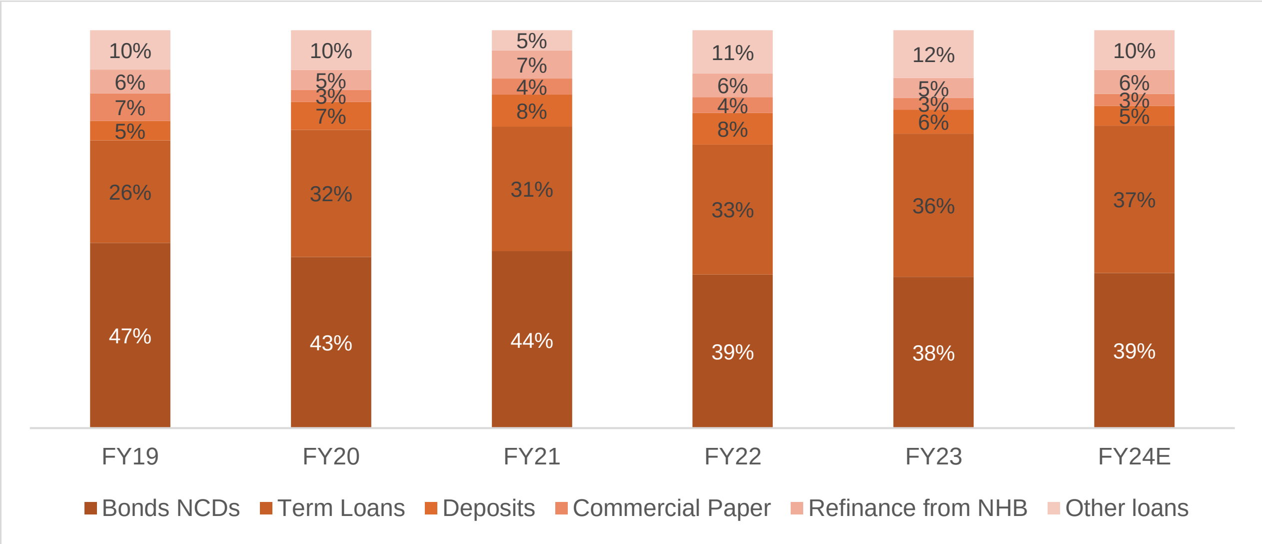
Source: CRIF Highmark, CRISIL MI&A

Bonds and Term loans dominated the borrowing mix of HFCs in Fiscal 2023

Non-convertible debentures (NCDs) were the main source of borrowings for HFCs; however, their share declined from 47% as of Fiscal 2019 to 38% as of Fiscal 2023. During Fiscal 2023, the repo rate rose cumulatively by 250 bps causing capital market borrowings to become more expensive, however, the share of term loans of banks continued to increase and rose 300 bps to 36% due to better cost of funds compared with capital market borrowings. Refinancing from NHB accounts for 5% share of the total borrowing mix of HFCs, it accounts for a major share in the borrowing mix of affordable housing finance companies.

According to CRISIL MI&A, share of term loans in borrowings is estimated to have climbed approximately 100 bps to 37% in Fiscal 2024, and the share of NCDs is estimated have rose another 100 bps to 39%. Going forward, share of term loans is likely to rise by another 100 bps with banks increasing their exposures to HFCs owing to increased risks weight by RBI for Banks lending to NBFCs which specifically excludes HFCs

Share of term loans and NCD issuances to rise in the borrowing mix of HFCs/NBFCs



Note: E – Estimated, Other loans includes Inter corporate loans, external commercial borrowings
Source: Company Reports, CRISIL MI&A

Co lending partnerships between banks and NBFC/HFCs

Co-lending arrangement between Bank and NBFC / HFCs is to extend credit by joint contribution of funds at the facility level by both the lenders and sharing of risks and rewards. The revised Co-lending Model (CLM) put in place by RBI vide notification RBI/2020-21/63 dated 05 November 2020, with intention 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 greater reach of the NBFCs / HFCs.

Under co-lending model 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 shall be required to retain a minimum of 20 per cent share of the individual loans on their books. Additionally, banks can claim priority sector status in respect of their share of credit while engaging in the CLM adhering to the specified conditions.

Shift in housing finance landscape post-merger of HDFC Bank and HDFC

Merger of HDFC Bank and HDFC took place in the first half of Fiscal 2024 which has led to changes in the dynamics of the retail housing finance market. In fact, growth of HFCs between Fiscal 2019 and Fiscal 2021 was supported by high growth of HDFC due to its wide geographic reach and market penetration. As at March 31, 2024, of the ₹ 28.7 trillion housing finance market, the share of banks was approximately 79%, with the balance with HFCs/NBFCs. Some of the key players after HDFC are LIC Housing Finance, Bajaj Housing Finance, Indiabulls Housing Finance, PNB Housing Finance and CanFin Homes.

Following the merger of the two entities, the market share of banks vis-à-vis NBFC/HFC has shifted 80:20 from 66:34, with banks having majority market share. Further, in terms of HFCs/NBFCs, other large players with favourable funding profile, strong parentage, and capability to invest and expand into newer geographies would gain market share from smaller players. Further this would also open up funding limits for HFCs from banks to lend to the end consumer.

Key Risks in the Overall Housing Finance Industry

Economic Scenario: Any trends or events that have a significant impact on India's economy, including a rise in interest rates, could impact the financial standing and growth plans of HFCs. A decline in the interest rate with strong growth in the economy will boost the purchasing power of people, thus boosting demand for houses and housing loans. When the government introduces rules and regulations such as the Benami Transactions (Prohibition) Act, 1988, establishes bodies such as the Real Estate Regulatory Authority, or takes decisions such as demonetisation, all to control illegal activities and curb black money, demand for housing and housing loans takes a hit.

Insufficiency of data for credit appraisal: Credit-score availability in India is still at a nascent stage despite the presence of credit bureaus. In several cases, borrowers lack a formal proof of income documents. This makes it difficult to judge the ability of the borrower to repay.

Liquidity Risk: The apartment culture has still not developed in many of the semi-urban and rural areas, leading to financing of individual properties. This makes it harder to sell a property that is built according to the needs of the borrower. Also, in rural areas, it may become difficult to find a buyer for a repossessed property due to cultural issues. All this leads to liquidity risk.

Collateral Fraud: The rising number of collateral frauds in the sector is becoming a serious issue. As a result, lending institutions are being forced to implement additional control measures, which increase their underwriting expenses.

Delay in project approvals and construction: The cash flows of HFCs are largely dependent on the timely completion of projects in which their customers have bought housing. If the project gets delayed, the borrower may start defaulting on loans. Additionally, project delays also tend to impact growth in the loan book.

Thin spreads in Housing Finance: HFCs face a risk of thin net interest margins due to lower interest rates in the segment as compared to other asset classes like MSME loans, vehicle financing etc. This is further aggravated due to intense competition in the segment among HFCs, banks and NBFCs.

Asset Liability Mismatch: Housing finance faces significant ALM challenges, arising due to inherent mismatch between the long-term nature of housing loans and the shorter-term funding sources used by HFCs. This creates a maturity mismatch, where assets have longer durations than liabilities.

Competitive Scenario

Trend in Housing Finance AUM for key housing finance companies

Assets under management (₹ in billions)	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	CAGR (Fiscal 2020 – Fiscal 2024)
LIC Housing Finance Limited	1,619	1,807	2,042	2,288	2,441	10.8%
Bajaj Housing Finance Limited	221	239	332	411	528	24.4%
PNB Housing Finance Limited	488	437	409	473	512	1.2%
Can Fin Homes Limited	N/A	N/A	N/A	249	273	-
ICICI Home Finance*	97	104	119	127	158	13.0%

Note: Housing Loan book considered for ICICI Home Finance, Source: Company Reports. CRISIL MI&A

Asset quality for HFCs to improve in Fiscal 2025, with rise in return on assets

As per CRISIL MI&A estimates, net interest margins for HFCs stood at 3.2% in Fiscal 2024, which is expected to reach 3.3% in Fiscal 2025 due to expectation of decline in repo rates in the first quarter of Fiscal 2025. During Fiscal 2024 and Fiscal 2025, GNPA (90+ DPD) for HFCs is expected to witness a slight decline to 1.3% in Fiscal 2025. Further, credit costs are expected to decline 20 bps in Fiscal 2025 on account of higher write-offs in the first half of Fiscal 2024 translating into an improvement in return on assets in Fiscal 2025 at 2.0%.

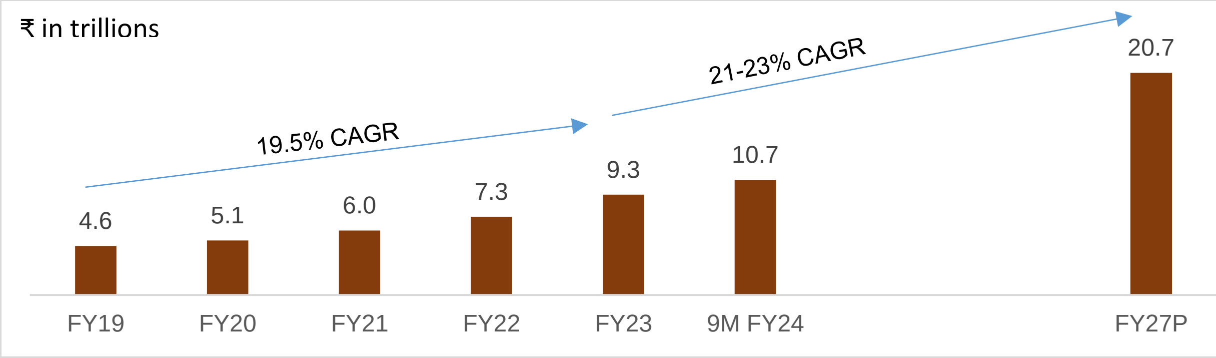
Parameter	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024 (E)	Fiscal 2025 (P)
Net Interest Margins (%)	2.5%	2.8%	3.0%	3.3%	3.2%	3.3%
Credit Cost	0.6%	0.7%	0.6%	0.5%	0.6%	0.4%
Return on Assets (%)	1.3%	1.4%	1.5%	1.9%	1.9%	2.0%
GNPA (%)	2.4%	2.2%	2.1%	1.6%	1.4%	1.3%

Source: Company Reports. CRISIL MI&A

OVERVIEW OF PRIME HOUSING FINANCE MARKET IN INDIA

Prime Housing Finance Market in India stood at ₹ 9.3 trillion as of Fiscal 2023, witnessing a CAGR of 19.5% from Fiscal 2019 – Fiscal 2023

Prime housing finance market in India is defined by loans above ₹ 5.0 million in ticket size, the market has witnessed a CAGR of 19.5% from Fiscal 2019 – Fiscal 2023, to reach ₹ 9.3 trillion from ₹ 4.6 trillion in Fiscal 2019, the growth witnessed by prime housing finance market during the fiscals has been faster than the growth in overall housing finance market of India, during Fiscal 2019 – Fiscal 2023, overall housing witnessed a CAGR of 12.6%.



Source: CRIF Highmark, CRISIL MI&A

Urban Regions account for approximately 77% of the total prime housing finance credit outstanding

Urban regions accounted for the highest share of Prime housing finance credit outstanding in Fiscal 23, with a share of 77%, witnessing a CAGR of 17.6%, followed by rural regions with 11% share and semi-urban regions with 6.2% share. Among major tier brackets, semi-urban regions witnessed the fastest growth with a CAGR of approximately 28%, followed by rural regions with 26% CAGR and urban regions with 18% CAGR during Fiscals 2019-23.

Tier (₹ in Billion)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	Share (December 31, 2023)	CAGR (Fiscal 2019 – Fiscal 2023)
Urban Regions	3862.6	4211.6	4915.7	5884.9	7382.5	8466.8	77.4%	17.6%
Semi-Urban Regions	198.8	236.1	294.8	384.5	540.2	675.8	6.2%	28.4%
Rural Regions	373.6	440.3	541.2	691.3	957.2	1198.5	11.0%	26.5%
Other Regions	147.4	184.8	241.6	328.5	466.8	592.2	5.4%	33.4%

Source: CRIF Highmark, CRISIL MI&A

Top 5 states account for approximately 67% of Total Prime Housing Finance market outstanding as at December 31, 2024

Maharashtra tops the list in share of total prime housing finance market outstanding accounting for approximately 28% market share, which was followed by Karnataka with approximately 15% share, Telangana (approximately 10%), Delhi (7.5%) and Tamil Nadu with approximately 7.4% share, these top 5 states accounted for a total of 67% share as at December 31, 2024. Fastest growth among the top 5 states was witnessed in Telangana with a CAGR of approximately 34% from Fiscal 2019 – Fiscal 2023, followed by Karnataka with approximately 19% CAGR.

Top 10 states account for approximately 88% of Total prime housing finance market outstanding as at December 31, 2024

State (₹ in billions)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	Share (December 31, 2023)	CAGR (Fiscal 2019 – Fiscal 2023)
Maharashtra	1453.3	1574.7	1844.9	2175.2	2681.9	2958.7	27.6%	16.6%
Karnataka	668.3	757.9	890.9	1062.5	1357.3	1570.0	14.6%	19.4%
Telangana	275.2	350.6	464.8	632.5	892.6	1100.7	10.3%	34.2%
Delhi	443.6	463.2	516.5	603.3	747.8	804.1	7.5%	13.9%
Tamil Nadu	370.5	405.1	454.5	543.2	690.0	789.4	7.4%	16.8%
Gujarat	243.8	262.1	318.8	393.0	491.4	558.8	5.2%	19.2%
Haryana	233.3	248.5	283.8	345.3	438.1	504.8	4.7%	17.1%
Uttar Pradesh	198.9	218.6	252.2	311.8	414.2	492.0	4.6%	20.1%
Andhra Pradesh	87.8	113.4	144.1	198.5	286.9	362.4	3.4%	34.5%
Kerela	110.3	126.7	145.3	174.6	223.0	259.8	2.4%	19.2%
West Bengal	109.2	116.5	144.3	179.0	224.9	257.0	2.4%	19.8%
Rajasthan	103.5	113.5	137.7	167.6	216.2	254.0	2.4%	20.2%
Madhya Pradesh	66.2	72.7	87.2	107.2	143.2	170.5	1.6%	21.3%
Punjab	53.9	56.6	66.8	82.6	105.2	122.3	1.1%	18.2%
Bihar	19.9	25.6	35.1	49.6	76.4	97.1	0.9%	40.0%
Others	144.8	167.0	206.5	263.4	358.0	433.8	4.0%	25.4%

Source: CRIF Highmark, CRISIL MI&A

Top 10 cities accounted for approximately 68% share of total prime housing finance outstanding as at December 31, 2023

As at December 31, 2023, top 10 cities accounted for approximately 68% share in total prime housing finance credit outstanding with Mumbai accounting for the highest share (19%) followed by Delhi NCR with approximately 13% share and Bangalore with approximately 13% share. Top 5 cities accounted for approximately 57% share in the total prime housing finance outstanding witnessing a fall in share from 63% in Fiscal 2019.

City (₹ in billion)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	Share (December 31, 2023)	CAGR (Fiscal 2019 – Fiscal 2023)
Mumbai	1097.20	1177.99	1363.01	1594.83	1903.29	2043.50	19.0%	14.8%
Delhi NCR	743.26	779.46	871.85	1026.83	1287.70	1431.33	13.3%	14.7%
Bangalore	604.69	682.34	799.84	943.47	1193.89	1373.47	12.8%	18.5%
Hyderabad	190.87	235.00	301.40	395.34	540.76	646.97	6.0%	29.7%
Pune	258.37	285.77	348.16	414.89	543.40	632.75	5.9%	20.4%
Chennai	235.72	251.87	277.03	322.44	396.41	441.70	4.1%	13.9%
Ahmadabad	99.35	110.08	134.28	171.29	212.85	235.29	2.2%	21.0%
Kolkata	100.18	105.88	130.23	159.63	197.30	221.89	2.1%	18.5%
Surat	74.03	75.17	87.87	98.41	113.28	127.65	1.2%	11.2%
Jaipur	53.77	56.11	67.13	78.53	97.92	112.26	1.0%	16.2%
Lucknow	28.23	32.62	37.96	47.37	62.35	73.60	0.7%	21.9%
Indore	31.22	33.52	39.96	48.13	62.96	72.98	0.7%	19.2%
Visakhapatnam	20.25	24.56	30.96	42.13	58.65	70.41	0.7%	30.4%
Ernakulam	34.49	38.08	43.36	50.46	61.26	70.14	0.7%	15.4%
Coimbatore	28.78	32.52	37.62	45.43	59.76	69.64	0.6%	20.0%
Others	982.06	1151.94	1422.94	1850.27	2555.20	3111.92	29.0%	27.0%

Source: CRIF Highmark, CRISIL MI&A

Growth drivers in the Prime Housing Finance Segment:

Rapid Urbanization and Rise in affluence: Rapid urbanization has taken place in metro and urban regions which has led to rise in population of upper middle-class population and high net worth individuals in the nation. With rise in affluence, there is a shift in lifestyle preferences where individuals prefer to live in prime locations in metro cities and bigger houses with multiple amenities.

Rising real estate prices in Metro cities: CRISIL MI&A estimates price appreciation in real estate across metro cities was approximately 5-7% in Fiscal 2023 and approximately 4% in Fiscal 2024, while few metro cities like NCR and Hyderabad witnessed even steeper price appreciation, going forward prices are expected to rise by 3-5% in Fiscal 2025.

Infrastructural development and growing connectivity: Significant improvements have been made in infrastructure development along with rising metro connectivity and proximity to airports which has led to rise in industrial growth in Tier-1 & 2 cities, while also creating demand for housing near business hotspots across regions.

Rise in aspiration to own spacious and luxurious homes: Post Covid-19 induced lockdowns, owing to rise in amount of time spent indoors and rising hybrid work culture, home buyers now look for larger, spacious and luxury housing options as housing is no longer considered a necessity.

Competitive Landscape in the Prime Housing Segment

Banks dominate the prime housing finance segment in terms of market share in total credit outstanding
Prime housing finance segment is primarily dominated by banks, with private sector banks accounting for highest share in in credit outstanding with 48% share as at December 31, 2023, followed by public sector banks with 37% share. Housing finance companies account for the third highest share among lenders with 11% share. While NBFCs account for very minuscule share in outstanding credit with 1% share during as at December 31, 2023.

Private sector banks account for highest share in the Prime Housing Segment with approximately 48% share as at December 31, 2023

Lender Outstanding (Rs. Bn.)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023
Foreign Banks	190.9	184.4	186.2	207.1	191.1	202.5

Lender Outstanding (Rs. Bn.)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023
Housing Finance Companies	867.6	821.8	811.0	839.2	1056.0	1194.7
NBFCs	47.1	45.7	87.9	57.4	103.6	125.9
Private Sector Banks	2170.1	2376.1	2919.5	3706.9	4583.0	5191.4
Public Sector Banks	1306.5	1644.5	1988.1	2476.6	3405.7	4010.5
Small Finance Banks	0.2	0.5	0.9	2.2	7.5	10.5

Source: CRIF Highmark, CRISIL MI&A

Lender Share (%)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023
Foreign Banks	4.2%	3.6%	3.1%	2.8%	2.0%	1.9%
Housing Finance Companies	18.9%	16.2%	13.5%	11.5%	11.3%	11.1%
NBFCs	1.0%	0.9%	1.5%	0.8%	1.1%	1.2%
Private Sector Banks	47.4%	46.8%	48.7%	50.9%	49.0%	48.4%
Public Sector Banks	28.5%	32.4%	33.2%	34.0%	36.4%	37.4%
Small Finance Banks	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%

Source: CRIF Highmark, CRISIL MI&A

Among major lenders in prime housing finance segment, Private sector banks had the best asset quality (approximately 1.0%) among lenders as of December 31, 2024, followed by Public sector banks (approximately 1.5%)

Among major lenders in the prime housing finance segment, private sector banks had the lowest GNPA (1.0%) among lenders as at December 31, 2024, followed by Public sector banks with 1.5% and non-banking finance companies with GNPA at 2.5%. Housing finance companies had their GNPA at approximately 4.4% as of December 31, 2024.

Lender	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023
Foreign Banks	1.62%	1.91%	2.14%	1.77%	1.72%	1.34%
Housing Finance Companies	2.03%	5.15%	6.36%	6.71%	4.85%	4.42%
NBFCs	4.47%	3.90%	1.55%	5.40%	3.50%	1.91%
Private Sector Banks	0.85%	1.21%	1.71%	1.20%	1.04%	0.97%
Public Sector Banks	2.05%	2.52%	2.10%	1.91%	1.76%	1.46%
Small Finance Banks	0.00%	1.12%	0.80%	0.72%	0.88%	0.89%

Source: CRIF Highmark, CRISIL MI&A

Profitability trend of HFCs in the Prime Housing Finance Segment

Housing finance companies focused on the Prime Housing Finance segment had ROAs at 1.4% as of Fiscal 2023, which has increased from 1.1% from Fiscal 2019. Cost of funds for HFCs has declined from 7.4% in Fiscal 2019 to 6.5% in Fiscal 2023, due to decline in cost of funds and rise in yield on advances, NIMs for HFCs has increased from 2.0% in Fiscal 2019 to 2.6% in Fiscal 2023, while credit costs and operational expenses continue to remain low, with Opex ranging from 0.5 to 0.6% and credit costs ranging from 0.3% to 0.6%.

Improving profitability trend of HFCs in the Prime Housing Finance Segment

Parameters	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Yield on Advances	8.8%	9.7%	9.3%	8.2%	8.6%
Cost of Funds	7.4%	7.8%	7.2%	6.2%	6.5%
Net Interest Margins	2.0%	2.3%	2.4%	2.3%	2.6%
Operational Expenses	0.5%	0.5%	0.5%	0.6%	0.6%
Credit Cost	0.3%	0.8%	0.7%	0.7%	0.6%
Return on Assets	1.1%	1.1%	1.3%	1.1%	1.4%

Note: Bajaj Housing Finance, Limited, LIC Housing Finance Limited, PNB Housing Finance Limited, Can Fin Homes Limited and Tata Capital Housing Finance Limited considered for calculation of profitability of players involved in prime housing finance segment. Source: Company Reports, CRISIL MI&A

OVERVIEW OF AFFORDABLE HOUSING FINANCE MARKET IN INDIA (<₹ 2.5 MILLION)

As per Refinance Scheme under Affordable Housing Fund for Fiscal 2022 issued by the National Housing Bank, read with the Master Directions–Reserve Bank of India (Priority Sector Lending–Targets and Classification) Directions, 2020." Housing Loans with a ticket size of less than ₹ 2.5 million are considered as Affordable Housing Loans.

Encouraging and favourable trends in affordable housing finance market (loans up to ₹ 2.5 million); market to bounce back strongly in the long term

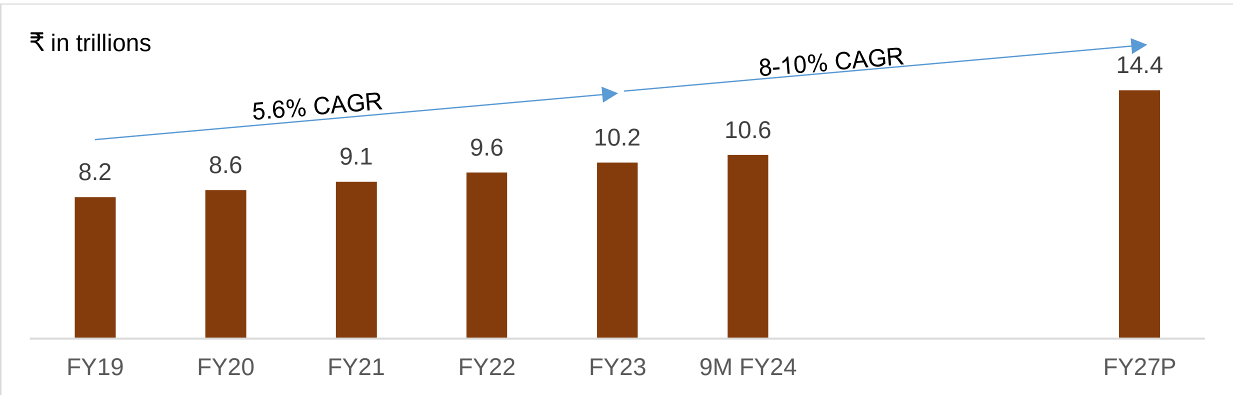
The overall size of the affordable housing finance market in terms of loan outstanding was ₹ 10.6 trillion as at December 31, 2023, constituting around 34% of the overall housing finance market. Public Sector Banks have the highest market share of approximately 46% in the Affordable Housing finance segment. Housing Finance Companies accounted for 27% of the market (outstanding loans of ₹ 2.8 trillion as at December 31, 2023) followed by Private banks with market share of 24% (outstanding loans of ₹ 2.5 trillion as at December 31, 2023).

Between Fiscal 2019 and Fiscal 2023, the growth in the affordable housing loans has remained subdued, with the segment having witnessed a CAGR of 5.6% as compared to overall housing loans, which has grown by approximately 12.6% 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 along with rising propensity to spend merged with rising standard of living due to rising incomes of individuals has 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.

In Fiscal 2021, with the onset of pandemic in the first half of the fiscal, it had a disproportionate impact on the segment's EWS and LIG customers vis-a-vis the overall segment that caters to salaried individuals, whose incomes have been relatively stable. However, with faster-than-expected recovery in the second half because of the central and state government measures, proactive measures by RBI and tax sops with low interest rates led to growth in the affordable housing segment.

The segment growth was again curtailed by the pandemic's second wave in the first quarter of Fiscal 2022, leading to localized lockdowns by the state governments, which affected economic activities in tier II and III cities. But continued assistance from the government and the central bank, supported by higher demand for housing, and continued penetration in tier II and III cities by affordable HFCs helped the segment recover and bounce back.

Affordable Housing finance market to grow at 8-10% between Fiscal 2023 and Fiscal 2027



Source: CRIF Highmark, 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:

- Government's increased 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 world
- Preference for owning homes seems to be on the rise in the post-Covid world

CRISIL MI&A expects the industry to pick up steam gradually and the affordable housing segment to touch ₹ 14.4 trillion by Fiscal 2027, translating into a 8-10% CAGR between Fiscal 2023 – Fiscal 2027.

Top 10 states account for approximately 78% of total affordable housing credit outstanding as at December 31, 2024

There are wide variations in size and growth in the Affordable Housing finance segment across states and within various districts in the same state as well, which indicate latent opportunity for offering loans to unserved or underserved customers. Based on loans outstanding in the affordable housing finance market, among states, as of December 31, 2023 Maharashtra accounted for the highest share in the affordable housing finance segment, accounting for approximately 18% share, which was followed by Gujarat, Tamil Nadu, and Uttar Pradesh accounting for approximately

11%, approximately 9% and approximately 7% respectively.

State (₹ in billions)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	Share (December 31, 2023)	CAGR (Fiscal 2019 – Fiscal 2023)
Maharashtra	1521.9	1571.3	1641.	1718.8	1796.6	1872.4	17.6%	4.2%
Gujarat	814.9	879.9	966.2	1072.	1124.9	1187.1	11.2%	8.4%
Tamil Nadu	828.4	864.1	915.4	951.4	988.9	997.9	9.4%	4.5%
Uttar Pradesh	553.2	581.3	626.7	662.2	709.1	748.9	7.0%	6.4%
Karnataka	586.2	590.3	590.4	600.4	631.2	656.2	6.2%	1.9%
Rajasthan	387.6	426.7	467.6	518.0	575.8	629.0	5.9%	10.4%
Kerela	471.7	499.6	523.6	550.9	572.9	574.3	5.4%	5.0%
Andhra Pradesh	431.9	453.9	469.4	492.4	527.9	553.4	5.2%	5.1%
Madhya Pradesh	365.3	396.3	430.7	461.1	509.1	552.3	5.2%	8.7%
Telangana	452.9	464.3	477.0	488.8	509.2	526.4	4.9%	3.0%
West Bengal	349.1	372.2	395.6	426.9	465.5	489.6	4.6%	7.5%
Delhi	242.2	247.4	258.2	263.8	270.3	278.5	2.6%	2.8%
Punjab	197.1	206.0	216.4	233.5	250.1	264.9	2.5%	6.1%
Haryana	191.3	199.0	208.1	217.9	227.1	233.2	2.2%	4.4%
Bihar	113.7	124.5	135.3	147.8	167.9	182.3	1.7%	10.2%
Others	674.8	719.8	766.2	807.9	862.2	889.5	8.4%	6.3%

Source: CRIF Highmark, CRISIL MI&A

Top 10 cities account for approximately 30% share of total affordable housing credit outstanding as of December 31, 2023

City (₹ in billion)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	Share (December 31, 2023)	CAGR (Fiscal 2019 – Fiscal 2023)
Delhi NCR	548.7	561.9	587.5	606.3	626.0	649.8	6.1%	3.3%
Mumbai	573.1	582.4	603.0	623.7	623.9	642.8	6.0%	2.1%
Pune	327.8	329.6	337.0	341.1	347.7	354.0	3.3%	1.5%
Kolkata	228.8	240.2	253.7	270.9	291.9	307.0	2.9%	6.3%
Bangalore	315.7	307.8	301.0	294.8	299.2	301.4	2.8%	-1.3%
Surat	200.1	207.2	217.4	227.7	232.4	242.5	2.3%	3.8%
Ahmadabad	172.4	185.5	204.3	224.3	230.9	241.6	2.3%	7.6%
Chennai	206.7	203.9	203.3	198.5	194.3	191.3	1.8%	-1.5%
Hyderabad	179.7	179.9	182.0	181.8	184.1	186.0	1.7%	0.6%
Jaipur	111.2	119.5	129.8	137.4	145.9	157.1	1.5%	7.0%
Indore	84.5	91.1	99.2	104.9	116.3	127.2	1.2%	8.3%
Nashik	85.5	89.3	97.8	106.7	114.3	123.3	1.2%	7.5%
Vadodara	93.4	95.9	103.1	111.0	112.6	117.7	1.1%	4.8%
Coimbatore	87.2	92.3	98.6	101.8	106.8	108.0	1.0%	5.2%
Rajkot	57.9	65.1	75.6	86.7	91.2	96.2	0.9%	12.0%
Others	4909.8	5245.7	5596.0	5997.5	6471.6	6790.7	63.8%	7.1%

Source: CRIF Highmark, CRISIL MI&A

Housing finance companies accounted for second highest share among lenders in the affordable housing segment as at December 31, 2023

Among lenders, as at December 31, 2023, public sector banks accounted for the highest share (46%), which was followed by housing finance companies accounting for approximately 27% share and private banks which accounted for 24%. The share of housing finance companies rose as at December 31, 2023 to 27% from 26% in Fiscal 2022, primarily due to the below listed factors:

- Creation of niches in catering to particular categories of customers
- Strong understanding of customer segment, excellent customer service and diverse channels of business sourcing
- Ability to assess collateral in smaller towns
- Ability to assess and underwrite non-salaried individuals
- 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 III, and rural market open to anyone with the capability to operate in that segment.

Housing finance companies accounted for second highest share among lenders in the affordable housing segment as at December 31, 2023

Lender (₹ in billion)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023
Foreign Banks	18.7	16.1	14.0	13.0	10.2	11.0
Housing Finance Companies	2254.2	2331.9	2404.9	2484.5	2670.2	2865.5
Non-Banking Finance Companies	45.4	53.1	91.2	94.1	119.2	151.9
Private Sector Banks	1789.5	1897.4	2140.3	2420.1	2484.2	2599.0
Public Sector Banks	4064.7	4273.1	4391.7	4519.3	4773.8	4843.7
Small Finance Banks	10.3	25.9	47.1	84.1	131.6	165.6

Source:CRIF Highmar, CRISIl MI&A

Public sector banks accounted for the highest share in affordable housing credit outstanding among lenders as at December 31, 2023

Lender Share (%)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023
Foreign Banks	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
Housing Finance Companies	27.5%	27.1%	26.5%	25.8%	26.2%	26.9%
Non-Banking Finance Companies	0.6%	0.6%	1.0%	1.0%	1.2%	1.4%
Private Sector Banks	21.9%	22.1%	23.5%	25.2%	24.4%	24.4%
Public Sector Banks	49.7%	49.7%	48.3%	47.0%	46.9%	45.5%
Small Finance Banks	0.1%	0.3%	0.5%	0.9%	1.3%	1.6%

Source:CRIF Highmark, CRISIl MI&A

Private Sector banks had the highest asset quality among lenders, followed public sector banks as at December 31, 2023

Lender	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023
Foreign Banks	8.6%	10.3%	11.7%	12.8%	6.2%	5.8%
Housing Finance Companies	1.7%	2.9%	3.3%	3.7%	3.4%	5.8%
Non-Banking Finance Companies	4.7%	5.1%	3.6%	5.2%	4.4%	2.6%
Private Sector Banks	1.4%	1.3%	2.1%	1.8%	1.7%	1.9%
Public Sector Banks	2.2%	2.9%	2.5%	2.7%	2.5%	2.3%
Small Finance Banks	3.3%	2.1%	2.4%	2.9%	2.9%	2.5%

Source: CRIF Highmark, CRISIL MI&A

Profitability trend of HFCs in affordable housing finance segment

Housing finance companies operating in the affordable housing finance segment have witnessed a rise in their margins from Fiscal 2020 – Fiscal 2023, with NIMs rising from 3.5% in Fiscal 2020 to 5.0% in Fiscal 2023, during the same period credit costs for the companies also witnessed a fall from 0.9% in Fiscal 2020 to 0.4% in Fiscal 2023. Rising interest margins followed by fall in credit costs has helped these companies to raise their return on assets, which rose from 1.3% in Fiscal 2020 to 2.8% in Fiscal 2023. Going forward, NIMs for HFCs are expected to grow with rise in interest income,while credit costs are expected to decline to 0.3% in the next fiscal, this would in-turn translate into higher return on assets for the companies.

Parameter	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Net Interest Margins	3.5%	3.5%	3.8%	4.6%	5.0%
Credit Cost	0.7%	0.9%	0.8%	0.7%	0.4%
Return on Assets	1.1%	1.3%	1.7%	2.3%	2.8%

Source: Company Reports, CRISIL MI&A

Key growth drivers for housing finance

Government Initiatives

- **Pradhan Mantri Aawas Yojana -Urban:** 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 economicaly weaker sections (EWS) and low income group (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
- **Pradhan Mantri Aawas Yojana -Grameen:** The scheme is for the rural population who don't have their own houses. It provides financial assistance and interest rate subsidy
- **Relaxation of ECB guidelines:** The relaxed external commercial borrowing (ECB) guidelines will enable easier access to overseas funds and stimulate the sector
- **GST:** The GST rate for affordable housing projects was cut
- **EPF corpous withdrawal:** Permission to withdraw 90% of employees provident fund (EPF) corpus enables prospective home buyers to make the down payment and pay their home loan EMIs

Regulator initiatives

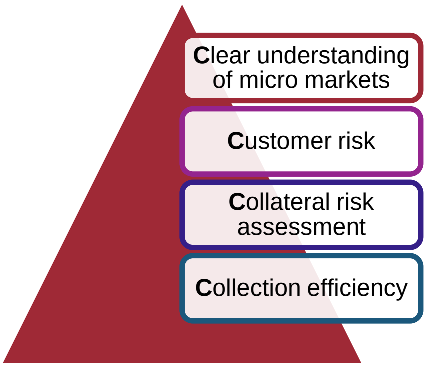
- **Regulatory authority of HFCs shifted from NHB to RBI:** The Budget 2020 proposed a change in regulatory oversight and supervision of HFCs from the NHB to the Reserve Bank of India (RBI). This shift led to more streamlined regulations and better risk management framework for HFCs.
- **NHB refinance:** 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 Pradhan Mantri AawasYojana

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

4C's to succeed in affordable housing finance segment



Source: CRISIL MI&A

Clear understanding of micro markets

Given the target borrower's profile, companies need to have a clear and deeper understanding of micro markets and develop a strong local network. The strong network helps companies to source business from niche customer category by having references from their existing customers. It is observed that successful companies in the segment generally focus on a few geographies where they have a good understanding and scale up gradually to manage costs and asset quality better.

Customer risk

Affordable housing segment customers are generally in formal sector jobs with low incomes, or are self-employed (carpenter, plumber, vegetable vendor, driver, etc.), people who may not have income proofs. Due to lack of income proofs, the underwriting process requires detailed personal discussion with the borrower as well as friends and neighbors in order to assess the source of income and cash flow patterns as well as the stability and habits of the customer. Given the nature of the process, operating costs are typically very high; therefore, companies who are, able to achieve a fair degree of standardization in the process by building models revolving around specific customer profiles and/or geographies are likely to better manage operating costs.

Customer credit risk assessment procedure

Understanding customer's stability

- Visit borrower's home to understand current situtaion, stability and duration of stay
- Interview neighbours to verify duration, understanding habits
- Check credit and banking history (if applicable)

Understanding customer's source of income

- Visit applicant's business to observe business flows, estimate revenue and costs, etc.
- Understand the business model and its key strength and weakness, fluctations in cash flows, etc.
- Interview business acquaintances, competitors, etc., to benchmark estimates

Standardisation

- Build a database of informal sector customers' income by profession in different localities to increase assessment reliability

Source: CRISIL MI&A

Collateral risk assessment

Properties under the low-income segment sometimes lack proper property titles, especially in the outskirts of large cities, semi-urban and rural areas. With better availability of information and due diligence by the technical team, companies can mitigate the risk. While lenders do take appropriate due diligence measures to safeguard against this risk while sanctioning the loan, there have been instances of borrowers mortgaging the same property with multiple lenders.

For instance, A CERSAI Search is conducted to enumerate the details of a property and if it has been mortgaged against a loan. The field investigation team visits the property to look at the land and the construction status regularly. The financier also conducts a title search, which provides detail such as a size, location, boundaries, and ownership information. As of now, registration of charge on underlying property is undertaken by lenders on selective basis (high-ticket loans/in case of corporate borrowers) only.

Collection efficiency

Given that companies in the segment typically cater to the lower income customer segment, many of whom may not be financially literate, a strong focus on collections and monitoring risk of default at customer level is vital to manage asset quality. It is observed that events that impact the economy as a whole (such as demonetization) and local factors (natural calamities or other events in the place of employment/work of the borrower) have a disproportionate impact on asset quality in the segment. Therefore, companies are increasingly using analytical and monitoring tools enabled by technology to better predict default risk. In addition, there is an increasing focus on pushing customers to make EMI payments through ECS.

LOAN AGAINST PROPERTY (LAP)

LAP is availed by mortgaging a property (residential or commercial) with the lender. LAP is a secured loan, as it provides collateral to the financier in the form of the property. Its interest rate is lower than personal or business loans. It could be used for either business or personal purposes. It can be availed by both salaried and self-employed individuals. For all these reasons, LAP has become popular among borrowers in recent years. The financiers offering housing loans, also provide LAP loans primarily due to synergies between the two products, higher yields offered by LAP, while continuing to cater to similar customer profile, collateral requirement, and ticket size.

Key factors that contributed to high LAP growth are:

- **Quick turnaround time, lower interest rate, lesser documentation:** LAP loans are disbursed in about half the time taken for a secured MSME loan. It is also offered at a lower interest rate than unsecured MSME loans, personal and business loans. LAPs require less documentation than other secured SME products, leading to fewer hassles for customers.

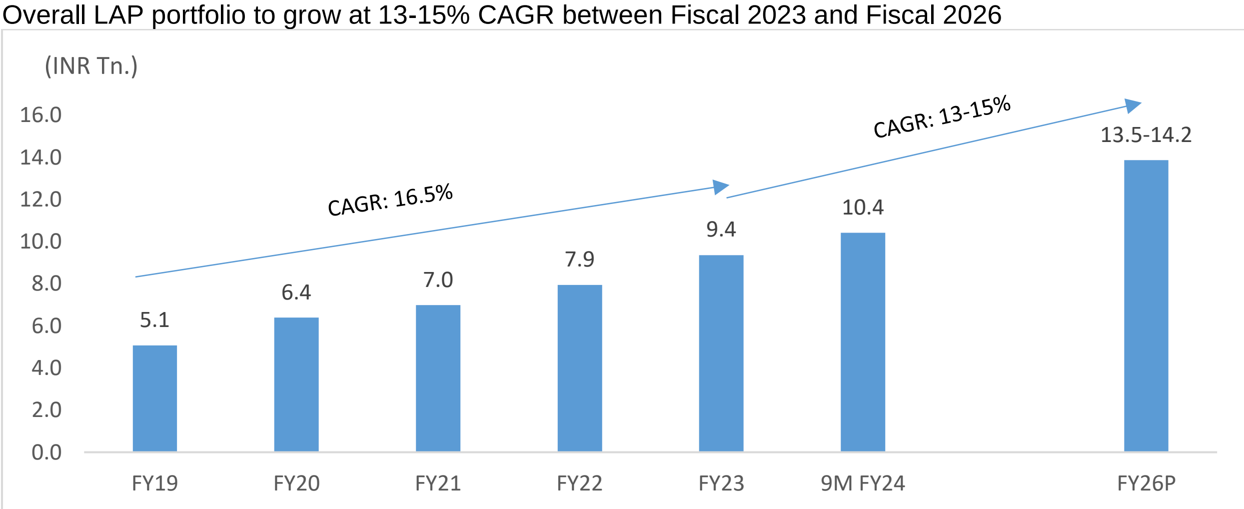
- **Greater transparency in the system:** Demonetization, GST, and the government's strong push for digitization have led to higher transparency in the system. This will keep pushing up loan amount eligibility of borrowers. Formalization will also help many new borrowers come under the ambit of formal lending channels.

- **Rising penetration of formal channels:** Increase in financial penetration and availability of formal credit in Tier 2 and Tier 3 cities will reduce the share of informal credit.

- **Higher comfort for lenders:** Lenders are comfortable disbursing LAP loans, as they offer favorable risk-return characteristics, compared with MSMEs and unsecured loans. They also offer higher recovery in case of default (supported by the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002) and better asset quality

The overall Loan against property segment market size has expanded from ₹ 5.1 trillion as of Fiscal 2019 to ₹ 10.4 trillion as at December 31, 2023. The growth in this segment is attributed to increasing financial penetration and an increase in the number of players in the targeted market. Overall LAP portfolio witnessed a growth of 9.3% year-on-year in Fiscal 2021, owing to slowdown in the economic activity and pandemic induced lockdown imposed by the government. From Fiscal 2022 to Fiscal 2023, the overall LAP portfolio grew by 17.9% year-on-year on account of improved economic conditions and normalization of business activities. Going forward, CRISIL MI&A expects overall LAP portfolio to grow at 13-15% CAGR between Fiscal 2023 and Fiscal 2026 aided by increasing lender focus and penetration of such loans, enhanced availability of data increasing lender comfort while underwriting such loans, enhanced use of technology, newer players entering the segment, and continued government support.

Overall LAP portfolio to grow at 13-15% CAGR between Fiscal 2023 and Fiscal 2026



Note: P: Projected, Overall LAP contains the data from both consumer and commercial bureau
Source: CRIF Highmark, CRISIL MI&A

LAP portfolio outstanding (₹ 5 million to ₹ 10 million) witnessed a CAGR of 16.7% growth between Fiscal 2019 – Fiscal 2023

Among major ticket-size brackets, LAP portfolio outstanding (< ₹ 2.5 million) witnessed the fastest growth from Fiscal 2019 – Fiscal 2023, growing at a CAGR of 20.6% which was followed by loans in the more than ₹ 2.5 million and less than ₹ 5 million ticket size segment outstanding which grew at a CAGR of 20.1% and loans in the more than ₹ 5 million and less than ₹ 10 million ticket size segment outstanding which grew at a CAGR of 16.7% between Fiscals 2019 - 2023.

LAP portfolio (more than ₹ 20 million) account for highest market share (32.1%) for ticket bracket, in value terms as at December 31, 2023, followed by loans in less than ₹ 2.5 million ticket size segment (28.8%) and loans in the more than ₹ 2.5 million and less than ₹ 5.0 million ticket size segment accounting for 14.0% market share. In volume terms, LAP portfolio with less than ₹ 2.5 million ticket size segments accounted for the highest share of the pie, with 84.9% share, as at December 31, 2023.

Ticket-wise volume outstanding (number of active loans) (in millions)

Ticket Size	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	Share (December 31, 2023)	CAGR (Fiscal 2019 – Fiscal 2023)
Less than ₹ 2.5 million	1.9	2.5	2.9	3.6	4.5	5.3	84.9%	23.3%
₹ 2.5 to 5 million	0.2	0.3	0.3	0.4	0.4	0.5	8.0%	20.7%
₹ 5 to 10 million	0.1	0.1	0.2	0.2	0.2	0.2	3.7%	17.7%
₹ 10 to 20 million	0.1	0.1	0.1	0.1	0.1	0.1	1.9%	15.2%
More than ₹ 20 million	0.0	0.1	0.1	0.1	0.1	0.1	1.5%	15.1%

Source: CRIF Highmark, CRISIL MI&A

Ticket-wise Portfolio breakup (₹ in billion)

Ticket Size	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	Share (December 31, 2023)	CAGR (Fiscal 2019 – Fiscal 2023)
Less than ₹ 2.5 million	1,222.0	1,540.8	1,785.3	2,123.4	2,587.7	3,001.3	28.8%	20.6%
₹ 2.5 to 5 million	616.1	783.6	897.3	1,060.1	1,281.8	1,454.9	14.0%	20.1%
₹ 5 to 10 million	634.8	799.4	884.2	1,010.9	1,177.6	1,320.9	12.7%	16.7%
₹ 10 to 20 million	705.1	883.1	945.0	1,041.9	1,184.0	1,297.1	12.4%	13.8%
More than ₹ 20 million	1,894.5	2,381.4	2,470.3	2,703.0	3,103.8	3,346.2	32.1%	13.1%

Source: CRIF Highmark, CRISIL MI&A

Lender and Ticket wise share (%) and Portfolio Breakup (₹ in billion) as at December 31, 2023

Lender / Ticket Size	Less than ₹ 2.5 million	₹ 2.5 to ₹ 5 million	₹ 5 to ₹ 10 million	₹ 10 to ₹ 20 million	More than ₹ 20 million	Total
Foreign Banks	5.9	13.3	30.5	57.8	248.7	356.3
HFC	751.8	295.3	192.1	145.5	508.6	1,893.3
NBFCs	527.7	262.3	302.3	331.5	764.7	2,188.7
Private Banks	1,076.8	664.3	644.5	672.8	1,671.3	4,729.7
PSU Banks	486.4	199.8	142.6	84.1	147.7	1,060.6
Small Finance Bank	152.7	19.9	8.9	5.3	5.1	191.9
Total Industry	3,001.3	1,454.9	1,320.9	1,297.1	3,346.2	10,420.5

Source: CRIF Highmark, CRISIL MI&A

Ticket-wise Disbursement (INR Bn.)

Ticket Size	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	Share (December 31, 2023)	CAGR (Fiscal 2019 – Fiscal 2023)
Less than ₹ 2.5 million	502.4	517.3	502.4	686.5	939.6	736.6	24.9%	16.9%
₹ 2.5 to ₹ 5 million	272.3	255.5	242.3	340.8	468.9	375.8	12.7%	14.6%
₹ 5 to ₹ 10 million	276.3	247.9	212.0	313.3	421.2	362.2	12.2%	11.1%
₹ 10 to ₹ 20 million	317.6	261.2	205.2	311.0	423.2	353.9	12.0%	7.4%
More than ₹ 20 million	972.6	758.0	525.3	886.2	1,318.0	1,128.3	38.2%	7.9%
Total Industry	2,341.2	2,039.9	1,687.2	2,537.8	3,570.9	2,956.8	100.0%	11.1%

Source: CRIF Highmark, CRISIL MI&A

Urban regions account for highest share (71.0%) in LAP portfolio credit as at December 31, 2023 followed by Rural regions with 16.7% share

As at December 31, 2024, Urban regions accounted for the highest share in overall LAP portfolio credit with 71.0% share which was followed by Rural regions which accounted for 16.7% share, and Semi-urban regions accounted for 7.8% share. Among tier's, Semi Urban regions witnessed credit growth of 22.2% during Fiscal 2019 – Fiscal 2023 followed by Rural regions with a CAGR of 22.0%. Urban regions witnessed a CAGR of 14.6%.

Tier (₹ in billions)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	Share (December 31, 2023)	CAGR (Fiscal 2019 – Fiscal 2023)
Urban Region	3,953.3	4,953.8	5,346.0	5,973.9	6,828.9	7,395.4	71.0%	14.6%
Semi-Urban Region	306.6	391.7	441.3	534.1	682.7	814.6	7.8%	22.2%
Rural Region	655.6	830.9	943.6	1,124.3	1,450.0	1,739.2	16.7%	22.0%
Others	157.7	212.5	252.1	307.6	395.7	471.3	4.5%	25.9%

Source: CRIF Highmark, CRISIL MI&A

Maharashtra account for 18.2% share in overall LAP outstanding as at December 31, 2024, followed by Tamil Nadu accounting for 11.1% share while top 5 states accounted for 55.3% share

As at December 31, 2023, Maharashtra accounted for the highest share in overall LAP outstanding with 18.2% share, which was followed by Tamil Nadu, Karnataka, and Gujarat state by credit outstanding with 11.1%, 9.9%, and 8.9% share respectively. in terms of overall LAP credit outstanding, Top 5 states accounted for total of 55.3% market share as at December 31, 2023. In terms of asset quality, Telangana stood with the best asset quality (1.11%), while West Bengal (5.78%) and Kerala (5.03%) states had the worst asset quality as at December 31, 2023.

Maharashtra accounted for the highest share in LAP outstanding credit in Fiscal 2023, with approximately 18.2% share

State	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	Share (December 31, 2023)	CAGR (Fiscal 2019 – Fiscal 2023)	GNPA (Fiscal 2023)	GNPA (December 31, 2023)
Maharashtra	1,016.7	1,281.9	1,389.1	1,568.7	1,773.0	1,895.1	18.2%	14.9%	4.66%	4.38%
Tamil Nadu	572.7	697.1	760.9	844.7	1,007.7	1,155.6	11.1%	15.2%	5.47%	4.25%
Karnataka	473.2	596.8	669.6	761.9	918.8	1,030.4	9.9%	18.0%	3.86%	2.96%
Gujarat	457.4	582.6	637.8	724.4	837.6	924.3	8.9%	16.3%	2.65%	2.21%
Delhi	476.6	580.1	610.2	650.9	716.5	758.2	7.3%	10.7%	3.62%	2.80%
Telangana	226.5	309.0	373.1	463.6	597.0	711.1	6.8%	27.4%	1.22%	1.11%
Rajasthan	277.9	354.6	391.2	457.8	551.0	631.6	6.1%	18.7%	3.05%	2.83%
Uttar Pradesh	276.7	337.5	363.3	417.1	510.5	570.9	5.5%	16.5%	4.01%	3.13%
Haryana	223.2	285.3	291.0	332.9	405.0	474.9	4.6%	16.1%	2.68%	1.86%
Andhra Pradesh	158.5	199.5	222.7	266.1	337.0	399.6	3.8%	20.7%	2.98%	2.64%
Madhya Pradesh	148.5	193.9	220.6	262.4	324.8	372.3	3.6%	21.6%	3.95%	3.36%
Punjab	161.7	203.9	221.1	249.2	281.1	307.9	3.0%	14.8%	4.82%	3.70%
West Bengal	154.3	211.4	224.0	244.9	274.2	289.6	2.8%	15.5%	6.42%	5.78%
Kerala	174.1	208.7	222.6	240.8	270.1	285.1	2.7%	11.6%	5.70%	5.03%
Others	76.5	97.8	102.8	115.6	130.7	142.7	1.4%	14.3%	3.79%	3.24%
Chhattisgarh	65.4	79.5	86.5	96.1	109.7	115.8	1.1%	13.8%	4.50%	3.76%
Uttarakhand	42.3	51.5	57.7	69.6	81.7	91.2	0.9%	17.9%	3.05%	2.57%
Bihar	30.5	38.6	44.4	58.5	77.9	89.4	0.9%	26.4%	4.74%	2.14%
Odisha	29.5	41.3	48.3	56.8	73.7	80.9	0.8%	25.7%	3.54%	3.64%
Assam	17.4	21.0	25.1	30.9	43.9	52.7	0.5%	26.0%	2.74%	2.46%
Jharkhand	13.5	17.3	21.1	27.1	35.4	41.1	0.4%	27.3%	6.93%	2.69%

Source: CRIF Highmark, CRISIL MI&A

State wise loan concentration of Top 5 districts (December 31, 2023)

State	Top 5 Districts	Share of Top 5 Districts	Bottom 5 Districts	Share of Bottom 5 Districts
Maharashtra	Pune, Thane, Mumbai, Mumbai Suburban	60.1%	Gadchiroli, Hingoli, Sindhudurg, Gondiya and	0.6%

State	Top 5 Districts	Share of Top 5 Districts	Bottom 5 Districts	Share of Bottom 5 Districts
	and Nashik		Parbhani	
Karnataka	Bangalore, Mysore, Belgaum, Tumkur and Davanagere	62.5%	Uttara Kannada, Kodagu, Yadgir, Udupi and Gadag	2.9%
Tamil Nadu	Coimbatore, Thiruvallur, Chennai, Chengalpattu and Madurai	32.6%	The Nilgiris, Ramanathapuram, Perambalur, Tirupathur and Ariyalur	3.4%
Gujarat	Ahmadabad, Surat, Vadodara, Rajkot and Bharuch	63.6%	The Dangs, Gir Somnath, Narmada, Porbandar and Devbhoomi Dwarka	1.1%
Telangana	Medchal Malkajgiri, Hyderabad, Rangareddy, Sangareddy and Nalgonda	61.8%	Kumuram Bheem Asifabad, Mulugu, Adilabad, Jayashankar Bhupalapally and Medak	1.1%
Uttar Pradesh	Ghaziabad, Lucknow, Gautam Buddha Nagar, Agra and Meerut	43.4%	Mahoba, Shrawasti, Chitrakoot, Balrampur and Banda	0.3%
Andhra Pradesh	East Godavari, Visakhapatnam, Krishna, West Godavari and Guntur	58.0%	Y.S.R., Srikakulam, Vizianagaram, Anantapur and Prakasam	19.4%
Delhi	North West, West, South, South West and East	78.2%	New Delhi, North, North East, Central and Shahdara	21.3%
Kerala	Ernakulam, Thiruvananthapuram, Thrissur, Kollam and Kozhikode	60.8%	Wayanad, Idukki, Kasaragod, Pathanamthitta and Malappuram	13.1%
Rajasthan	Jaipur, Ajmer, Jodhpur, Bhilwara and Alwar	48.5%	Dhaulpur, Jaisalmer, Pratapgarh, Karauli and Sawai Madhopur	2.1%
Haryana	Gurgaon, Faridabad, Panipat, Karnal and Yamunanagar	52.3%	Mewat, Charki Dadri, Fatehabad, Mahendragarh and Palwal	5.6%
West Bengal	Kolkata, North Twenty Four Parganas, South Twenty Four Parganas, Hugli and Haora	62.3%	Jhargram, Kalimpong, Dakshin Dinajpur, Puruliya and Alipurduar	1.8%
Madhya Pradesh	Indore, Bhopal, Ujjain, Dewas and Dhar	51.0%	Dindori, Niwari, Sheopur, Anuppur and Umaria	0.3%
Punjab	Ludhiana, Jalandhar, Sahibzada Ajit Singh Nagar, Amritsar and Patiala	64.3%	Shahid Bhagat Singh Nagar, Tarn Taran, Fatehgarh Sahib, Barnala and Mansa	5.8%
Bihar	Patna, Muzaffarpur, Gaya, Vaishali and Purba Champaran	51.6%	Arwal, Sheohar, Sheikhpura, Jamui and Kishanganj	1.6%
Chhattisgarh	Raipur, Durg, Bilaspur, Janjgir - Champa and Rajnandgaon	75.7%	Bijapur, Narayanpur, Sukma, Balrampur and Gaurella Pendra Marwahi	0.6%
Odisha	Khordha, Cuttack, Ganjam, Baleshwar and Puri	52.0%	Debagarh, Baudh, Kandhamal, Nuapada and Malkangiri	1.4%
Uttarakhand	Dehradun, Hardwar, Udham Singh Nagar, Nainital and Garhwal	90.4%	Champawat, Bageshwar, Uttarkashi, Rudraprayag and Pithoragarh	4.1%
Assam	Kamrup Metropolitan, Kamrup, Sonitpur, Barpeta and Nalbari	53.6%	West Karbi Anglong, South Salmara Mancachar, Dima Hasao, Majuli and Karbi Anglong	0.7%
Jharkhand	Ranchi, Dhanbad, Purbi Singhbhum, Hazaribagh and Bokaro	67.4%	Jamtara, Pakur, Sahibganj, Godda and Simdega	1.5%

Source: CRIF Highmark, CRISIL MI&A

Private sector banks account for highest share (45.5%) among lenders in overall LAP outstanding credit as at December 31, 2023

As at December 31, 2023, Private sector banks account for the highest share (45.5%) in overall LAP outstanding credit, which was followed by NBFCs with 21.0% share and Housing Finance companies (HFCs) with 18.2% share. During Fiscal 2019 to Fiscal 2023, among lenders the fastest growth in terms of CAGR, was witnessed by Small Finance banks with a CAGR of 73.1%, followed by Private sector banks and NBFCs with 24.1% and 16.8% CAGR.

Lender-wise LAP outstanding credit across Fiscal 2019 to Fiscal 2023

Lender (₹ in billions)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	CAGR (Fiscal 2019 to Fiscal 2023)
Foreign Banks	349.4	422.5	383.7	388.3	364.0	356.3	1.0%
Housing Finance Companies	1,211.3	1,425.8	1,529.9	1,685.0	1,881.4	1,893.3	11.6%
NBFCs	982.3	1,249.7	1,388.5	1,462.9	1,828.7	2,188.7	16.8%
Private Sector Banks	1,762.2	2,456.7	2,838.6	3,427.9	4,183.0	4,729.7	24.1%
Public Sector Banks	757.9	814.5	812.1	924.9	1,010.2	1,060.6	7.4%

Lender (₹ in billions)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	CAGR (Fiscal 2019 to Fiscal 2023)
Small Finance Banks	10.0	19.7	30.1	50.9	90.0	191.9	73.1%
Total Industry	5,073.2	6,389.0	6,982.9	7,939.9	9,357.3	10,420.5	16.5%

Source: CRIF Highmark, CRISIL MI&A

Lender-wise share in LAP outstanding credit across Fiscal 2019 to Fiscal 2023

Lender wise share (%)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023
Foreign Banks	6.9%	6.6%	5.5%	4.9%	3.9%	3.4%
Housing Finance Companies	23.9%	22.3%	21.9%	21.2%	20.1%	18.2%
NBFCs	19.4%	19.6%	19.9%	18.4%	19.5%	21.0%
Private Sector Banks	34.7%	38.5%	40.7%	43.2%	44.7%	45.4%
Public Sector Banks	14.9%	12.7%	11.6%	11.6%	10.8%	10.2%
Small Finance Banks	0.2%	0.3%	0.4%	0.6%	1.0%	1.8%
Total Industry	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: CRIF Highmark, CRISIL MI&A

Private sector banks accounted for highest share (45.9%) among lenders in overall LAP disbursement as at December 31, 2023

Small finance banks witnessed the fastest growth (42.4%) in LAP disbursement across Fiscal 2019 to Fiscal 2023, followed by Private sector banks and NBFCs with 18.3% and 8.5% CAGR. Among lenders, Private sector banks had the highest share (45.9%) in overall disbursement followed by NBFCs (23.9%) and HFCs (16.4%) as at December 31, 2023.

Lender-wise share and growth in LAP disbursement across Fiscal 2019 to Fiscal 2023

Lender (₹ in billions)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	December 31, 2023	Share (December 31, 2023)	CAGR (Fiscal 2019 – Fiscal 2023)
Foreign Banks	170.1	159.4	66.7	123.3	169.8	112.9	3.8%	0.0%
Housing Finance Companies	551.0	412.0	314.9	473.8	638.0	485.9	16.4%	3.7%
NBFCs	562.4	334.6	304.6	432.9	780.5	707.7	23.9%	8.5%
Private Sector Banks	824.6	926.8	850.6	1,268.6	1,612.6	1,357.9	45.9%	18.3%
Public Sector Banks	215.9	182.7	125.3	199.7	298.9	224.6	7.6%	8.5%
Small Finance Banks	17.3	24.3	25.2	39.5	71.2	67.7	2.3%	42.4%
Total Industry	2,341.2	2,039.9	1,687.2	2,537.8	3,570.9	2,956.8	100.0%	11.1%

Source: CRIF Highmark, CRISIL MI&A

Among lenders in the overall LAP finance market, Private sector banks had the best asset quality (0.95%) as at December 31, 2023

In the past, intense competition in the LAP segment led to aggressive lending by non-banks. They sourced major proportion of the book through balance transfer, whereby additional top-up loans were given leading to higher loan-to-value (LTV) ratios and thus higher risks in the LAP book. Between Fiscal 2020 and 2021, GNPAs of the LAP portfolio increased a sharp approximately 73 bps to 4.59% due to slippages as consumer perception of the general economic situation, employment scenario, and household income had plunged. Continuing consumer pessimism and lockdowns in Fiscal 2021 further impacted self-employed customers and micro, small, and medium enterprises.

Housing finance companies also faced asset-quality challenges, leading to a peak rise of GNPAs to 7.47% in Fiscal 2022 and 7.85% in Fiscal 2023. Subsequently, the asset quality of the overall LAP segment improved to 3.94% in Fiscal 2023.

Among lenders private banks had the best asset quality (0.95%) as at December 31, 2023, which was followed by small finance banks with 2.91% GNPA. As at December 31, 2023, NBFCs and HFCs had 4.53% and 6.79% GNPAs respectively. Among major lenders, HFCs, NBFCs and Public banks witnessed the significant fall in their GNPAs in December 31, 2023.

Private banks had the highest asset quality among lenders in LAP Finance segment as at December 31, 2023

Lender-wise GNPA (90+DPD) in %age						
Lender	**Fiscal 2019**	**Fiscal 2020**	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**	**December 31, 2023**
Foreign Banks	1.81%	2.45%	4.67%	5.16%	4.16%	3.82%
Housing Finance Companies	1.85%	4.84%	5.62%	7.47%	7.85%	6.79%
NBFCs	4.72%	5.54%	6.75%	7.13%	5.36%	4.53%
Private Sector Banks	1.42%	1.29%	2.00%	1.41%	1.10%	0.95%
Public Sector Banks	6.91%	8.06%	7.96%	7.57%	5.81%	4.62%
Small Finance Banks	2.17%	1.80%	4.23%	4.71%	3.08%	2.91%
Total Industry	3.01%	3.85%	4.59%	4.67%	3.94%	3.27%

Source: CRIF Highmark, CRISIL MI&A

LAP portfolio with ticket size between ₹ 2.5 & ₹ 5.0 million had the lowest GNPA levels as at December 31, 2023

Ticket Size-wise GNPA (90+DPD) in %age						
Ticket Size	**Fiscal 2019**	**Fiscal 2020**	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**	**December 31, 2023**
Less than ₹ 2.5 million	3.00%	3.60%	4.00%	4.02%	3.52%	3.10%
₹ 2.5 to 5 million	2.72%	3.37%	3.88%	3.84%	3.32%	2.87%
₹ 5 to 10 million	2.69%	3.64%	4.24%	4.40%	3.69%	2.98%
₹ 10 to 20 million	2.68%	3.74%	4.56%	4.63%	3.79%	3.21%
More than ₹ 20 million	3.34%	4.29%	5.40%	5.63%	4.71%	3.74%

Source: CRIF Highmark, CRISIL MI&A

Region wise GNPA in LAP Finance segment as at December 31, 2023

Region-wise GNPA (90+DPD) in %age						
Region	**Fiscal 2019**	**Fiscal 2020**	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**	**December 31, 2023**
Urban Region	2.92%	3.73%	4.52%	4.57%	3.93%	3.35%
Semi-Urban Region	3.21%	4.14%	4.48%	4.59%	3.46%	2.79%
Rural Region	3.58%	4.70%	5.42%	5.74%	4.60%	3.48%
Others	2.51%	3.01%	3.04%	2.91%	2.43%	2.03%

Source: CRIF Highmark, CRISIL MI&A

Key factors driving competitiveness of HFCs in the LAP portfolio

Housing finance companies had the substantial market share among players in the loan against property portfolio segment during Fiscal 2023, and have been able to maintain their share in the total market owing to various metrics in which HFCs have proven to be better than other players:

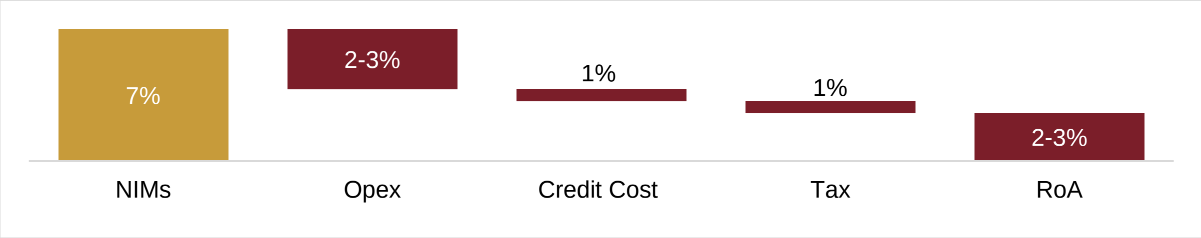
- Faster processing time in loans as compared to peers;
- HFCs offer flexible repayment terms on LAPs as compared to other players;
- HFCs have higher on-ground knowledge and a better understanding of the real estate market as compared to other peers, giving them a competitive edge among peers;
- HFCs also have a higher expertise in underwriting the informal segment along with borrowers with no or limited credit information along with a focused underwriting process; and
- Higher degree of digitization during loan origination to disbursement process.

With increase in data availability and enhanced use of technology and experience gained across several cycles while lending to the same customer segment, lenders have increased focus on the underserved MSME segment. This has led to a continued increase in share of relatively smaller ticket size secured MSME loans in the overall lending pie. Going forward, LAP market will see continued growth aided by increasing lender focus and penetration of such loans, enhanced availability of data increasing lender comfort while underwriting such loans, enhanced use of technology, newer players entering the segment, and government's continued support to enhance MSME lending

NBFC/HFCs Profitability in LAP improved in Fiscal 2024

NBFCs in LAP segment operate with yield in the range of 15-16%, on an average. With average cost of funds being in the range of 9-10%, net interest margins (NIMs) for this segment are in the range of 5-7%. CRISIL MI&A estimates the profitability in this segment to have increased in Fiscal 2024 owing to improving credit costs and improved asset quality.

Profitability of LAP financing NBFCs (Fiscal 2024)



Source: CRISIL MI&A; Profitability estimated for Fiscal 2024.

Key Risks in the Overall LAP Loan Industry

Insufficiency of data for credit appraisal and Collateral Fraud: Credit-score availability in India is still at a nascent stage despite the presence of credit bureaus. In several cases, borrowers lack a formal proof of income documents. This makes it difficult to judge the ability of the borrower to repay. In the LAP loan industry, critical risks include the borrower's creditworthiness and income stability, potential documentation and processing errors and fraud. Additionally, borrower-specific issues such as business downturns can affect repayment capacity. Effective risk management strategies involve thorough credit assessments, robust operational controls, and comprehensive borrower evaluations to minimize these.

Economic, Interest rate and Property-related risks: In the LAP loan industry, significant risks encompass property-related issues such as overvaluation, legal disputes related to unclear titles or ownership issues complicating loan recoveries, and market value fluctuations affecting the collateral's value, impactive the loan to value ratio, along with interest rate variability affecting repayment capacity. Economic factors like downturns and sluggish real estate markets also pose threats. Effective risk management requires accurate property valuation, legal due diligence, monitoring interest rates and staying attuned to economic conditions.

OVERVIEW OF REAL ESTATE FINANCING AND LEASE RENTAL DISCOUNTING

NBFC's Real Estate Financing Credit book to change direction owing to increasing developer's penetration in the Indian market

Over the past few fiscals, non-banking financial companies' (NBFCs) lending to the real-estate sector has undergone a considerable change in terms of size, complexity, and interconnectedness with the financial sector. Majority of housing finance companies (HFCs) are downsizing their real-estate portfolios due to asset quality concerns, but few are actively expanding and have been able to do well owing to prudent credit quality and monitoring, diversified portfolio books and quality customer sourcing strategy.

In recent years NBFC's real estate financing credit book to change directions owing increasing developer's penetration in the Indian markets. In the top 10 residential real estate cities, during Fiscal 2021 to Fiscal 2023, the overall unsold inventory level continued to decline sequentially. Developers were restricting new launches during Fiscal 2021 and were cautious even during Fiscal 2022. In post-pandemic environment where hybrid mode of work is established, consumer preferences have pivoted towards larger and bigger configurations in premium housing projects. In sync with this trend, large established developers have also gradually aligned their new launches to premium projects.

Top residential markets witnessed strong momentum in the past few fiscals supported by sustained economic growth and continuation of hybrid working models, growth is expected to continue in Fiscal 2025 primarily due to necessity for larger living spaces and an enhanced lifestyle, catalysed by the pandemic.

Rising supply of housing projects helped in housing sales revival post pandemic

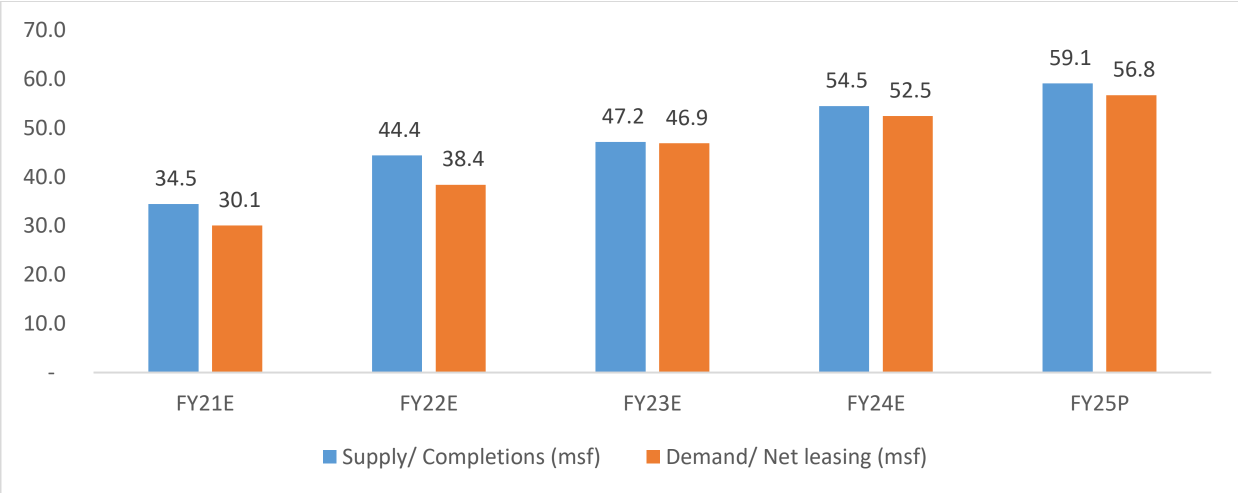
Top 10 Cities	Fiscal 2021 (E)	Fiscal 2022 (E)	Fiscal 2023 (E)	Fiscal 2024 (E)	Fiscal 2025 (P)
New Launches (No of Projects)	107	197	281	342	377
Total Inventory (No of Projects)	918	961	1,016	1,074	1,122
Demand (No of Projects)	154	226	284	322	341
Unsold Inventory (No of Projects)	763	734	731	745	780
Unsold Inventory as a % of Total Inventory	83.1%	76.4%	72.0%	69.4%	69.6%

Note: Top 10 cities include Bengaluru, Chennai, Delhi-NCR, Hyderabad, Kolkata, Ahmedabad, Kochi, Chandigarh, Mumbai (MMR), and Pune, E: Estimates, P: Projected
Source: CRISIL MI&A estimates

Rising supply and demand of commercial real estate projects expected to grow

The commercial real estate market is expected to grow and expand supported by the healthy growth of Indian corporate and start-up ecosystem and their need for office space, strong office leasing trend and advent of the global capabilities centers (GCCs) of the multinationals. The overall supply and demand in the top 7 cities are expected to reach 59.1 million square feet (msf) and 56.8 msf respectively in Fiscal 2025.

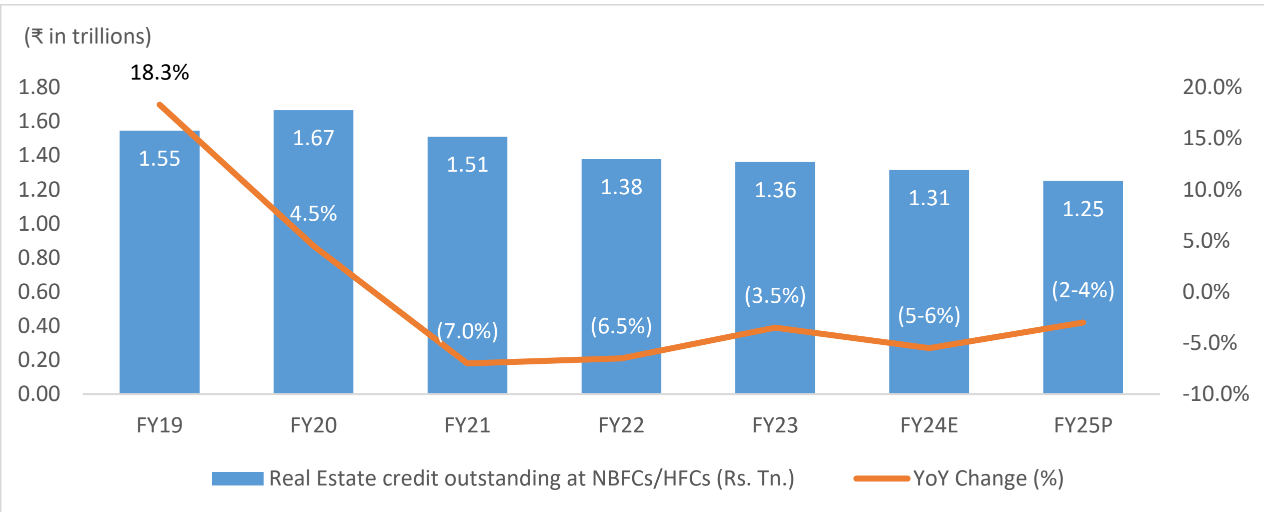
Demand for commercial real estate to reach 59.1 msf in Fiscal 2025



Note: Above numbers are for top 7 cities which account for more than 85% of commercial real estate in India, Top 7 cities include Bengaluru, Chennai, Delhi-NCR, Hyderabad, Kolkata, Mumbai (MMR), and Pune
Source: CRISIL MI&A estimates

NBFCs were cautious in lending to both the corporate and real-estate sectors. NBFCs have reported a decline in their lending to the segment, as they have been prioritising retail credit over wholesale lending. Volatile asset quality driven by high ticket sizes is the primary reason why these NBFCs have been gradually shedding their wholesale portfolios. Defaults in these loans result in elevated delinquencies, causing the increase in overall gross non-performing assets (GNPAs) and asset quality deterioration. Another reason is the risky nature of real-estate projects with high gestation periods. Consequently, wholesale, and real estate segment focused NBFCs face higher borrowing costs, leading to contracted net interest margins (NIMs) and return on assets (ROAs). Furthermore, over the last few fiscals, the real-estate industry has struggled to make projects viable due to adverse market conditions such as the introduction of goods and services tax for under-construction properties, labour shortage during the pandemic-driven lockdown and the rising cost of raw materials. However, the real-estate industry now stands on a more stable ground, with expectations of some unlocking in funding by NBFCs in Fiscal 2025.

NBFCs' real-estate credit is estimated to have declined 5-6% in Fiscal 2024



Note: Negative data points are mentioned in the brackets (). Data is of overall real-estate credit (residential and commercial) and is excluding of lease rental discounting (LRD)
Source: Company reports, RBI, CRISIL MI&A

NBFCs real-estate lending declined to approximately ₹ 1.4 trillion in Fiscal 2023 from approximately ₹ 1.6 trillion in Fiscal

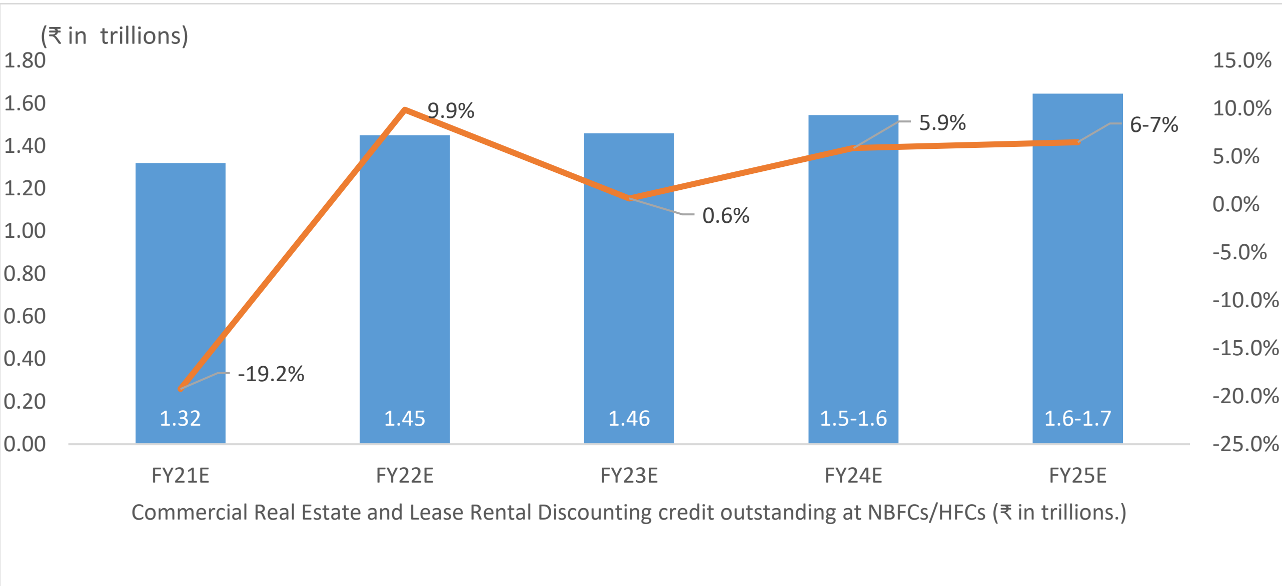
2019, primarily due to asset quality stress aggravating from pandemic-led lockdowns as real estate industry was already in considerable stress before Covid-19. This created periods of no activity and labour shortages, leading to extended construction timelines and financing challenges. Although NBFCs were already facing challenges related to tighter liquidity, riskier business models and asset liability mismatch resulting from DHFL and IL&FS crisis, post which growth and asset quality levels of the sector deteriorated. However, government interventions such as Real Estate Regulatory Authority extensions, low repo rates and reduced stamp duties supported developers by providing the much-needed boost to keep construction projects afloat. These concessions led to an improvement in sales, benefitting the entire ecosystem.

The pandemic and its aftermath accelerated the growth of affordable housing market, outpacing other segments. This was fuelled by an uptick in affordable real-estate demand in Tier II and III cities. With a young population demographic, major cities have been burdened to fill the supply-demand gap in housing and commercial real estate. Since the pandemic has now subsided, demand for luxury and prime housing is on the rise. Affordable housing demand, on the other hand, has moderated due to lower affordability within the targeted segment. The traditional funding practices of developers included payments collected at the time of property booking, construction-wise payments from customers or their lenders, developers' own capital and bank or NBFC borrowings. Furthermore, sudden changes in economic and global conditions have rendered projects volatile, elevating the risk of bankruptcies. To address this, the Government of India has promoted a more diversified resource mix for developers, wherein they are introduced to the capital markets to raise capital through real-estate investment trusts (REITs) as an alternative financing source.

NBFCs' real-estate book plummeted 4% in Fiscal 2023, driven by muted disbursements and lower exposure of players to real-estate portfolios. With further downsizing of wholesale and real-estate lending books, CRISIL MI&A Research believes NBFC funding for the real-estate segment contracted an estimated 5-6% to ₹ 1.31 trillion in Fiscal 2024. However, in Fiscal 2025, the decline is expected to normalise to (2-4%) as most of the portfolio transition by NBFCs is likely to have been completed. CRISIL MI&A expects NBFCs' real estate book to reach ₹ 1.25 trillion in Fiscal 2025.

Prior to the 2018 financial crisis, NBFCs had expanded their real-estate portfolios aggressively. However, their portfolios have declined ever since. Only a select few NBFCs continue to expand their real-estate portfolios, and the growth is marginal. A vacuum was created, and banks seized the opportunity and started expanding their position in the segment but few NBFCs/HFCs are actively expanding and have been able to do well owing to prudent credit quality and monitoring, diversified portfolio books and quality customer sourcing strategy. CRISIL MI&A expects NBFCs' real-estate credit to have declined an estimated 5-6% in Fiscal 2024. Furthermore, funding is expected to stabilise in Fiscal 2025 and lead to a marginal decline of 2-4% as NBFCs look to exit the real-estate lending space and offload their major share of real-estate exposure.

NBFC's Commercial Real Estate Book (including Lease Rental Discounting) is estimated to grow 6-7% in Fiscal 2025



Note: E: estimated. Data is of commercial real-estate credit and is including of lease rental discounting (LRD)
Source: Company reports, RBI, CRISIL MI&A

The rising real estate prices and a preference for asset-light business models drive the inclination towards leasing over purchasing properties, particularly in sectors like Organised Retail and IT services. Leasing shifts capital expenditure to operating expenditure, eliminating the need for long-term resource raising to support corporate growth plans, in result driving the demand for lease rental discounting loan.

NBFCs commercial real-estate and lease rental discounting lending is estimated to have grown to ₹ 1.5-1.6 trillion from the low of ₹ 1.32 trillion in Fiscal 2021 primarily driven by the momentum in lease rental discounting portfolio of the NBFCs and HFCs. CRISIL MI&A expects the commercial real estate including lease rental discounting credit book to reached around ₹ 1.6-1.7 trillion in Fiscal 2025 clocking growth rate of 6-8%.

Key Growth Drivers

Rise in urbanization to create demand for residential real estate in urban India: Urbanisation provides an impetus to housing demand in urban areas as migrants from rural areas require dwelling units. In 2020, about 35% of Indian population lived in urban areas of the country and this share of urban population is expected to increase to about 40% in by 2030. This trend in urbanization has pushed the demand for houses in urban areas.

Infrastructure development across India is driving growth in the real estate sector: The development of infrastructure plays a key role in enhancing the demand for residential estate. Infrastructure development leads to an increase in connectivity through railways, air, and road, reducing commute time. Well planned transportation infrastructure attracts investments and business which further creates demand for commercial and residential real estate. Also, other infrastructure development such medical facilities, educational institutions, entertainment hubs, retail market, business centers, schools, retail outlets etc. promote real estate prices as these infrastructure projects are the most preferred aspect for residential real estate buyers.

Focus on integrated lifestyle especially by millennial buyers: Nowadays, residential real estate buyers, especially millennials, have key preferences for their homes. These residential real estate buyers look for work-life balance and seek residences which offer modern amenities, vibrant communities, and access to leisure and entertainment options. They prefer integrated townships with gated communities which offer a variety of amenities such as fitness centers, swimming pools, and recreational spaces. Due to this, developers today are focusing on offerings to cater these lifestyle-based preferences, resulting in real estate development projects for aspirations and dreams of millennial generation.

Asset quality

Real estate sector has greater levels of stress than other segments

Overall stress in the real estate segment has remained higher than other segments. CRISIL MI&A estimates the overall stress in the real estate book to be high as commercial real estate showed a deterioration in asset quality. The GNPAs for of non-banks (including HFCs) has moderated marginally during fiscal 2023, however, for few players the GNPAs are being on high double digit due to continued decline in real estate book and no new disbursements. CRISIL MI&A estimates the overall GNPA to remain on a higher side at 10-12% during Fiscal 2024.

Key Risks in the Overall Real Estate Financing Industry

Operational risk in project approvals and construction: Operational risks in real estate financing include project delays due to legal issues, funding shortfalls, or logistical challenges, and construction risks such as poor construction quality, labor shortages, and unreliable contractors. Effective project management, regular monitoring, and contingency planning are essential to mitigate these risks and ensure timely project completion.

Market and regulatory risks: In the real estate financing industry, market risks such as property price volatility and demand-supply mismatches, combined with regulatory and compliance risks like frequent policy changes and legal non-compliance, pose significant challenges. Also, the recent RBI draft guidelines related to sharp increase in provision for standard assets to 5% for all new and ongoing under construction project loans, to have direct impact on cost of debt and limited impact on capital adequacy levels of NBFCs and HFCs. Effective risk management requires market analysis, adaptive strategies, and strict adherence to evolving regulations to ensure project stability and profitability.

PEER BENCHMARKING

Peer comparison of Bajaj Housing Finance

For Peer Benchmarking, the following housing NBFCs were considered: Bajaj Housing Finance Limited, LIC Housing Finance Limited, PNB Housing Finance Limited, Can Fin Homes Limited, Tata Capital Housing Finance Limited, Aadhar Housing Finance Limited, Aavas Financiers Limited, Aptus Value Housing Finance India Limited and Home First Finance Company India.

Bajaj Housing Finance is the second largest HFC with assets under management of ₹ 913.7 billion as of Fiscal 2024 and fastest growing HFC with CAGR of 29.3% between Fiscal 2020 and Fiscal 2024

Bajaj Housing Finance is the largest non-deposit taking HFC (in terms of AUM) in India with in seven years of commencing mortgage operation.

As of Fiscal 2024, Bajaj Housing Finance is the second largest HFC with ₹ 913.7 billion assets under management after LIC Housing Finance (₹ 2,868.4 billion assets under management). Bajaj Housing Finance is the fastest growing HFC with 4-year CAGR (in terms of AUM) of 29.3% between fiscal 2020 and fiscal 2024 among the peers for which data is available, followed by Can Fin Homes (14.0%) in prime segment and Home First Housing (28.0%) in affordable player group. Bajaj Housing Finance also has the highest total income CAGR growth of 30.3% between Fiscal 2020 and Fiscal 2024.

Size of the companies (Fiscal 2024)

Player Type	Players	AUM (₹ Billion) Fiscal 2023	AUM (₹ Billion) Fiscal 2024	AUM CAGR (Fiscal 2020-Fiscal 2024)	Total Income (₹ Billion) Fiscal 2024	Total Income CAGR (Fiscal 2020-Fiscal 2024)
Prime	Bajaj Housing Finance Limited	692.3	913.7	29.3%	76.2	30.3%
	Can Fin Homes Limited	315.6	350.0	14.0%	35.2	14.8%
	LIC Housing Finance Limited	2,750.5	2,868.4	8.0%	272.3	8.4%
	PNB Housing Finance Limited	666.2	712.4	-4.1%	70.2	-4.6%
	Tata Capital Housing Finance Limited	386.2	NA	NA	51.9	14.6%
Affordable	Aadhar Housing Finance Limited	172.2	211.0	16.6%	25.2	16.5%
	Aavas Financiers Limited	141.7	173.1	22.1%	20.2	22.3%
	Aptus Value Housing Finance India Limited	57.6	67.6	20.7%	11.2	25.3%
	Home First Finance Company India	72.0	97.0	28.0%	11.6	28.8%

Note: NA: Data not available. Data is on standalone basis
Source: Company Reports, CRISIL MI&A

Bajaj Housing Finance is one the largest HFC (in terms of AUM) in India with an AUM of ₹ 913.7 billion as of Fiscal 2024 among other HFCs in NBFC-UL

The RBI has identified 15 NBFCs for inclusion in the Upper Layer (NBFC-UL) under Scale Based Regulations (SBR) for non-bank lenders. These chosen NBFCs encompass a range of categories, including deposit-taking HFC, non-deposit-taking HFC, deposit-taking NBFC-ICC (Investment and Credit Company), Non-deposit-taking NBFC-ICC, and core investment companies. Bajaj Housing Finance is a wholly owned subsidiary of Bajaj Finance Limited, which is among India's largest NBFCs, based on AUM (₹ 3,306.2 billion), as of Fiscal 2024.

Bajaj Housing Finance's AUM has grown at a CAGR of 30.9% from Fiscal 2022 to Fiscal 2024 and was ₹ 913.7 billion as of March 31, 2024, making it fourth fastest growing HFC/NBFC as compared to other "Upper Layer" NBFCs in India for which data is available. Bajaj Housing Finance is one of the largest HFCs (in terms of AUM) in India with as AUM of ₹ 913.7 billion as of Fiscal 2024.

AUM and Profit details for upper layer NBFCs

Players	AUM (₹ Billion) Fiscal 2022	AUM (₹ Billion) Fiscal 2023	AUM (₹ Billion) Fiscal 2024	AUM CAGR (Fiscal 2022-Fiscal 2024)	PAT (₹ Billion) Fiscal 2022	PAT (₹ Billion) Fiscal 2023	PAT (₹ Billion) Fiscal 2024	PAT CAGR (Fiscal 2022-Fiscal 2024)
Bajaj Finance Limited	1,974.5	2,473.8	3306.2	29.4%	70.3	115.1	144.5	43.4%
LIC Housing finance Limited	2,511.2	2,750.0	2868.4	6.9%	22.9	28.9	47.7	44.3%
Shriram Finance Limited	1,270.4	1,856.8	2248.6	33.0%	27.2	59.8	71.9	62.6%
Tata Capital Financial Services Limited (Tata Capital Limited)[#]	943.5	1,167.9	1577.6	29.3%	16.5	23.0	31.5	38.3%
Cholamandalam Investment and Finance Company Limited	769.1	1,065.0	1535.7	41.3%	21.5	26.7	34.2	26.3%
Tata Sons Private Limited	977.6[*]	1,191.7[*]	NA	NA	404.4	282.1	NA	NA
Aditya Birla Finance Limited	551.8	805.6	1056.4	38.4%	11.1	15.5	22.2	41.6%
Mahindra & Mahindra Financial Services Limited	798.0	827.7	1026.0	13.4%	11.5	20.7	19.4	30.0%
Bajaj Housing Finance Limited	533.2	692.3	913.7	30.9%	7.1	12.6	17.3	56.2%

Players	AUM (₹ Billion) Fiscal 2022	AUM (₹ Billion) Fiscal 2023	AUM (₹ Billion) Fiscal 2024	AUM CAGR (Fiscal 2022-Fiscal 2024)	PAT (₹ Billion) Fiscal 2022	PAT (₹ Billion) Fiscal 2023	PAT (₹ Billion) Fiscal 2024	PAT CAGR (Fiscal 2022-Fiscal 2024)
HDB Financial Services Limited	614.4	700.8	902.0*	21.2%	10.1	19.6	24.6	56.0%
Muthoot Finance Ltd	644.9	715.0	890.8	17.5%	40.3	36.7	44.7	5.3%
L&T Finance Limited	883.4	808.9	855.7	-1.6%	10.7	16.2	23.2	47.2%
PNB Housing Finance Limited	669.8	666.2	712.4	3.1%	8.4	10.5	15.1	34.3%
Piramal Capital & Housing finance Limited (Piramal Enterprises Limited)^	651.9	639.9	688.5	2.8%	20.0	99.7	-16.8	NM
Indiabulls Housing Finance Limited	722.1	670.2	653.4	-4.9%	11.8	11.3	12.2	1.7%

*Note: * Data is of Loan assets, (^) Data is for Piramal Enterprise Limited as Piramal Capital and Housing Finance got merged. (#) Data is for Tata Capital Limited as Tata Capital Financial Services Limited got merged NA: Not Available, NM: Not Meaningful*
Source: Company Reports, CRISIL MI&A

Bajaj Housing Finance has second highest loan disbursement by HFCs in India amounting to ₹ 446.6 billion in Fiscal 2024

Bajaj Housing Finance has the second highest loan disbursal of ₹ 446.6 billion after LIC housing Finance with loan disbursement of ₹ 589.4 billion in Fiscal 2024.

Bajaj Housing Finance has the second fastest PAT growth of 42.4% between Fiscal 2020 and Fiscal 2024 among the peers after Tata Capital Housing Finance (65.7%).

Income and Disbursement of the companies (Fiscal 2024)

Player Type	Players	Disbursement (₹ in billions) Fiscal 2023	Disbursement (₹ in billions) Fiscal 2024	Fee Income (₹ in millions) Fiscal 2024	Fee Income CAGR (Fiscal 2020-Fiscal 2024)	PAT (₹ in billions) Fiscal 2024	PAT CAGR (Fiscal 2020-Fiscal 2024)
Prime	Bajaj Housing Finance Limited	343.3	446.6	1,382.3	8.4%	17.3	42.4%
	Can Fin Homes Limited	89.5	81.8	331.7	30.3%	7.5	18.9%
	LIC Housing Finance Limited	641.2	589.4	491.2	5.7%	47.7	18.7%
	PNB Housing Finance Limited	149.7	175.8	2,728.9	10.1%	15.3	22.3%
	Tata Capital Housing Finance Limited	173.4	NA	777.1	23.4%	11.5	65.7%
Affordable	Aadhar Housing Finance Limited	59.0	71.0	1,111.6	22.4%	7.5	41.1%
	Aavas Financiers Limited	50.2	55.8	867.1	27.1%	4.9	18.5%
	Aptus Value Housing Finance India Limited	NA	NA	312.1	31.3%	4.8	27.6%
	Home First Finance Company India	30.1	39.6	99.3	26.8%	3.1	40.0%

Note: NA: Data not available. Data is on standalone basis
Source: Company Reports, CRISIL MI&A

Bajaj Housing Finance has highest share of salaried customer mix in home loan portfolio amongst large HFCs as of March 31, 2024

Bajaj Housing Finance focuses on mass affluent clients with an average age of 35-40 years and with an average annual salary of ₹ 1.3 million. Bajaj Housing Finance has the highest share of salaried customer at 88% among the peers for which data is available.

Bajaj Housing Finance is focused on prime housing with higher average ticket size amongst large HFCs. Bajaj Housing Finance has highest average ticket size of ₹ 4.6 million among the large HFCs for which data is available.

GNPA, Loan to value, Customer Profile Mix and Average Ticket Size of Peers – Fiscal 2024

Player Type	Players	Gross NPA Ratio (%)	Loan to Value** (LTV) %	Customer Mix (%)		Average Ticket Size (in ₹ millions)
				Salaried	Self-Employed	
Prime	Bajaj Housing Finance Limited	0.22%	70%	88%	12%	4.6
	Can Fin Homes Limited	0.55%	61%[2]	72%	28%	2.5$

Player Type	Players	Gross NPA Ratio (%)	Loan to Value** (LTV) %	Customer Mix (%)		Average Ticket Size (in ₹ millions)
				Salaried	Self-Employed	
	LIC Housing Finance Limited	4.41%	52%	88%[3]	12%[3]	~2.9
	PNB Housing Finance Limited	3.83%	NA	61%	39%	2.9&
	Tata Capital Housing Finance Limited	1.55%	62%[1]	NA	NA	NA
Affordable	Aadhar Housing Finance Limited	1.17%	59%	57%	43%	1.0
	Aavas Financiers Limited	0.92%	55%[4]	40%	60%	1.02*
	Aptus Value Housing Finance India Limited	1.15%	<50%[5]	26%	74%	<1.00^
	Home First Finance Company India	1.60%	56%	68%	32%	1.15

Note: (**) LTV is for housing loan. "1" data is as at December 31, 2023, "2" data is as of first half of Fiscal 2024,"3" Customer mix is basis the number of loans "4" data is as of first half of Fiscal 2024,"5" Data is as of March 31, 2023 for around 87% of the loan portfolio (*) ATS for Housing Loan, (^) ATS for 93% of the Portfolio, ($) ATS for Incremental Housing Loan, (&) data is for Individual Home Loan , NA: Data not available. Data is on standalone basis
Source: Company Reports, CRISIL MI&A

Bajaj Housing Finance is the most diversified HFC in India with offerings full suite of mortgage lending products

Bajaj Housing Finance is the most diversified HFC in India with offerings full suite of mortgage lending products with AUM mix of Housing loan (58%), Loan against property (10%), Lease rental discounting (19%), Developer finance (11%) and other products (2%).

Product AUM Mix (%) for Peers (Fiscal 2024)

Player Type	Player	Product Category	AUM Mix (%)
Prime	Bajaj Housing Finance Limited	Housing Loan	58%
		Loan Against Property	10%
		Lease Rental Discounting	19%
		Developer Finance	11%
		Others	2%
	Can Fin Homes Finance Limited	Housing Loans	78%
		Housing Commercial Real Estate	10%
		Loan Against Property & Mortgage Loan	5%
		Top Up Loans	2%
		Others	5%
	LIC Housing Finance Limited	Individual Housing Loan	85%
		Non-Housing Individual Loan	10%
		Non-Housing Corporate- Project Loans	3%
		Non-Housing Corporate- Others	2%
	PNB Housing Finance Limited	Retail Loan	97%
		Individual Home Loan	72%
		Retail Non-Housing Loan	28%
		Corporate Loan	3%
	Tata Capital Housing Finance Limited	NA	NA
Affordable	Aadhar Housing Finance Limited	Home Loans	75%
		Other Mortgage Loans	25%
	Aavas Financiers Limited	Home Loans	69%
		MSME (Secured by mortgage)	17%
		Other Mortgage Loans	14%
	Aptus Value Housing Finance Limited	Home Loans	69%
		Quasi Home Loans	23%
		Insurance Loans	4%
		Top up Loans	4%
	Home First Finance Company India	Housing Loans	86%
		Shop Loans	1%
		Loan Against Property	13%

Note: NA: Data not available.
Source: Company Reports, CRISIL MI&A

Bajaj Housing Finance is second most profit making HFC in India with strong return on average assets and return on average equity for the fiscal year ended March 31, 2024

Bajaj Housing Finance is the second most profit making HFC (₹ 17.3 billion) in India with strong return on average assets and return on average equity for the year ended March 31, 2024.

Bajaj Housing Finance has the second highest return on average assets (2.4%) for the year ended March 31, 2024, among the prime housing peers. Bajaj Housing Finance has one of the lowest credit costs (0.1%) among peers.

Profitability parameters – Fiscal 2024

Player Type	Players	PAT (₹in billions)	Yield on advances* (%)	NIIs (%)	PPoP (%)	Cost of funds (%)	Opex (%)	Credit cost (%)	ROAA (%)	ROAE (%)	Leverage (TA/TE) (times)
Prime	Bajaj Housing Finance Limited	17.3	10.2%	3.4%	3.0%	7.7%	1.0%	0.1%	2.4%	15.2%	6.7
	Can Fin Homes Limited	7.5	10.6%	3.6%	3.0%	7.3%	0.7%	0.2%	2.2%	18.8%	8.4
	LIC Housing Finance Limited	47.7	9.9%	3.0%	2.7%	7.4%	0.4%	0.6%	1.7%	16.3%	9.3
	PNB Housing Finance Limited	15.3	11.0%	3.5%	3.1%	7.8%	0.9%	0.2%	2.2%	11.8%	4.8
	Tata Capital Housing Finance Limited	11.5	11.0%	4.0%	2.9%	7.1%	1.8%	-0.3%	2.4%	19.8%	8.1
Affordable	Aadhar Housing Finance Limited	7.5	14.8%	7.2%	5.6%	7.6%	3.0%	0.2%	4.2%	18.4%	4.3
	Aavas Financiers Limited	4.9	13.6%	6.1%	4.3%	7.5%	3.6%	0.2%	3.3%	13.9%	4.4
	Aptus Value Housing Finance India Limited	4.8	16.4%	10.4%	9.1%	8.7%	2.3%	0.3%	6.8%	14.7%	2.2
	Home First Finance Company India	3.1	14.5%	6.5%	5.2%	8.3%	2.8%	0.3%	3.8%	15.5%	4.5

Note: (*) Yield on advances is calculated on interest income. NA: Data not available. Data is on standalone basis
Source: Company Reports, CRISIL MI&A

Profitability parameters – Fiscal 2023

Player Type	Players	Yield on advances (%)	NIIs (%)	PPoP (%)	Cost of funds (%)	Opex (%)	Credit cost (%)	ROAA (%)	ROAE (%)	Leverage (TA/TE) (times)
Prime	Bajaj Housing Finance Limited	9.6%	3.6%	3.2%	6.8%	1.1%	0.2%	2.2%	14.6%	6.2
	Can Fin Homes Limited	9.1%	3.3%	2.8%	6.3%	0.6%	0.1%	2.0%	18.5%	9.1
	LIC Housing Finance Limited	8.6%	2.4%	2.1%	6.9%	0.4%	0.7%	1.1%	11.2%	10.3
	PNB Housing Finance Limited	10.3%	3.4%	3.1%	7.3%	0.8%	1.0%	1.6%	10.2%	6.1
	Tata Capital Housing Finance Limited	10.9%	4.4%	3.2%	6.6%	1.8%	0.1%	2.3%	19.5%	8.4
Affordable	Aadhar Housing Finance Limited	13.0%	6.3%	5.0%	7.0%	2.7%	0.3%	3.5%	15.9%	4.5
	Aavas Financiers Limited	12.6%	6.5%	4.7%	6.6%	3.7%	0.1%	3.5%	14.2%	4.1
	Aptus Value Housing Finance India Limited	16.9%	11.2%	9.8%	8.3%	2.4%	0.5%	7.2%	14.5%	2.1
	Home First Finance Company India	13.3%	7.1%	5.3%	7.3%	2.9%	0.4%	3.9%	13.5%	3.7

Note: Data is on standalone basis
Source: Company Reports, CRISIL MI&A

Bajaj Housing Finance has the lowest GNPA and NNPA amongst peers in Fiscal 2024

As of fiscal 2024, Bajaj Housing Finance has lowest GNPA ratio of (0.27%) and NNPA ratio of (0.10%), among large HFCs in India as of March 31, 2024. Bajaj Housing Finance also has the highest provision coverage ratio (63.0%) amongst the peer as of Fiscal 2024.

Capitalisation and asset quality – Fiscal 2024

Player Type	Players	Capital adequacy ratio	Provision Coverage Ratio	Gross NPA ratio	Net NPA ratio
Prime	Bajaj Housing Finance Limited	21.3%	63.0%	0.27%	0.10%
	Can Fin Homes Limited	24.6%	48.8%	0.82%	0.42%
	LIC Housing Finance Limited	18.2%	50.8%	3.31%	1.63%
	PNB Housing Finance Limited	29.3%	36.7%	1.50%	0.95%
	Tata Capital Housing Finance Limited	NA	57.9%	0.95%	0.40%
Affordable	Aadhar Housing Finance Limited	38.5%	40.9%	1.10%	0.65%
	Aavas Financiers Limited	44.0%	28.7%	0.94%	0.67%
	Aptus Value Housing Finance India Limited	66.8%	25.2%	1.07%	0.80%
	Home First Finance Company India	39.5%	29.4%	1.70%	1.20%

Note: NA: Data not available. Data is on standalone basis
Source: Company Reports, CRISIL MI&A

Capitalisation and asset quality – Fiscal 2023

Player Type	Players	Capital adequacy ratio	Provision Coverage Ratio	Gross NPA ratio	Net NPA ratio
Prime	Bajaj Housing Finance Limited	23.0%	63.6%	0.22%	0.08%
	Can Fin Homes Limited	23.1%	52.7%	0.55%	0.26%
	LIC Housing Finance Limited	18.2%	43.3%	4.41%	2.50%
	PNB Housing Finance Limited	24.4%	27.9%	3.83%	2.76%
	Tata Capital Housing Finance Limited	18.2%	59.4%	1.55%	0.63%
Affordable	Aadhar Housing Finance Limited	42.7%	34.2%	1.17%	0.77%
	Aavas Financiers Limited	47.0%	26.1%	0.92%	0.68%
	Aptus Value Housing Finance India Limited	80.8%	25.2%	1.15%	0.86%
	Home First Finance Company India	49.4%	31.3%	1.60%	1.10%

Note: NA: Data not available. Data is on standalone basis

Source: Company Reports, CRISIL MI&A

Bajaj Housing Finance has the second highest AUM per branch (₹ 4,249.8 million) and AUM per employee (₹ 385.2 million) as of March 31, 2024, among the large HFCs for which data is available

As of Fiscal 2024, Bajaj Housing Finance has the second highest AUM per branch of ₹ 4,249.8 million as of Fiscal 2023 after LIC Housing Finance (₹ 9,253.0 million) and the second highest AUM per employee of ₹ 385.2 million as of Fiscal 2023 after LIC Housing Finance (₹ 1,194.7 million) among the players for which data is available.

Distribution footprint and Productivity of Peers – Fiscal 2023 and Fiscal 2024

Player Type	Players	Branches		Employees		AUM/Branch (₹ in millions)		AUM/Employee (₹ in millions)	
		Fiscal 2023	Fiscal 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023	Fiscal 2024
Prime	Bajaj Housing Finance Limited	208	215	2788	2372	3,328.3	4,249.8	248.3	385.2
	Can Fin Homes Limited	205	219	976	NA	1,539.7	1,598.1	323.4	NA
	LIC Housing Finance Limited	314	310	2462	2401	9,788.1	9,253.0	1,117.2	1,194.7
	PNB Housing Finance Limited	189	300	1690	NA	3,524.7	2,374.8	394.2	NA
	Tata Capital Housing Finance Limited	187	NA	2445	NA	2,065.1	NA	157.9	NA
Affordable	Aadhar Housing Finance Limited	479	523	3663	NA	359.6	403.4	47.0	NA
	Aavas Financiers Limited	346	367	6034	NA	409.4	471.7	23.5	NA
	Aptus Value Housing Finance India Limited	231	262	2405	2918	249.4	258.0	24.0	23.2
	Home First Finance Company India	111	133	993	1249	648.5	729.2	72.5	77.6

Note: NA: Data not available. Data is on standalone basis
Source: Company Reports, CRISIL MI&A

Cost and Opex for Peers -- Fiscal 2023 and Fiscal 2024

Fiscal 2024	Players	Cost to Income Ratio		Opex (%)	
		Fiscal 2023	Fiscal 2024	FY23	FY24
Prime	Bajaj Housing Finance Limited	25.7%	24.0%	1.1%	1.0%
	Can Fin Homes Limited	16.9%	19.9%	0.6%	0.7%
	LIC Housing Finance Limited	15.2%	13.0%	0.4%	0.4%
	PNB Housing Finance Limited	20.6%	22.4%	0.8%	0.9%
	Tata Capital Housing Finance Limited	35.9%	38.3%	1.8%	1.8%
Affordable	Aadhar Housing Finance Limited	43.5%	41.8%	2.7%	3.0%
	Aavas Financiers Limited	44.1%	45.6%	3.7%	3.6%
	Aptus Value Housing Finance India Limited	19.8%	20.1%	2.4%	2.3%
	Home First Finance Company India	35.5%	35.2%	2.9%	2.8%

Note: NA: Data not available. Data is on standalone basis
Source: Company Reports, CRISIL MI&A

Bajaj Housing Finance has the highest possible credit ratings in India for both the long-term as well as short-term borrowings programme

Bajaj Housing Finance has the highest possible credit ratings in India for both the long term (CRISIL AAA/stable and IND AAA/stable) as well as short term (CRISIL A1+ and IND A1+) borrowings programme.

Credit Ratings of Players (Fiscal 2024)

Player Type	Players	Credit Rating
Prime	Bajaj Housing Finance Limited	IND AAA, CRISIL AAA
	Can Fin Homes Limited	ICRA AAA, CARE AAA
	LIC Housing Finance Limited	CRISIL AAA
	PNB Housing Finance Limited	IND AA+, ICRA AA+, CARE AA+
	Tata Capital Housing Finance Limited	CRISIL AAA
Affordable	Aadhar Housing Finance Limited	IND AA
	Aavas Financiers Limited	ICRA AA, CARE AA
	Aptus Value Housing Finance India Limited	ICRA AA-, CARE AA-
	Home First Finance Company India	IND AA-

Note: NA: Data not available. Data is on standalone basis
Source: Company Reports, CRISIL MI&A

Borrowing Mix of Players (Fiscal 2024)

Player Type	Players	Borrowing Mix				
		Term Loan	NCD / Bonds	Commercial Papers	NHB	Others
Prime	Bajaj Housing Finance Limited	51%	35%	-	10%	4%
	Can Fin Homes Limited	59%	17%	7%	16%	1%

Player Type	Players	Borrowing Mix				
		Term Loan	NCD / Bonds	Commercial Papers	NHB	Others
	LIC Housing Finance Limited	34%	52%	5%	4%	5%
	PNB Housing Finance Limited	40%	10%	6%	9%	35%
	Tata Capital Housing Finance Limited	NA	NA	NA	NA	NA
Affordable	Aadhar Housing Finance Limited	55%	20%	-	25%	-
	Aavas Financiers Limited	48%	9%	-	20%	24%
	Aptus Value Housing Finance India Limited	63%	5%	-	24%	8%
	Home First Finance Company India	62%	3%	-	18%	17%

Note: NA: Data not available Data is on standalone basis
Source: Company Reports, CRISIL MI&A

ALM Position of Players (Fiscal 2023)

Player Type	Player	Asset (₹ in billions)		Liabilities (₹ in billions)		Net (₹ in billions)		Asset-Liability Ratio*	
		Within 12 Months	After 12 Months	Within 12 Months	After 12 Months	Within 12 Months	After 12 Months	Within 12 Months	After 12 Months
Prime	Bajaj Housing Finance Limited	43.3	603.3	124.2	417.3	-80.9	186.0	34.8%	144.6%
	Can Fin Homes Limited	35.7	295.0	105.7	225.0	-70.0	70.0	33.7%	131.1%
	LIC Housing Finance Limited	211.5	2,572.6	918.8	1,594.3	-707.3	978.3	23.0%	161.4%
	PNB Housing Finance Limited	92.7	575.3	234.4	324.1	-141.7	251.2	39.6%	177.5%
	Tata Capital Housing Finance Limited	105.5	301.1	102.0	256.0	3.6	45.1	103.5%	117.6%
Affordable	Aadhar Housing Finance Limited	36.3	129.8	30.2	99.0	6.1	30.8	120.3%	131.1%
	Aavas Financiers Limited	33.9	100.2	16.8	84.6	17.1	15.6	201.4%	118.5%
	Aptus Value Housing Finance India Limited	10.5	55.8	7.4	27.7	3.0	28.1	140.4%	201.3%
	Home First Finance Company India	14.4	53.0	11.6	37.6	2.8	15.4	123.8%	141.0%

*Note: * Asset to liabilities ratio is calculated by dividing the percentage of assets maturing in the specified period by percentage of liabilities maturing at the same time. Data is on standalone basis.*
Source: Company reports, CRISIL MI&A

List of formulae

Parameters	Formula
RoAA	Profit after tax / average of total assets on book
RoAE	Profit after tax / average net worth
NIIs	(Interest income – interest paid) / average of total assets on book
Yield on advances	Interest earned on loans and advances / average of total advances on book
Cost to income	Operating expenses / (net interest income + other income)
Leverage (TA/TE)	Total Asset / Shareholders equity
Cost of borrowings	Interest paid / (average of deposits and borrowings)
Operating Expenses (Opex)	Operating Expenditure (Employee Expenses + Depreciation and amortization expense + Fees and commission expense+ Other expenses) / average of total assets on book
PPoP	(Total Income – Interest paid – Opex) / average of total assets on book
Credit cost	Provisions / average total assets on book
Debt to Equity	Total Borrowings / Total shareholder equity of the same fiscal
AUM/Branch	Asset under management / total number of Branches
AUM/Employee	Asset under management / total number of Employee

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 21 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 33, 273 and 349, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our Company's financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Information" on page 273.

In this section, references to "we", "us" and "our" refer to Bajaj Housing Finance Limited.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Analysis of Housing Finance Market" dated June 2024 (the "**CRISIL Report**") prepared and issued by CRISIL Market Intelligence & Analytics, appointed by us pursuant to an engagement letter dated May 6, 2024 and exclusively commissioned and paid for by us in connection with the Offer. A copy of the CRISIL Report is available on the website of our Company at www.bajajhousingfinance.in/offer-documents and has also been included in "Material Contracts and Documents for Inspection" on page 460. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, 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. For more information, see "Risk Factors – Internal Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us, and paid for by us for such purpose." on page 55. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 18. CRISIL is an independent agency and is not related to the Company, its Directors, Promoters or Promoter Selling Shareholder.*

OVERVIEW

We are a non-deposit taking Housing Finance Company ("**HFC**"), registered with the National Housing Bank ("**NHB**") since September 24, 2015, and engaged in mortgage lending since Fiscal 2018. We have been identified and categorized as an "Upper Layer" NBFC ("**NBFC-UL**") in India by the RBI since September 30, 2022, as part of its "Scale Based Regulations (SBR): A Revised Regulatory Framework for NBFCs" dated October 22, 2021.

We offer financial solutions tailored to individuals and corporate entities for the purchase and renovation of homes and commercial spaces. Our mortgage product suite is comprehensive and comprises (i) home loans; (ii) loans against property ("**LAP**"); (iii) lease rental discounting; and (iv) developer financing. Furthermore, our primary emphasis is on individual retail housing loans, complemented by a diversified collection of lease rental discounting and developer loans. Consequently, our financial products cater to every customer segment, from individual homebuyers to large-scale developers.

According to CRISIL MI&A, the housing shortage in India was expected to rise to 100 million units by 2022, with an estimated demand for housing loans between ₹50 trillion to ₹60 trillion to address this issue. As of March 2023, the total overall outstanding housing loans (excluding Pradhan Mantri Awas Yojana loans) were approximately ₹28.73 trillion, highlighting the significant market potential if measures are implemented to address this shortage. Consequently, our strategic focus is on low risk and fast growing home loan customers and as at March 31, 2024, home loans contributed 57.8% of our AUM, of which 87.5% pertained to salaried customers, 4.3% self-employed professional customers and 8.2% self-employed non-professional customers. Furthermore, according to CRISIL MI&A, the income of the salaried class remained largely intact despite the economic slowdown caused by the COVID-19 pandemic and rise in inflation, thereby allaying lenders' concerns about any deterioration in asset quality. As at March 31, 2024, our assets under management ("**AUM**") were ₹913,704.0 million, reflecting a CAGR of 30.9% between Fiscals 2022 to 2024. The average ticket size of our home loans was ₹4.6 million, with an average loan-to-value ratio of 70.5%, as at March 31, 2024. As at the same date, 75.8% of our home loan AUM were from customers with a CIBIL score above 750. Further, our LAP, developer finance loans for residential as well as commercial construction and lease rental discounting against commercial properties comprised 10.5%, 10.5% and 19.3% of our AUM as at March 31, 2024, respectively.

As at March 31, 2024 (unless indicated otherwise), we were a leading HFC in India across multiple parameters, including:

- largest non-deposit taking HFC (in terms of AUM) in India within seven years of commencing mortgage operations;
- second largest HFC and eighth largest NBFC-ULs (in terms of AUM) in India with an AUM of ₹913,704.0 million;
- second most profit making HFC in India with strong return on average assets and return on average equity for Fiscal 2024;
- one of the fastest growing among other HFCs/ NBFCs-UL based on AUM CAGR from Fiscal 2022 to 2024;
- most diversified HFC in India offering full suite of mortgage lending products;
- highest salaried customer mix in home loan portfolio amongst large HFCs;
- focused on prime housing with higher average ticket size amongst large HFCs;
- lowest GNPA ratio of 0.27% and NNPA ratio of 0.10%, among large HFCs in India;
- highest possible credit ratings in India for both the long-term as well as short-term borrowings programme;
- second highest loan disbursement by HFCs in India amounting to ₹446.6 billion for Fiscal 2024; and
- second highest AUM per branch and AUM per employee amongst large HFCs in India.

(*Source: CRISIL Report*)

We are a part of the Bajaj group, which was founded in 1926 and is a diversified business group with interests across various sectors. As at March 31, 2024, we had 308,693 active customers, 81.7% of whom were home loan customers. Our overall loan disbursements were ₹446,562.4 million, ₹343,336.3 million and ₹261,752.4 million in Fiscals 2024, 2023 and 2022, respectively, which demonstrates a growth in business and market reach.

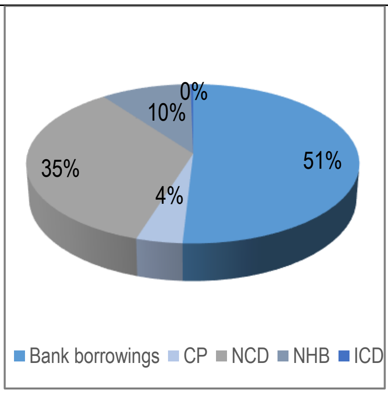
To support our offerings, we had a network of 215 branches as at March 31, 2024, spread across 174 locations in 20 states and three union territories, which are overseen by six centralized hubs for retail underwriting and seven centralized processing hubs for loan processing. Our diversified reach helps us meet the specific needs of our target customers across geographies, in urban as well as upcountry locations.

We use direct and indirect channels for origination of loans. For example, we source direct business through strategic partnerships with developers, self-sourcing by customer engagement, leveraging leads from digital ecosystem and partnership with digital players. Under indirect sourcing channels, we originate business through a distribution network of intermediaries such as channel partners, aggregators, direct selling agents, third party agents and connectors. Simultaneously, a direct-to-customer ("**D2C**") strategy empowers us to maintain control over the customer experience thereby enabling us to maintain consistency in our services while personalizing our customer experience. This hybrid model, leveraging both intermediaries and direct engagement with customers allows us to cater to various customer preferences and increase our market presence.

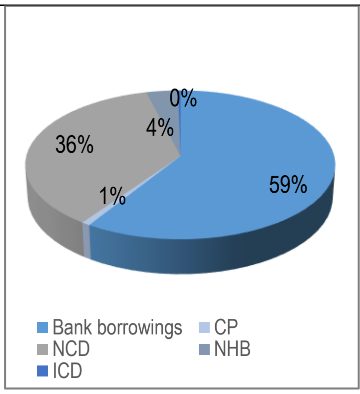
Furthermore, by focusing on sourcing of self-occupied residential properties as collateral for LAP, we maintain a lower risk profile while growing our loan portfolio. Within this segment, our lower risk customers comprising of salaried and self-employed professional customers contributed 30.9% of LAP AUM, as at March 31, 2024.

We have also developed customized credit evaluation procedures and operational workflows. Our operations comprise a tailored loan initiation system that is supported by comprehensive monitoring frameworks and mechanisms, all designed to facilitate on-boarding, maintain strong credit quality and portfolio performance. These practices are supplemented with prudent risk management strategies and as a result, even amidst the current economic climate marked by inflationary pressures and rising interest rates over the last two years, our Gross Non-Performing Assets ("**GNPA**") ratio and Net Non-Performing Assets ("**NNPA**") ratio had been at 0.27% and 0.10%, respectively, as at March 31, 2024.

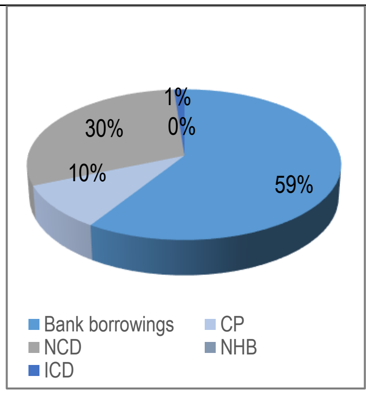
We have the highest possible credit ratings in India for both the long term (CRISIL AAA/stable and IND AAA/stable) as well as short term (CRISIL A1+ and IND A1+) borrowings programme (*Source: CRISIL Report*). Our strong domestic credit ratings along with our experienced treasury management team, have enabled us to borrow funds at competitive rates from a variety of sources. Furthermore, by securing funds at these competitive rates for extended durations, we have maintained a cost-effective funding base, which allowed us to offer competitive pricing across our product suite. The details of our borrowing mix for the last three fiscal years are presented below:



As at March 31, 2024



As at March 31, 2023



As at March 31, 2022

We have also partnered with multiple insurance providers to offer bundled products to our customers. We have recently, on December 22, 2023, registered ourselves as a corporate agent with the Insurance Regulatory and Development Authority of India ("**IRDAI**"), enabling us to expand our suite of insurance products to include life, general, and health insurance. This expansion caters to the comprehensive insurance needs of our customers while creating an additional stream of fee income for us.

Furthermore, digitization and innovation remain at the forefront of our evolution in the housing finance industry, and to support our growing retail lending portfolio. In Fiscal 2023 we introduced OTP-based e-agreements wherein loan agreements can be executed through AADHAR-based OTP authentication, eliminating the requirement for multiple signatures on physical agreements. We also introduced a Do-it-yourself ("**DIY**") home loan portal to streamline digital onboarding along with instant in-principle loan sanction letter *via* WhatsApp and our website and enhanced customer engagement with user-friendly 'Call Me Back' and 'Call to Apply' features. These initiatives reflect our commitment to simplifying the loan process and improving operational efficiency.

Our Board of Directors is comprised of a team of independent directors and qualified and experienced personnel. Our senior management team has an extensive knowledge of the housing finance and banking industries with an average of 21 years of overall experience, including 11 years specifically within the financial services sector in India. Furthermore, our Managing Director and Chief Financial Officer have been associated with the Bajaj group for over 21 years and have been the founding members of our Company.

Our status as a well-capitalized HFC is evidenced by a strong financial track record of sustained profitability across successive fiscal years. Furthermore, our Capital Adequacy Ratio ("**CRAR**") has consistently exceeded regulatory requirements. The following table sets forth certain key financial and operational information of our Company, as at and for the periods indicated:

S. No.	Metrics	As at March 31, 2024/Fiscal 2024	As at March 31, 2023/Fiscal 2023	As at March 31, 2022/Fiscal 2022
1.	Assets under Management[1] (in ₹ million):			
	• Home Loans	528,196.0	427,068.6	345,448.5
	• LAP	95,679.3	78,168.9	74,052.8
	• Lease Rental Discounting	176,368.0	112,594.8	68,694.2
	• Developer Financing	95,993.3	56,693.2	28,987.0
	• Others	17,467.4	17,753.5	16,034.7
	Total Assets under Management	**913,704.0**	**692,279.0**	**533,217.2**
2.	Disbursements[2] (in ₹ million)	446,562.4	343,336.3	261,752.4
3.	Net Worth[3] (in ₹ million)	122,335.0	105,031.9	67,413.6
4.	Average Ticket Size[4] (in ₹ million)			
	• Home Loans	4.6	4.6	4.2
	• LAP	5.8	4.9	4.3
5.	Interest Income[5] (in ₹ million)	72,023.6	52,692.4	34,817.5
6.	Net Total Income[6] (in ₹ million)	29,251.0	24,541.2	16,118.2
7.	Profit after Tax[7] (in ₹ million)	17,312.2	12,578.0	7,096.2
8.	Yield on Loans[8] (in %)	10.2%	9.7%	8.7%
9.	Finance cost as a percentage of Average Borrowings[9] (in %)	7.6%	6.7%	5.9%
10.	Net Interest Margin[10] (in %)	4.1%	4.5%	4.0%
11.	Operating Expense to Net Total Income Ratio[11]	24.0%	25.7%	29.2%
12.	Profit before Tax Margin[12] (in %)	28.4%	30.0%	25.5%
13.	Credit Cost[13] (in %)	0.1%	0.2%	0.5%
14.	Return on Average Assets[14] (in %)	2.4%	2.3%	1.8%

S. No.	Metrics	As at March 31, 2024/Fiscal 2024	As at March 31, 2023/Fiscal 2023	As at March 31, 2022/Fiscal 2022
15.	Return on Average Equity[15] (in %)	15.2%	14.6%	11.1%
16.	Leverage[16]	6.7	6.2	7.2
17.	GNPA Ratio[17] (in %)	0.27%	0.22%	0.31%
18.	NNPA Ratio[18] (in %)	0.10%	0.08%	0.14%
19.	Provision Coverage Ratio[19] (in %)	63.7%	63.6%	54.3%
20.	Capital Adequacy Ratio[20] (in %)	21.28%	22.97%	19.71%
21.	Number of Branches[21]	215	208	201
22.	Number of Employees[22]	2,372	2,788	3,705

Notes:

(1) *Asset under management ("**AUM**") is aggregate of (i) Loan Assets ("**Loans**"), which is aggregate amount of loan receivable from customer and includes future principal outstanding and overdue principal outstanding after considering the impairment allowances, and (ii) Assigned Assets (Off Book), which represents aggregate amount of future principal outstanding and overdue principal outstanding for off book loan assets (which have been transferred by our Company by way of assignment) as at the last day of the relevant fiscal year. Our product wise AUM - (a) Home Loans - AUM for our home loan product as at the last date of the relevant fiscal year; (b) LAP - AUM for our loan against property product as at the last date of the relevant fiscal year; (c) Lease Rental Discounting - AUM for our lease rental discounting product as at the last date of the relevant fiscal year; (d) Developer Financing - AUM for our developer financing product as at the last date of the relevant fiscal year; and (e) Others - AUM for our non-collateralized loans as at the last date of the relevant fiscal year.*

(2) *Total amount of new loans sanctioned and disbursed (either partly or fully) to the customer during the relevant fiscal year.*

(3) *Total equity which comprises of equity share capital and other equity.*

(4) *Average Ticket Size: (a) Home loans: Ratio of total amount of home loans sanctioned to the customer, whose home loan is active as at the last day of the relevant fiscal year to number of active home loans at the last day of the relevant fiscal year; and (b) LAP: Ratio of amount of total loan against property loans sanctioned to the customer, whose loan against property loan is active as at the last day of the relevant fiscal year to number of active loan against property loans at the last day of the relevant fiscal year.*

(5) *Interest income earned during the relevant fiscal year.*

(6) *Total income reduced by finance cost for the relevant fiscal year.*

(7) *Profit before tax as reduced by total tax expenses for the relevant fiscal year.*

(8) *Ratio of interest income to the Average Loan Assets for the relevant fiscal year.*

(9) *Ratio of finance costs to average borrowings for the relevant fiscal year.*

(10) *Ratio of net total income to Average Loan Assets for relevant fiscal year.*

(11) *Ratio of Operating Expenses to Net total income for the relevant fiscal year.*

(12) *Ratio of profit before tax to total income for the relevant fiscal year.*

(13) *Ratio of impairment on financial instrument to Average Loan Assets for the relevant fiscal year.*

(14) *Ratio of return on average assets which is profit after tax to Average Loan Assets for the relevant fiscal year.*

(15) *Ratio of profit after tax to average total equity for the relevant fiscal year. Average total equity represents the simple average of total equity, which is aggregate of equity share capital and other equity as at the last day of the relevant fiscal year and total equity of the last day of the preceding fiscal year.*

(16) *Ratio of total assets to total equity as at the last day of relevant fiscal year.*

(17) *Ratio of Gross NPA to gross carrying value of loan asset as at the last day of the relevant fiscal year.*

(18) *Ratio of Net NPA to gross carrying value of loan asset after reducing impairment loan allowances on stage 3 loan assets as at the last day of the relevant fiscal year.*

(19) *Impairment loss allowance on stage 3 loan assets as a percentage of gross carrying value of stage 3 loan assets as at the last day of relevant fiscal year.*

(20) *Computed by dividing our Tier I and Tier II capital by total risk weighted assets, each as computed in accordance with relevant RBI guidelines applicable as at the last day of relevant fiscal year.*

(21) *Total number of branches as at the last day of relevant fiscal year.*

(22) *Number of employees of our Company as at the last day of relevant fiscal year.*

For further details in relation to the calculation of the above identified key financial and operational metrics, see "*Selected Statistical Information*" on page 259.

STRENGTHS

We benefit from the following strengths:

Distinguished heritage of the "Bajaj" brand, which enjoys widespread recognition as a reliable retail brand with strong brand equity

The Bajaj group was founded in 1926. It is a prominent Indian conglomerate known for its diverse business interests across various sectors. Our Company is a wholly-owned subsidiary of Bajaj Finance Limited, which is among India's largest NBFCs, based on AUM, as at March 31, 2024 (*Source: CRISIL Report*). The "Bajaj" group of businesses are retail-focused enterprises that have gained recognition among Indian consumers through the two and three-wheelers of Bajaj Auto Limited, financing products of Bajaj Finance Limited including our Company, insurance products of Bajaj Allianz Life Insurance Company Limited and Bajaj Allianz General Insurance Company Limited, mutual fund products of Bajaj Finserv Asset Management Limited and broking services of Bajaj Financial Securities Limited. The "Bajaj" brand has consequently evolved into a recognized retail brand, which has contributed to the recognition and growth of our business. Furthermore, our market position is reflected in our strong credit ratings, underscoring our financial stability and investor confidence.

The financial services businesses of the Bajaj group are primarily carried out through subsidiaries of Bajaj Finserv Limited, one of which is Bajaj Finance Limited, our parent company. We, along with other subsidiaries of Bajaj Finance Limited, conduct our operations under the "Bajaj Finserv" brand. To further leverage and strengthen the brand among our customer base, we have created our website and application under the "Bajaj Finserv" brand, to ensure that customers remain engaged with the brand across multiple touchpoints.

As a wholly-owned subsidiary of Bajaj Finance Limited, we are positioned to tap into their extensive experience in scaling financial services. Bajaj Finance Limited's proven track record in effectively growing its lending business serves as a strong foundation for us to expand our mortgage lending operations. On April 7, 2022 and April 3, 2024, we successfully secured an additional capital infusion of ₹25.0 billion and ₹20.0 billion, respectively *via* a rights issue to Bajaj Finance Limited. This infusion reflects our parent company's support and commitment and also provides us with a dependable credit line from them, ensuring ready access to funds.

Second largest HFC in India (in terms of AUM) with a track record of strong growth driven by a diversified portfolio

We have demonstrated a consistent growth trajectory over our seven-year operational history, even amid challenging events such as the NBFC crisis, the downturn of key industry players and the unprecedented impacts of COVID-19. Our business model and strong risk management policies have been crucial in sustaining this growth momentum. Consequently, we have grown to be the second largest HFC and were the eighth largest NBFC-UL in India (in terms of AUM) as at March 31, 2024 *(Source: CRISIL Report)*. We achieved this within a short period of time since the commencement of our operations in Fiscal 2018. Our AUM has grown at a CAGR of 30.9% from Fiscal 2022 to Fiscal 2024 and were ₹913,704.0 million as at March 31, 2024, making us the fourth fastest growing HFC/NBFC as compared to other "Upper Layer" NBFCs in India for which data is available *(Source: CRISIL Report)*. The table below sets forth our AUM growth across product segments as at the periods indicated:

S.No.	Metrics	AUM (in ₹ million)		
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
1.	Home loans	528,196.0	427,068.6	345,448.5
2.	Loans against property	95,679.3	78,168.9	74,052.8
3.	Lease rental discounting	176,368.0	112,594.8	68,694.2
4.	Developer financing	95,993.3	56,693.2	28,987.0
5.	Others	17,467.4	17,753.5	16,034.7
Total		**913,704.0**	**692,279.0**	**533,217.2**

For further details in relation to product wise AUM, see "*Selected Statistical Information – Product wise AUM*" on page 266.

We were the second most profit making HFC in India with a profit after tax of ₹17,312.2 million in Fiscal 2024 *(Source: CRISIL Report)* with our Return on Average Assets of 2.4% and Return on Average Equity of 15.2% as at March 31, 2024.

Our strength also lies in our strategic diversification, offering an extensive array of financial solutions that cater to the nuanced needs of both retail and commercial clients. For instance, in the retail domain, our products cover a spectrum of home loans tailored to various consumer profiles, loans secured against properties, encompassing a range of residential financing requirements. Further, the granular approach in our commercial loan book demonstrates our commitment to a risk-adjusted portfolio. We also offer tailored solutions for lease rental discounting and developer financing to support property owners and developers with specialized financial products.

Our diversified product portfolio combined with our extensive customer base and focus on cross-selling allows us to benefit from the growth in the HFC industry by providing us with increased opportunities for deepening customer engagements, contributing to the growth of our business and providing comfort to our stakeholders, including shareholders, lenders and rating agencies.

Strategic presence with omni-channel sourcing strategy, driven by customer-focused digitization initiatives and technology

We have a strategic presence across mortgage-centric markets with the following key components: branches, centralized hubs and active channel partners. According to CRISIL MI&A, as at December 31, 2023, Maharashtra accounted for the largest share of housing finance credit in India, at approximately 22%. As at March 31, 2024, Maharashtra also accounted for 31.5% of our total AUM and 32.0% of our total disbursements, the highest among the states where we operate. For details in relation to our state-wise mix of AUM, disbursements, see "*Selected Statistical Information – State-wise Mix of AUM, Disbursements and Branches*" on page 264.

As at March 31, 2024, our distribution network included 215 branches, six centralized hubs for retail underwriting and seven centralized processing hubs for loan processing) and 1,784 active channel partners, that is, partners with whom we have conducted at least one transaction in the last 12 months. Our diversified reach helps us meet the specific needs of our target customers across geographies, in urban as well as upcountry locations.

We have adopted an omni-channel sourcing strategy of having physical presence with an option of accessing digital onboarding functionality to maximize reach, cater to different customer preferences and streamline the loan application process, thus enhancing customer experience and strengthening our market share. We follow a two-pronged sourcing strategy across retail products i.e., direct channel and intermediaries sourcing verticals separately for both home loans as well as LAP, ensuring expertise in respective sourcing channel. The overall sourcing strategy can be broadly categorized into the following:

- *Micro-market focus for home loans:* We concentrate on specific, smaller geographic regions within the cities we operate or "micro-markets", which helps develop a deep understanding of the local real estate market, customer demographics and behaviour. This localized approach allows us to tailor our products and services to meet the specific needs of the community, which lead to better customer service and higher conversion rates. This is achieved through partnerships with real estate developers. When developers are constructing or selling properties, we offer home loans to potential buyers. This creates a symbiotic relationship wherein the developer achieves an additional selling point (easy access to finance for buyers), and we gain direct access to a pool of potential customers. We also leverage developer financing relationships and projects to source retail home loans from projects of these developers.

- *D2C strategy:* We directly engage with our customers through our front facing sales team based out of our branches which allows us to engage with potential borrowers without intermediaries, fostering a direct relationship with customers, which leads to increased customer loyalty and retention, as we can provide personalized service and tailor our offerings to individual customer needs for home loans and LAP. Furthermore, under the D2C strategies we also leverage digital platforms which help to reduce overhead costs and improve the customer experience through convenience and speed. We create multiple touch points for customers on digital platforms through new functionalities on our website which are tracked regularly to enhance penetration for lead generation.

- *Expanding distribution network of intermediaries:* We are continuously expanding our network of intermediaries, such as channel partners, aggregators, direct sales agents, financial advisors and other third-party agents. For example, our active channel partners increased from 1,514 as at March 31, 2022 to 1,591 as at March 31, 2023 and further to 1,784 as at March 31, 2024, which enhanced our reach and market penetration. This expansion allows us to access a wider customer base, as intermediaries often have established relationships and trust with potential borrowers.

In relation to sourcing for developer financing we primarily follow direct to customer strategy which is a relationship led sourcing model. This strategy helps us to build a granular customer base through deepening our customer engagement with existing customers and widening our customer base by onboarding new customers. Conversely, for lease rental discounting we follow both D2C as well as intermediary based sourcing model for this business segment.

Our omni-channel sourcing strategy, strong geographic presence and distribution reach enables us to acquire a large volume of customers every year. Further, as part of our digitization initiatives, we harness advanced digital solutions to enhance the experiences of both customers and employees. We have significantly improved customer convenience by implementing an instant in-principle sanction letter and a self-service DIY home loan portal. In Fiscal 2024, we had 377,568 and 301,420 total monthly unique customers logging into our portal and customer applications, respectively. Additionally, our digital capabilities include electronic sanction letters, agreements, and mandates. To support our field sales and debt management teams, we have introduced specialized mobile applications for lead management and collection updates. Moreover, our digital onboarding process and a dedicated partner portal for intermediaries facilitate a seamless experience and scalability, underlining our commitment to innovation.

Well defined credit evaluation and risk management practices resulting in lowest GNPA and NNPA among our Peers in Fiscal 2024

We have a well-defined credit evaluation framework and underwriting processes to ensure that risk performance across all products remain well within the defined thresholds. In particular, for the retail loan portfolio, our centralized underwriting process coupled with adoption of straight-through processing for salaried customers and Approved Project Finance ("**APF**") projects, ensures quicker and more accurate loan evaluations. As at March 31, 2024, we have 6,039 APF projects. This approach is further enhanced by our digitized credit processes and the strategic use of account aggregator integration (i.e., digital access to financial data of customers from various financial institutions post customers' consent), allowing for efficient retail underwriting. Centralized specialized underwriting teams are tasked with assessing the financial profiles of both salaried and self-employed applicants, utilizing telephonic and video personal discussions to reinforce the thoroughness of our credit appraisals. Furthermore, our risk team tracks early warning signals in accounts that have bounce track record as well those from one day past due to monitor cases that show signs of delinquency. We review portfolios on a periodic basis through credit bureau checks, credit databases and have set up a system of dashboard monitoring of cases by our risk team where members can review certain information of borrowers, identify areas of concern and initiate prompt action.

Our lease rental discounting services cater to prime developers, HNI customers and global private equity players, with a portfolio heavily weighted towards Grade A commercial properties. We conduct comprehensive evaluations of lessors, collateral and lessees, taking into account factors such as financial robustness, rent collection patterns and occupancy trends. The commercial properties in our portfolio are leased to prominent Indian corporations and multinational companies. We also broaden our offerings by providing lease rental discounting for warehousing and industrial properties. Furthermore, for our commercial products, a specialized team is responsible for detailed portfolio oversight. This includes monitoring rental patterns, vacancy levels and the progress of projects against established sales, collection, and completion milestones. Additionally, all transactions within our commercial products are secured through project cash flows for developer financing and rental tracking for lease rental discounting *via* an escrow mechanism, ensuring financial diligence and security. Regular visits to corporate borrowers and micro-markets by the decentralized field teams are conducted to ensure continuous improvement, recommendations and adaptation of our processes to the evolving business environment based on feedback to centralized teams. This multi-layered underwriting method, combined with consistent portfolio monitoring helps to ensure the integrity of our collateral and portfolio, ultimately solidifying our reputation in the housing finance sector as a prudent and reliable partner in retail and commercial lending.

We maintain a comprehensive risk management framework supported by digitized processes tailored to each product offering, ensuring early warning systems that track key indicators, such as bounce rates and overdue positions. We also have well-established processes and a strong in-house four-tier collections infrastructure comprising touch-free collection (tele-calling), field collection, legal recovery and settlement to help us with loan collections. As at March 31, 2024, our collections team comprised 356 personnel. We have also set up a specialized collections team to manage cases where collections are overdue for a certain period as well as a separate team to focus on the resolution of cases through SARFAESI and as a result our collection efficiency improved from 98.4% in Fiscal 2022 to 99.5% in Fiscal 2024. Our credit and risk management policies have helped us maintain the lowest GNPA and NNPA among our Peers (as defined below in "- *Competition*" on page 214) in Fiscal 2024 ***(****Source: CRISIL Report****)***, as indicated in the table below:

S.No.	Metrics	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	GNPA Ratio			
	• Home Loans	0.27%	0.21%	0.29%
	• LAP	0.68%	0.77%	0.80%
	• Lease Rental Discounting	0.00%	0.00%	0.00%
	• Developer Financing	0.15%	0.00%	0.04%
	• Others	0.91%	0.50%	0.41%
2.	NNPA Ratio			
	• Home Loans	0.10%	0.07%	0.13%
	• LAP	0.26%	0.31%	0.41%
	• Lease Rental Discounting	0.00%	0.00%	0.00%
	• Developer Financing	0.04%	0.00%	0.00%
	• Others	0.21%	0.15%	0.13%

For further details on product wise asset quality, see "*Selected Statistical Information – Product wise Asset Quality*" on page 267.

The table below sets forth a summary of our Expected Credit Loss ("**ECL**") provisioning bifurcated into Stage 1, Stage 2 and Stage 3 assets as at the dates indicated:

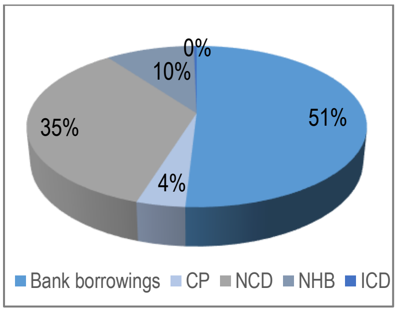
S.No	Metrics	Gross Assets Receivable			ECL provision			Provision Coverage Ratio %		
		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
1.	Home loans	489,994.4	1,614.6	1,313.8	1,225.8	379.7	810.8	0.3%	23.5%	61.7%
2.	Loans against property	77,930.4	1,174.1	539.2	469.8	259.2	335.2	0.6%	22.1%	62.2%
3.	Lease rental discounting	111,220.2	0.0	0.0	759.2	0.0	0.0	0.7%	0.0%	0.0%
4.	Developer financing	96,620.4	4.5	141.2	667.8	0.9	104.2	0.7%	20.0%	73.8%
5.	Others	17,427.7	106.8	161.9	68.9	36.0	124.2	0.4%	33.7%	76.7%
Total as at March 31, 2024		**793,193.1**	**2,900.0**	**2,156.1**	**3,191.5**	**675.8**	**1,374.4**	**0.4%**	**23.3%**	**63.7%**
Total as at March 31, 2023		**621,420.2**	**3,599.1**	**1,373.3**	**3,596.6**	**783.7**	**873.4**	**0.6%**	**21.8%**	**63.6%**
Total as at March 31, 2022		**461,996.1**	**6,036.9**	**1,463.6**	**2,599.5**	**1,281.7**	**794.7**	**0.6%**	**21.2%**	**54.3%**

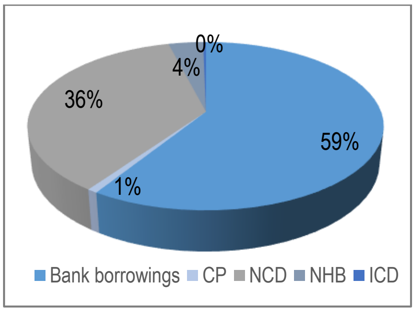
For further details, see "*Selected Statistical Information – Gross carrying value of loan assets*", "*Selected Statistical Information – ECL Provision*" and "*Selected Statistical Information – Product wise Asset Quality*" on pages 266, 266 and 267, respectively.

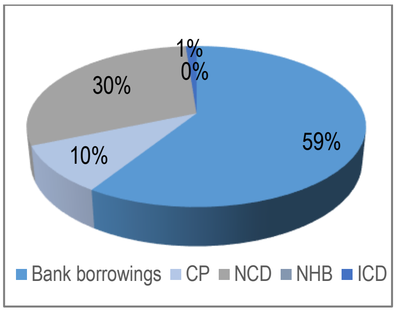
Access to diversified and cost-effective borrowing sources facilitated by the highest possible credit ratings from rating agencies

We prioritize longer tenor floating rate borrowings and are actively rebalancing our borrowings towards a mix to increase proportion of borrowings from the money market, thereby optimizing our risk exposure and enhancing our financial agility. As at March 31, 2024, we have established relationships with 23 banks ensuring a diversified borrowing portfolio and reliable access to varied funding sources. Further, we have also received approval from the NHB under the NHB's refinance scheme. The NHB refinance sanction, in addition to diversifying our business portfolio also helps support a more cost-effective and longer tenor source of funds in the future.

In line with our financial strategy, we have adopted a diversified borrowing strategy, moving from a reliance on bank loans to a more diverse borrowing portfolio that includes bank loans, non-convertible debentures, commercial papers and NHB refinance, as illustrated below:







As at March 31, 2024 **As at March 31, 2023** **As at March 31, 2022**

We maintain our leverage ratio within the limits set by our Board of Directors. The following table sets forth our leverage ratio as at the dates indicated:

S.No.	Metrics	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
1.	Leverage (Total Assets/ Total Equity)	6.7	6.2	7.2

For details in relation to reconciliation of leverage ratio, see "*Selected Statistical Information – Reconciliation of Leverage Ratio*" on page 271.

Furthermore, our asset-liability management strategy is overseen by a specialized Assets and Liability Committee ("**ALCO**") dedicated to ensuring balanced financial operations. This committee comprising Senior Management Personnel drafts policies and strategies to prevent imbalances on our balance sheet. Adhering to the National Housing Bank's Asset Liability Management framework, the committee proactively reviews and addresses any asset liability mismatches.

In terms of creditworthiness, our domestic credit ratings are the highest possible for both long term and short term borrowings (*Source: CRISIL Report*), which enables us to borrow funds at competitive rates from varied sources. For further details, please see "- *Treasury Operations and Funding*". Furthermore, our approach to managing the cost of funds has consistently resulted in attractive rates over the past three years (as indicated in the table below), enabling us to offer competitive lending rates:

S.No.	Metrics	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Average Cost of Borrowings	7.6%	6.7%	5.9%

For details in relation to reconciliation of finance costs as a percentage of average borrowings see "*Selected Statistical Information – Reconciliation of Finance Costs as a Percentage of Average Borrowings*" on page 270.

Experienced management team supported by a team of dedicated professionals and ability to attract and retain talented employees

Our Company has an operational history of seven years, however our Key Managerial Personnel and Senior Management Personnel have an average of 11 years' experience in the financial services industry in India. Further, our Managing Director and Chief Financial Officer have been associated with the Bajaj group for over 21 years and have been the founding members of our Company. For details on the biographies and depth of experience of our Key Managerial Personnel and Senior Management Personnel, see "*Our Management*" on page 232.

Each of our product verticals is managed and supported by a dedicated team of professionals. Our Key Managerial Personnel and Senior Management Personnel are capable to facilitate and implement policies and processes to ensure healthy credit quality. Our current management structure allows for scalability and flexibility. We have focused on and continue to prioritize the retention of our existing workforce. To strengthen the culture at our Company, we have socialized 14 "Culture Anchors" that we expect our employees to adhere to in their daily operations, comprising: Integrity; Execution Rigor; Hard work and Drive; Excellence; High on Ambition; Ownership; Emotional Intelligence; Humility; Rewarding Success; Continuous Transformation; Entrepreneurship; Long-Term Focus; Open and Transparent; and

Non-Conformist Intellectual Capital. The adoption of these culture anchors has resulted in a more cohesive, collaborative and productive workplace. Our operations are also supported by a team of trained personnel at our branch offices and processing hubs that have extensive knowledge of markets we aim to serve. This enables us to attract more favorable loan applications, enhance our credit assessment capabilities, manage risks more adeptly, and deliver personalized and elevated service to our customers. To ensure the continuous improvement of our workforce, we regularly organize educational sessions and seminars that cover an array of subjects, including management of credit risk, underwriting of loans, customer engagement and operational procedures.

BUSINESS STRATEGIES

Our Company intends to capitalise on India's growth opportunities by leveraging its competitive strengths and pursuing the following strategies:

Continue to leverage technology and analytics to enhance productivity, reduce expenses, improve customer experience and manage risks

We will continue to leverage our technology and analytics capabilities for the purposes of improving our productivity, increasing process automation and reducing our Operating Expenses. Our Operating Expenses as a percentage of our Net Total Income improved from 29.2% for Fiscal 2022 to 25.7% for Fiscal 2023, and which further improved to 24.0% for Fiscal 2024.

Furthermore, we use and intend to continue to use technology to refine our underwriting processes, employing data analytics to identify patterns and assess risks more accurately, leading to more informed decision-making. Simultaneously, we are leveraging tech-driven early warning systems to proactively manage potential risks, ensuring prompt detection and mitigation to maintain our loan portfolio's health.

As part of our strategic initiative to enhance customer experience and streamline operations, we have embraced various digital initiatives designed to modernize the home loan journey from start to finish. We introduced E-Agreements, enabling customers to execute loan agreements swiftly through a secured National E-Governance Services Limited (NeSL) platform driven AADHAR-based OTP authentication, which significantly reduces the need for multiple signatures on physical documents. The E-sanction letter system has been put in place to offer online sanction letters to customers, secured with OTP verification and eliminating the need for traditional paper-based communication.

Our recently implemented DIY Home Loan platform provides an online portal where customers, partners, and our salesforce can apply for home loans, upload documents, verify bank details, and check eligibility with ease. We have also launched a dedicated customer portal and mobile application, empowering our clients with the ability to access loan details, download statements, utilize self-service options, and make online payments at their convenience without the requirement to visit the branch. In addition, our website also features an E-home loan service where customers can quickly obtain an in-principle sanction letter by providing just a few details. Furthermore, we also implemented a "Call Me Back" feature, granting customers the flexibility to schedule calls with us at their preferred times, and a "Call to Apply" feature, offering direct access to our sales representatives for assistance and resolution of queries during the application process. As a result of the above, our online traffic growth increased from 3.0 million online users in Fiscal 2022, to 3.3 million users in Fiscal 2023 which further increased to 3.7 million users in Fiscal 2024.

These digital advancements are integral to our strategy, enhancing operational efficiency and ensuring customer-centric approach for our retail customers. Our continuous improvements in digital technologies help us maintain a competitive edge.

Diversifying and strengthening market presence with strategic customer focus and comprehensive risk management

Despite lower mortgage penetration in India compared to other emerging economies due to factors like low per capita income and high informal employment, CRISIL MI&A predicts that increasing urbanization, rising disposable incomes, favorable demographics and government initiatives will increase mortgage penetration in the future (*Source: CRISIL Report*). As a result, as part of our expansion activities, we continue to focus on low-risk retail portfolio across segments. As at March 31, 2024, home loans contributed 57.8% of the overall portfolio of which 91.8% pertained to low risk salaried and self-employed professional customers.

Our home loan business strategy is predicated on a micro-market approach, aimed at deepening market penetration by capitalizing on our developer finance-funded projects and nurturing existing developer finance relationships. By aligning with these projects, we aim to increase our retail home loan presence directly at developer counters and expand our reach by onboarding new APF partners outside the developer finance ecosystem. To further broaden our market reach, we have launched a specialized strategic business unit ("**SBU**") aimed at the near-prime and affordable housing customer segment offering customized financial products to individuals who carry marginally higher credit risk than traditional prime borrowers. This SBU is designed to carefully calibrate pricing strategies that reflect the nuanced risk profiles of these customers, providing competitively priced solutions without compromising our risk thresholds defined for this business. Consequently, we have recently launched Sambhav Home Loans, a new near prime and affordable home loan option for first-time buyers from lower income segment. Through this strategic expansion, we are aiming to secure a wider customer base, effectively manage credit risk, and sustain our profitability in this distinct segment of the financial market. Furthermore, to complete our mortgage offering to all customers we are also expanding our customer profile to cover self-employed non-professional customers.

To scale our loan against property portfolio we have formed a dedicated team focused on enhancing our distribution network by onboarding new intermediaries, strengthening engagement with existing ones and increasing business share with established partners. Simultaneously, we aim to deepen market penetration by cross-selling to our current salaried customers, leveraging the trust and relationships already in place through our "Direct-to-Customer" team, which is dedicated to directly engaging with customers to understand their financing needs and to offer them suitable financial products or services. This synergistic approach ensures a broader reach and a stronger presence in the loan against property market. This dual approach of strengthening intermediary partnerships and tapping into our existing customer base is integral to our strategy for achieving robust growth in our loan against property portfolio.

Our lease rental discounting strategy is designed to cultivate stronger bonds with existing customers by providing an all-encompassing product suite tailored to the entire commercial real estate cycle. We are broadening our geographic footprint, venturing into new territories to build a more extensive client network and seize opportunities in presently unexplored markets. A key element of our strategy is the diversification of our service offerings, with the introduction of commercial construction finance in Fiscal 2022 to complement our lease rental discounting offering. This expansion not only broadens our sourcing mix but also fosters a synergistic ecosystem through backward integration. We have further diversified our product suite by financing specialized projects like warehousing and industrial properties, along with traditional retail lease rental discounting, to cater to the evolving needs of the commercial real estate sector customers.

Our developer financing strategy is to widen our customer base, deepen existing relationships and geographical expansion with an approach to onboard micro-market, regional as well as national developers. We aim to onboard new customers from varied locations to broaden our customer base. At the same time, we continue to concentrate on deepening our engagement with existing customers, striving to increase our wallet share by offering tailored financing solutions that align with the growth trajectories and project demands of the customers. This dual approach ensures a balanced portfolio, fostering long-term partnerships and financial growth.

Furthermore, to reduce risk, our strategy is to avoid concentrating on any single borrower, project or sector. We aim to achieve this by maintaining granularity in our developer financing portfolio. Similarly, we also aim to maintain a granular composition within our lease rental discounting portfolio.

Continue to diversify our borrowing profile to optimize borrowings costs

Our liability management strategy is centered on the continued expansion of our borrowing base and the deliberate diversification of our liability mix. To achieve this, we aim to increase our proportion of long-term borrowings, which provides us with a more secure and predictable funding stream. This strategic shift toward longer maturities is designed to align our financial inflows with the long-term nature of our assets, thereby enhancing financial stability and predictability.

Additionally, we have and will continue to diversify our borrowing mix. For instance, through NHB refinance, our borrowing mix was further diversified with longer tenor source of funds. Our focus remains on maintaining a low cost of borrowings, even as we extend the duration of our borrowings. We also plan to strategically increase our activity in the money markets, capitalizing on our strong operational and financial track record supported by highest possible credit ratings. This expansion will enable us to tap into diverse funding sources, optimize cost of funds and reduce operating expenses.

In particular, for our floating rate assets, we intend to increase our floating rate borrowings as this would be pivotal to maintain a well-matched balance between assets and liabilities. Such a balance is essential for protecting against volatility in interest rates. By aligning the interest rate structures of our financial obligations with those of our interest-generating assets, we aim to preserve our profit margins and fortify the overall stability of our financial outcomes.

Continue to attract, train and retain talented employees

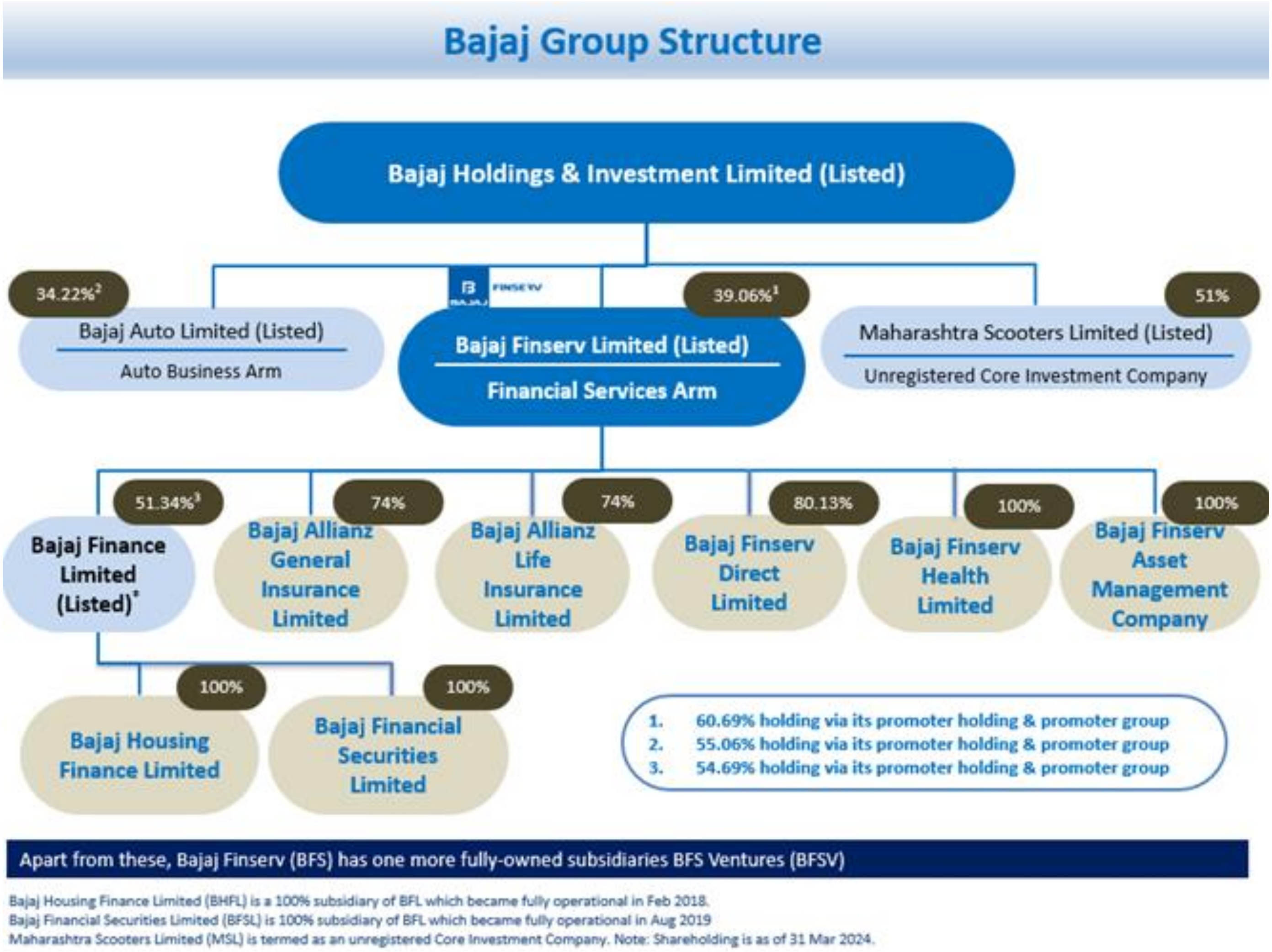
One of the drivers of our continued success will be our ability to maintain a healthy mix of experienced and young professionals. We have been successful in building a team of talented professionals with relevant experience, including experts in the aspects of credit evaluation, risk management, retail consumer and commercial products, treasury, finance, technology and marketing. Recruitment is a key management activity and we intend to attract graduates from business schools as well as employees with relevant experience from the financial services industry. We have a structured training program tailored for new hires, first-time managers and ongoing upskilling opportunities for existing staff. We have an employee engagement framework that actively involves senior management and is designed to foster a supportive workplace culture, with a clear focus on measurable progress. Furthermore, we also recognize the critical importance of diversity and inclusion and aim to enhance the representation of female employees within our workforce.

CORPORATE HISTORY AND STRUCTURE

Our Company (*formerly known as Bajaj Financial Solutions Limited*) was incorporated as a subsidiary of Bajaj Finserv Limited ("**BFS**") on June 13, 2008, a company limited by shares and domiciled as well as having its operations in India.

Our Company was acquired by Bajaj Finance Limited ("**BFL**") as a wholly-owned subsidiary, from BFS on November 1, 2014 with an intent to conduct housing finance business through a dedicated subsidiary of BFL. Our Company's name was changed to Bajaj Housing Finance Limited on November 14, 2014 and we received a certificate of registration from NHB as a non-deposit taking HFC *vide* certificate no 09.0127.15 on September 24, 2015 to carry on the business of a housing finance institution without accepting public deposits. Our Company commenced mortgage lending in Fiscal 2018, and under the "Scale Based Regulations (SBR): A Revised Regulatory Framework for NBFCs", our Company has been identified and categorized as an NBFC-UL in India by the RBI since September 30, 2022.

Our parent, BFL is listed on BSE and NSE. Set forth below is a chart showing the Bajaj group structure (excluding subsidiaries of Bajaj Auto Limited) as at March 31, 2024:



LOAN PRODUCTS

Our product suite comprises (i) home loans; (ii) loans against property; (iii) lease rental discounting; (iv) developer financing; and (v) others. The table below sets forth our AUM across product segments as at the periods indicated:

S.No.	Metrics	AUM (in ₹ million)		
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
1.	Home loans	528,196.0	427,068.6	345,448.5
2.	Loans against property	95,679.3	78,168.9	74,052.8
3.	Lease rental discounting	176,368.0	112,594.8	68,694.2
4.	Developer financing	95,993.3	56,693.2	28,987.0
5.	Others	17,467.4	17,753.5	16,034.7
Total		**913,704.0**	**692,279.0**	**533,217.2**

For further details in relation to product wise AUM, see "*Selected Statistical Information – Product wise AUM*" on page 266.

Home Loans

We offer home loans to salaried, professional and self-employed individuals and primarily cater to the mass affluent customers with an average age of 35-40 years and with an average annual salary of ₹1.3 million *(Source: CRISIL Report)*. Our services extend across 174 locations across India as at March 31, 2024, with home loans forming the core of our product suite, contributing 57.8% to our total loan portfolio, as at March 31, 2024. This segment broadens our geographical footprint while mitigating risk concentration. Our comprehensive home loan offerings include financing for new home purchases, resales and balance transfers and additional top-ups to existing customers, covering an exhaustive range of customers' home loan requirements. Further, we also provide home loans linked to external benchmarks like the policy repo rate, ensuring our customers benefit from a clear and transparent loan pricing structure. We also offer an option of dual rate loan facility to customers which is combination of fixed and floating interest rate where loan is linked to fixed rate for an initial period and floating rate for the remaining period.

<u>*Sourcing strategy*</u>

Our sourcing strategy employs a micro-market approach, utilizing both direct customer relationships and partnerships with intermediaries. Our micro-market strategy involves segmenting locations into distinct operational areas and assigning them to specialized field teams. This model enhances our engagement with existing partners and facilitates the expansion of our network by bringing in new partners. It allows us to provide customers with localized and customized solutions tailored to the specific market dynamics of each micro-market.

Our dedicated D2C and indirect sourcing teams ensure attention on each channel. The D2C team backed with analytics is responsible for sourcing home loan prospects directly from developers, branch-based engagements and self-sourcing, strategic digital partnerships and optimizing our internal digital assets for lead conversions. For indirect sourcing, our intermediary team collaborates with a diverse network of partners, including channel partners, aggregators, direct selling agents and connectors, to deepen our penetration in micro-markets and build a strong distribution network, enhanced by digital onboarding tools and partner portal for transparency and convenience in doing business with our Company.

We also leverage our APF project base of 6,039 projects, as at March 31, 2024, providing a wide array of options for customers and expediting loan processing. Our connections with developers, particularly those that we financed since commencement of our operations, facilitate the sourcing of retail home loans from these funded projects as well as non-funded projects of these developers. We also partner with other HFCs, NBFCs and small finance banks for pool purchase programs (i.e., acquisition of portfolio of pre-originated mortgage loans) as well as co-origination arrangements. Our field team's offering of doorstep services and customized digitalized solutions, caters to traditional customers and tech-savvy clients alike. For example, we have introduced a new service called 'DIY Home Loans' which allows customers to complete the entire loan application and approval process online, significantly reducing the time, effort, and need for direct communication by streamlining the submission of information, document upload, and verification processes.

As at March 31, 2024, the salient features of our home loan product are:

- an overall average ticket size of ₹4.6 million
    - average ticket size sourced through D2C of ₹4.1 million; and
    - average ticket size sourced through indirect channels of ₹4.9 million;
- an average loan to value ratio (at origination) of 70.5%;
- customers with an average annual salary of ₹1.3 million
    - customers sourced through D2C have an average annual salary of ₹1.3 million; and
    - customers sourced through indirect channels have an average annual salary of ₹1.4 million;

- option of tenor up to 40 years; and
- customer mix with more than 750 bureau score of 75.8%.

Loans Against Property

We provide LAP to customers across 74 locations in India, utilizing both dedicated in-house teams and intermediaries. The primary purpose of offering this kind of loan is to extend credit based on the assessment of the borrower's cash flow (i.e., cash flow backed lending), rather than solely on the value of the collateral. This approach ensures that the loan amount is aligned with the customer's repayment capacity, as evidenced by their income streams, thereby reducing the risk of default and ensuring a more sustainable financial arrangement for both the lender and the borrower.

We serve a diverse customer base, with a significant mix of salaried and professional clients, alongside a substantial portion of self-employed individuals. A key consideration in our underwriting process to mitigate risk is the nature and quality of the collateral, with a significant proportion of self-occupied residential properties in the portfolio. As part of our LAP product proposition, we offer “Flexi” facility, a variant of term loans, allowing customers to withdraw and make partial payments on their loans at their convenience, thereby reducing their interest costs that accrue based on actual fund utilization.

<u>Sourcing strategy</u>

LAP origination is conducted through both D2C and intermediary channels by teams dedicated to each channel. The D2C channel primarily targets low-risk salaried and self-employed professional customers, capitalizing on leads generated through our digital platforms and partnerships. To further expand our reach, we also engage with an extensive network of intermediaries, including aggregators, direct selling agents and connectors, to offer LAP. Further, we leverage our established developer relationships from our home loan business and provide LAP for commercial properties developed by these partners.

As at March 31, 2024, the salient features of our LAP product are:

- an overall average ticket size of ₹5.8 million;
- an average loan to value ratio (at origination) of 55.1%;
- option of tenor up to 17 years; and
- self-occupied residential property mix of 71.2% of our total book.

Lease Rental Discounting

We provide lease rental discounting solutions to HNIs and developers, offering loan amounts tailored to meet their commercial real estate financing requirements. Our lease rental discounting product is designed to finance commercial properties with established lease rental cash flows from reputable tenants engaged in long-term lease agreements. Additionally, these lease rental discounting transactions are backed by rentals through an escrow mechanism. We further extend our financing solutions to include construction finance for commercial properties, catering to both existing lease rental discounting clients and those with warehousing and industrial property needs. As at March 31, 2024, our lease rental discounting offerings are available across 14 locations in India.

Our lease rental discounting portfolio addresses the full spectrum of the commercial real estate lifecycle, from funding greenfield and commercial construction projects and onwards for their conversion into leasable assets *via* lease rental discounting. Our lease rental discounting business initially catered to the low-risk IT and office space segment. It has progressively diversified to encompass industrial and warehousing properties, thereby completing the coverage of our commercial property financing product suite. Our focus remains on ‘Grade A’ commercial properties, encompassing premier developers, global private equity firms, listed REITs and sovereign funds. The lessee base for our lease rental discounting product comprises major Indian corporations and multinational companies.

<u>Sourcing strategy</u>

Business acquisition is facilitated by our relationship management team, which possesses specialized expertise and is supported by comprehensive due diligence conducted by both our internal team and external legal and technical consultants. This relationship management approach ensures comprehensive responsibility for client servicing, from initial sales to post sales service.

As at March 31, 2024, the salient features of our lease rental discounting product are:

- an overall average ticket size of ₹998.6 million; and

- 237 customers.

Developer Financing

We offer financing to developers for both residential and commercial real estate development projects, adopting a D2C approach. Our strategy emphasizes cultivating a granular loan book by extending construction finance to developers with a proven record of on-time project completion, strong financial health and consistent loan repayment practices. The loans provided in this segment are secured through project cash flows, project inventory, land and undivided share of land. Our commercial construction finance offering, initiated in Fiscal 2022, acts as backward integration for our lease rental discounting product, applying similar criteria as those used for residential project financing. As at March 31, 2024, we made developer financing products available across 13 locations in India.

Developer finance loans are disbursed in stages tied to the project's construction timelines. Each finance agreement includes specific guardrails, such as construction progress, sales targets, a cap on funding relative to project costs, projected project completion in relation to construction stages and collection goals through retail home sales. These milestones, established at the loan's sanction stage, are subject to ongoing scrutiny by our centralized risk management team to ensure compliance and progress.

Sourcing strategy

Our dedicated sourcing team operates across 13 operating locations. This team monitors local market trends, monitoring new project launches and absorption rates. Every developer financing agreement is backed with an escrow mechanism to manage project cash flows, which includes well-defined sweep structures within regulatory guidelines. Although we may offer principal moratoriums during the initial construction phase, interest payments are serviced by the customers on a monthly basis.

As at March 31, 2024, the salient features of our developer financing product are:

- an overall average ticket size of ₹446.3 million;
- 616 active funded projects; and
- 419 active developer relationships.

Others

In addition to the products mentioned above, we offer non-collateralized loans to our customers. Further, the income generated under this segment is also driven by the cross-selling of third-party value-added products and insurance policies and through our recent registration as a Corporate Agent with the Insurance Regulatory and Development Authority of India, we have expanded our suite of insurance products to include life, general, and health insurance.

LOAN UNDERWRITING PROCESS

We have established underwriting frameworks and policies tailored to assess each loan product, transaction type, customer profile and segment. Our retail products, such as home loans and LAP, and our commercial products, like developer finance and lease rental discounting, each have unique underwriting structures. Retail underwriting is executed through a centralized hub model to ensure consistency and control, while commercial underwriting employs a hybrid approach, combining field due diligence with centralized team review.

Retail underwriting

Our retail underwriting function is organized across six centralized hubs as at March 31, 2024, serving both salaried and self-employed segments. This centralization facilitates process consistency, enhances control and increases operational efficiency. To cater to the distinct needs of salaried and self-employed clients, we have established specific underwriting frameworks for each group. Further, through our customer category assessment, we assign cases to appropriate hubs and underwriters, optimizing resource allocation based on customer segment and underwriter availability. We also utilize various technologies and initiatives from the government and startup sector to digitally integrate systems and enhance our underwriting processes, increasing efficiency and minimizing manual efforts for both our customers and us. Our retail underwriting team engages in direct telephonic and video discussions with customers for a complete and personal evaluation process. Additional physical business verification checks are conducted for self-employed customers to maintain thorough risk assessment practices. In addition to the primary underwriting, prior to disbursement, the central hind sighting process reviews the credit evaluation and collateral checks.

Commercial underwriting

Our commercial products financing have specialized underwriting teams for lease rental discounting and developer financing, operating within strict adherence to a board-approved credit policies. During the initial approval stage, our field teams conduct preliminary evaluations of loan applications, examining the developer's/ customer's profile, the structure of the transaction, proposed funding schedules, and project milestones. Subsequently, a comprehensive credit appraisal memo supports the underwriting of each loan which is reviewed by the centralized team. To further secure our commercial transactions, repayments are secured through escrow mechanisms to manage project cash flows and rental incomes specifically for our developer financing and lease rental discounting offerings.

For lease rental discounting we examine three critical elements of each deal: the lessor, the collateral, and the lessee. When evaluating the lessor, we closely analyze their financial robustness, business framework, historical rental income and borrowing levels. The collateral assessment entails a thorough study of the local real estate market, including new property launches, occupancy rates, historical vacancy patterns at the locations, leasing records and property grading. Finally, the lessee's assessment encompasses the business's standing, lease duration and financial track record. A thorough appraisal of these factors constitutes an integral part of the credit appraisal memo.

For developer and construction finance, our underwriting team also conducts an exhaustive review of the developer's financial health, historical project outcomes, developer's leverage ratios and credit bureau standings. The team also scrutinizes project approvals, local market conditions, competitive benchmarks and gathers feedback from our existing clientele, in addition to obligatory site inspections. The underwriting process integrates various construction-related benchmarks, including progress milestones through quarterly project visits, sales velocity and collection targets.

Collateral assessment

We have developed our collateral process from a decentralized model to a strategically centralized one, organized around eight hubs, as at March 31, 2024. This shift was designed to scale our operations, increase efficiency and enhance oversight. We are also in the process of launching a digital collateral application, which would serve to refine and digitize the collateral workflow, enabling centralized tracking and monitoring of each application. To ensure thorough collateral management, we have established dedicated teams responsible for both legal and technical verification processes.

LOAN PROCESSING AND OPERATIONAL MECHANICS

We have adopted a centralized hub-based model for our disbursement processes to achieve uniformity, better controllership and efficiency, transitioning away from the previous decentralized approach. As at March 31, 2024, our retail operations are managed through seven regional hubs that operate in shifts, ensuring balanced workloads and increased manpower for processing loan applications. We follow a stringent maker-checker policy for ensuring all critical data entries are checked before onboarding the loan during loan processing, reinforced by a dedicated team for post-disbursement transactions. From controllership perspective, our commercial loan processing operations are centralized at one location.

Our commitment to process improvement is also demonstrated through the implementation of various automation initiatives aimed at minimizing manual efforts. These include a digital disbursement process, an improved document management system workflow, round-the-clock availability of disbursement instruments, straight-through processing, real-time escrow account updates, and more, all contributing to increased employee productivity, reduced customer wait times, and reduced operational costs.

We have introduced a centralized unit for timely processing of tranche disbursements and real-time RTGS disbursements for home loan transactions at developer locations, that has helped enhance relations with developers and improve customer service. Furthermore, customer-facing digital solutions like e-sanction, e-agreement and e-mandates help minimize manual interactions. Furthermore, to ensure strict oversight of our back-end operations, we utilize advanced technology solutions, including machine learning-based alerts for procedural discrepancies and automated reconciliations for disbursement and collection bank accounts. This is supported by a central controllership unit that continually reviews loans under processing.

CUSTOMER SERVICE, GRIEVANCE REDRESSAL AND CUSTOMER RETENTION

Our customer service operates through a centralized system designed with the aim to address inquiries efficiently and within set timelines. Multiple contact methods are available for customers, including a customer portal, mobile application, email, interactive voice response, WhatsApp and a chatbot, to ensure accessibility and convenience for customers seeking support or filing complaints. A clear grievance redressal procedure with defined escalation levels is in place to ensure effective management of customer queries and complaints.

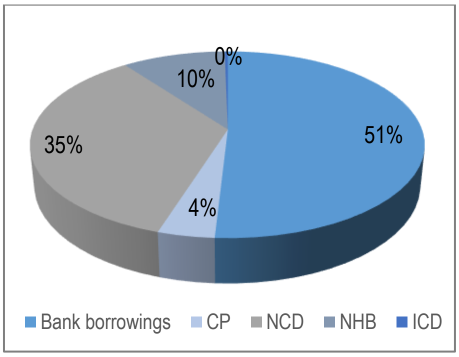
Our self-service offerings, available through the customer portal and application, allow customers to manage their loan accounts and access essential documents such as statements of accounts and interest certificates including requests for a top-up loan. Features also include payment functionalities (i.e., EMI, advance EMI and part payment) and loan calculators. The convenience of WhatsApp is available for customers to request and download loan-related documents, streamlining the process and reducing the need for manual intervention.

The use of machine learning for sentiment analysis assists in categorizing and prioritizing customer feedback based on tonality of customer complaint, directing complaints to the relevant resolution channels. We communicate proactively with customers at different stages of their loan lifecycle (i.e., pre-disbursal, disbursement, post disbursement, service to loan closure), providing clarity and maintaining transparency. With information shared in six vernacular languages across various communication platforms, we aim to ensure our customers understand their transactions with us. Additionally, through campaigns and social media, we keep our customers informed and engaged, enhancing their overall experience with the company.

TREASURY OPERATIONS AND FUNDING

Our treasury operations are structured into three distinct tiers – front office for strategizing borrowings and investment activities, middle office for validating these deals in line with regulatory guidelines and board approved policies and back office for handling the execution of documentation, payments and accounting of the treasury activities.

Further, we have strategically evolved our financing approach, shifting from a reliance on traditional bank term loans to a more diversified borrowing structure. This has been achieved through the increased utilization of money market instruments and addition of alternative financing channels such as refinancing opportunities offered by NHB. As at March 31, 2024, our banking network comprises relationship with 23 banks and our source of funds is illustrated below:



As at March 31, 2024

Furthermore, our strong domestic credit ratings have enabled us to borrow funds at competitive rates from a variety of sources. Our credit ratings are summarized below:

Particulars	CRISIL Ratings Limited	India Ratings and Research
Non-convertible debentures	AAA/stable	AAA/stable
Bank loan facilities	AAA/stable	AAA/stable/A1+
Subordinated debt/Tier II debt	AAA/stable	AAA/stable
Commercial paper	A1+	A1+

The above mentioned credit ratings and experienced treasury management have also helped us in maintaining a low average cost of borrowings at 7.6% as at March 31, 2024. Furthermore, as at March 31, 2024, 42.4% of our total borrowings were at fixed rates of interest, while 57.6% were at floating rates. Moreover, our CRAR has consistently exceeded regulatory requirements. For details, see "*Selected Statistical Information – Capital to Risk (Weighted) Assets the ratio ("**CRAR**")*" on page 263.

Our Board of Directors and shareholders have approved borrowing plans that authorize the treasury team to secure funds from specific sources. Further, our treasury operations are monitored by a dedicated ALCO, which is responsible for the formulation of our asset liability management strategy and policies, and to ensure there are no concentrations on either side of the balance sheet. The committee reviews asset liability mismatches based on the NHB's asset and liability management ("**ALM**") framework and takes corrective measures wherever warranted. We assess expected maturity pattern of our assets and liabilities and maintains adequate liquidity for our businesses. We maintain liquidity as per our board approved limits. Further, since mortgage products are generally longer tenor products, we focus on longer tenor liabilities to manage the asset liability mismatches. Furthermore, our direct assignment program is an important part of our treasury funding and ALM, enhancing our borrowing capacity and ensuring optimal capital utilization for sustained financial stability.

Furthermore, our Investment Committee, comprising management-level personnels, reviews our investment status monthly, adhering to a board approved investment policy. We ensure compliance with the regulatory Liquidity Coverage Ratio ("**LCR**") by holding sufficient daily liquidity in the form of high quality liquid assets including government securities, treasury bills, and cash and bank balances. This practice is governed by our liquidity risk management framework and asset liability management policy. We also hold a diversified portfolio of investments, including debt or liquid mutual funds, government securities, Treasury-bills, certificate of deposits, Triparty repo (TREPS) and short term fixed deposits to support liquidity needs for business expansion. In managing these investments, our objective is to invest the surplus balance in these products to mitigate the cost of borrowing, effectively managing liquidity while pursuing growth.

For details on the maturity pattern of our assets and liabilities as at March 31, 2024, see "*Selected Statistical Information – Asset Liability Management*" on page 264.

RISK AND DEBT MANAGEMENT

Risk Management

We have established a board approved risk management policy to monitor portfolio performance and have a dedicated risk team for each of our products. Our strong risk management framework is supported by a monthly review mechanism by the senior management team and quarterly review by a risk management committee. Furthermore, in compliance with RBI's "Scale Based Regulations (SBR): A Revised Regulatory Framework for NBFCs", our Board of Directors has approved an Internal Capital Adequacy Assessment Policy. This policy encapsulates an extensive framework for a rigorous internal evaluation of our capital needs in alignment with the risks, scale, and intricacies of our operations, further supporting the development of a resilient internal risk management system.

Retail Risk Management: Our retail risk framework includes a fully digitized monthly portfolio monitoring process that reviews key indicators like bounce rates, portfolio health, product wise GNPA, customer segment mix and bureau checks to promptly identify and address emanating areas of concern. This proactive approach encompasses an early warning system that allows for swift corrective action even before loan disbursement. We perform continuous analysis of customer behavior which enables us to refine credit policies with additional risk controls and respond effectively to changes in the retail loan segment performance.

Commercial Risk Management: Our centralized and specialized risk team is responsible for the oversight of commercial products, including lease rental discounting and developer financing. Our approach involves rigorous scrutiny of project level cash flows, rental agreements, and construction milestones to ensure alignment with sanctioned terms. For construction finance, we monitor project level construction, sales, collection milestone, sweep milestone, project performance as against sanctioned terms. The monitoring process extends to analyzing vacancy trends and rental transactions for lease rental discounting, supplemented with an annual review process to evaluate the financial health of all commercial clients.

Collateral and Fraud Risk Management: A dedicated collateral risk management team conducts thorough verification and multivariate analysis to ensure the accuracy and reliability of collateral valuations. Additionally, our risk containment unit proactively identifies and prevents fraud early in the loan process, utilizing both centralized and decentralized teams. This is achieved by relying on system-generated reports that highlight exceptions and early warning triggers.

Our major risks are (i) liquidity and funding risk; (ii) interest rate risk; (iii) credit risk; (iv) technology risks; (v) operational risk; and (vi) reputations risk.

- **Liquidity and funding risk**: We aim to maintain sufficient cash reserves to support growth and manage short-term cash shortages by managing funds and diversifying borrowings. Our strategy encompasses the diversification of our borrowing sources and expansion of our investor base, thus diminishing reliance on select banks and specific bond investors. Through prudent ALM and diversification of borrowings we aim to manage tenor mismatches in the borrowings.

- **Interest rate risk**: In accordance with the limits approved by our Board of Directors, we manage the duration gap between assets and liabilities to mitigate potential adverse effects on our financial results due to interest rate fluctuations. To further shield against interest rate volatility, we have implemented a hedging approach, utilizing instruments such as interest rate swaps. Concurrently, on the investment side, we prioritize maintaining a lower duration by actively managing investments in highly liquid instruments, including mutual funds, treasury bills and government securities.

- **Credit risk**: Our comprehensive credit policies and active portfolio monitoring mechanisms are tailored for each product we offer, equipping us to effectively manage credit risks that emerge from weak borrower creditworthiness or fluctuating real estate markets. We strategically prioritize a higher proportion of salaried individuals within our home loan clientele to reduce customer profile risk. For our commercial offerings, low leverage levels thorough underwriting practices coupled with ongoing portfolio assessments, help us address risks related to construction delays or occupancy shortfalls. Regarding our investment portfolio, the exclusive allocation to government securities and treasury bills eliminates credit risk, while our investments in mutual funds are confined to liquid and overnight categories, subject to stringent weekly reviews.

- **Technology risk**: Our strong cyber security and information security frameworks are overseen by dedicated committees, including the IT Strategy Committee, IT Steering Committee and Information Security Committee.

All our vital assets are securely hosted on cloud infrastructure under the strict supervision of the cyber security operations centre. We conduct regular vulnerability assessments and penetration testing, in addition to bi-annual information security audits, to ensure compliance with security protocols. Furthermore, we maintain a comprehensive business continuity plan to effectively navigate any potential adverse business disruptions.

- **Operational risk**: We oversee operational risks through transactional level audits of internal process complemented by internal compliance audit team which conducts these audits basis trigger-based risks identified through the system automated reports. These audits help to identify incipient risks and take swift action to minimize impact. We have also adopted operational risk management framework to assess and identify risk through periodic tracking of key risk indicators.

- **Reputational risk**: We have centralized service team which regularly monitors customer complaints and escalation on regulatory as well as social media channels and provide resolution to avoid reputation risk and deliver better customer experience.

Debt Management

Our debt management process for retail products is structured towards high collection efficiency, which contributes to maintaining a strong portfolio quality. Our in-house debt management teams, distributed across the operating locations, are further categorized by delinquency stages and customer segment, optimizing our collection performance. We complement traditional collection methods with digital tools and offer a variety of online payment options, such as electronic clearing system, direct debit, UPI, NEFT, RTGS, wallets, and our customer portal, to make transactions more convenient for customers.

We utilize a proactive and non-intrusive approach to debt management, sending digital reminders for upcoming EMI payments, which, along with our online payment facilities, encourages timely repayment. Our internal structure and focus on disciplined execution contributes to our debt management efficiency. A centralized team analyzes customer behavior, including bounce trends and payment history, to assign customers to either centralized touch-free collection unit or field collection units, increasing the likelihood of recovery.

For accounts that are significantly overdue, including delinquent accounts and non-performing assets, we have a dedicated team focused on early resolution and normalization of accounts. Our field collection efforts are supported by a legal framework that facilitates recovery through legal notices and enforcement actions under SARFAESI, as needed. Our debt management portal provides our team with a centralized system for managing due dates, customer outreach, and tracking of recovery efforts.

For commercial products, we maintain a relationship-driven model wherein the relationship manager is responsible for both sourcing and debt management, leveraging their familiarity and rapport with clients to provide superior service and effectively manage debt.

MARKETING

Our marketing strategy focuses on a combination of organic and inorganic channels. Our corporate website serves as the primary digital touchpoint, attracting organic leads and the website's user-friendly design incorporates the core pages in six vernacular languages to cater to diverse visitors. Further, prospective mortgage loan applicants or existing customers can conveniently contact us through our website by calling, requesting a callback, or using WhatsApp for an expedited loan application process, including instant in-principle sanction letters.

To increase user engagement and conversions on our website, we have integrated remarketing technology to recapture the interest of visitors who drop off without completing their digital journey. This effort is part of a broader omnichannel strategy that seeks to engage potential customers through their preferred digital channels and communication methods. Additionally, we run targeted Google Search Ads campaigns to attract and convert users based on specific keywords and user profiles.

In terms of branding and communication, our messaging centers around the theme 'Your Home, Your Way', influencing the design of our visible marketing materials, including those in developer projects and offices. On the social media front, our presence spans four social media platforms, accumulating approximately 6.4 million impressions with approximately 176,000 followers in Fiscal 2024. Social media also plays a role in our online reputation management, directing users with concerns to the appropriate teams for resolution.

DISTRIBUTION NETWORK

See "*Business – Strengths – Strategic presence with omni-channel sourcing strategy, driven by customer-focused digitization initiatives and technology*" for further information on our distribution network.

INFORMATION TECHNOLOGY AND ANALYTICS

Our investment in technology infrastructure, with our data center entirely on the cloud takes advantage of cloud computing to enhance agility and reduce operational overhead. The infrastructure we have deployed in the cloud provides on-demand scalability, ability to track optimal performance, security, along with high availability.

Our lending platform is a comprehensive suite of business applications covering the entire process from lead management to loan origination, servicing and management, as well as sales mobile apps, customer and partner portals and our corporate website. The underwriting engines, supported by data analytics and machine learning, strengthen credit decisioning and fraud risk management. Process automation workflows are integrated throughout to promote efficient operations and seamless integration with customer-facing applications. Our teams routinely monitor critical servers to track availability which aids in preventing unplanned downtime.

Our governance structure includes IT Strategy, IT Steering and Information Security committees, which oversee our IT and cybersecurity environment. The Chief Information Officer is responsible for overseeing the infrastructure, applications and user experience, while the Chief Information Security Officer ensures the implementation and monitoring of cybersecurity policies and strategies. We are committed to data security, utilizing solutions such as Data Loss Prevention (DLP), VPN access, and Mobile Device Management (MDM). Our cybersecurity framework is designed to thwart risks like data breaches, phishing, and malware, with technologies such as Web Application Firewalls (WAF) to protect public-facing applications.

We regularly assess application security and conduct semi-annual Vulnerability Assessment and Penetration Testing audits with a CERT-IN empaneled vendor. Data science and machine learning play a pivotal role in credit decisioning, risk management, and fraud detection, streamlining processes and reducing manual labor. We have a business continuity and disaster recovery management strategy and framework designed for regulatory-compliance and tested bi-annually to ensure they meet current business requirements.

COMPETITION

The housing finance industry in India is highly competitive. We face competition from other HFCs, NBFCs as well as scheduled commercial banks. We generally compete on the basis of the range of product offerings, interest rates, fees and customer service, as well as for skilled employees, with our competitors. Our primary competitors include LIC Housing Finance Limited, PNB Housing Finance Limited, Can Fin Homes Limited, Tata Capital Housing Finance Limited, Aadhar Housing Finance Limited, Aavas Financiers Limited, Aptus Value Housing Finance India Limited and Home First Finance Company India (our "**Peers**") *(Source: CRISIL Report)*. In particular, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising related operational costs. For more details, see "*Risk Factors – The housing finance industry is highly competitive and if we are not able to compete effectively, it could adversely affect our business, results of operations, cash flows and financial condition.*" on page 58.

OUTSOURCING

We outsource some of our operations to various third parties including document storage, payment processing, system application management, IT server management, loan origination and management system, customer onboarding, legal and technical valuation services. For more details, see "*Risk Factors – We outsource certain operational activities to third-party service providers. Any lapse by such third party service providers may have adverse consequences on our business and reputation.*" on page 45.

INTELLECTUAL PROPERTY

Our Company has entered into a trademarks license agreement with BFL dated April 13, 2018, which was subsequently amended through an agreement dated July 15, 2023 (the "**License Agreement**") with BFL pursuant to which our Company has been granted a licence to use certain trademarks, registered and pending registration in the name of Bajaj Finance Limited and a sub-licence to use certain trademarks, registered and pending registration in the name of Bajaj Finance Limited, for our business activities. The License Agreement is valid until March 19, 2028.

As on the date of this Draft Red Herring Prospectus, we have received 22 registered trademarks, out of which 4 trademarks have expired and not yet been applied for renewal. Further, we have made 4 trademark applications which are currently pending for registration before the registry. As at May 31, 2024, we had applied for 153 registered domain names.

INSURANCE

We maintain various insurance policies to cover the different risks involved in operations and management of our business and assets. For our operations and collection, we maintain employee fidelity insurance, stamp paper transit insurance and cash insurance. We also maintain car insurance, building insurance and asset insurance covering electronic equipment to cover risks related to movable and immovable properties. For details in relation to our insurance coverage, see "*Risk Factors – 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 business, results of operations, cash flows and financial condition*." on page 54.

CORPORATE SOCIAL RESPONSIBILITY AND SOCIAL IMPACT

Our Corporate Social Responsibility ("**CSR**") activities are guided by ongoing adherence to ethical principles, respect for human rights and attention to environmental conservation, aimed at positively influencing the lives of our stakeholders. The governance of our CSR efforts involves a structured approach, involving the Board of Directors, a CSR Committee, a CSR Steering Committee comprised of senior management and a dedicated CSR team. The CSR Committee develops an Annual Action Plan that lists the intended CSR projects for the year, which is subject to review and endorsement by both the CSR Committee and the Board of Directors.

During Fiscal 2024, our CSR expenditure was ₹ 206.7 million, covering 22 projects across various sectors including healthcare, education, gender equality and skill enhancement for employment. Our social investments focus on initiatives that improve skills among the youth, foster child health and education, and support inclusivity for individuals with disabilities. Collaboration with NGOs, healthcare institutions, educational bodies, training entities, and government bodies is key to the implementation of these projects.

HUMAN RESOURCES AND EMPLOYEES

We remain focused on developing and retaining our in-house talent along with following a diversity and inclusion approach. For instance, we offer development programs across managerial roles which enable employees to enhance their leadership traits and productivity metrics. To upskill employees, we also have skill-based digital learning platform which caters specific functional needs based on individual development. We also continue to improve gender diversity with an aim to increase the number of female employees in the organization.

To retain our in-house workforce for supporting organizational growth, we have dedicated employee retention and engagement frameworks. Our employee engagement framework involves active participation from senior management and is designed to monitor and ensure time-bound progress. This framework underscores our commitment to creating a work environment where employees are motivated, involved, and aligned with the company's strategic objectives. For example, we have a well-established internal job posting process for internal movements to motivate employees to pursue different roles and grow within our Company as well as the Bajaj group. We also maintain a reward and recognition program designed to acknowledge the valuable contributions of our employees. This program includes both monetary as well as non-monetary rewards.

The following table sets forth our employee details as at March 31, 2024:

Business division	Employees
Marketing	1,226
Credit	275
Operations	194
Collections	356
Risk	75
Support	246
Total	**2,372**

PROPERTIES

Our Company's registered office is at Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune 411 035, Maharashtra, India and its principal place of business and corporate office is situated at 5th Floor, B2, Cerebrum IT Park, Kalyani Nagar, Pune, Maharashtra (India). Our Company also owns an immovable property in Chennai. As at March 31, 2024, we operate through 215 branches, of which 73 branches are on leased premises and 142 branches are shared with BFL.

KEY REGULATIONS AND POLICIES

Given below is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this chapter has been obtained from various statutes, regulations and/or local legislations and the bye laws of relevant authorities that are available in the public domain. This description may not be exhaustive and is only intended to provide general information to investors, and is neither designed, nor intended as a substitute for professional legal advice. For details see, "Government and other Approvals" beginning on page 395. 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.

Registration as a housing finance company and generally applicable regulations

Our Company, being a housing finance company ("**HFC**") registered with the National Housing Bank ("**NHB**"), is a housing finance institution without accepting public deposits and is primarily engaged in the business of providing loans/ credit facilities to various customers. For details in relation to the registration obtained from the NHB, see *"Government and Other Approvals"* beginning on page 395.

The National Housing Bank Act, 1987

The National Housing Bank Act, 1987, as amended (the "**NHB Act**") was enacted to establish the NHB to operate as a principal agency to promote HFCs both at the local and regional levels and to provide financial and other support to such institutions for matters connected therewith or incidental thereto. In terms of the NHB Act, the primary objectives of the NHB, among others, include: (i) promotion, establishment, supporting 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) drawing, accepting, discounting or rediscounting, buying or selling and dealing in bills of exchange, promissory notes, bonds, debentures, hundies, coupons and other instruments by whatever named called; and (iv) formulating one or more schemes for the mobilisation of resources and extension of credit for housing. In line with these objectives and in terms of the NHB Act, the NHB had issued the Master Circular – The Housing Finance Companies – NHB Directions, 2010 ("NHB Directions"), which amongst others, set out matters relating to acceptance of deposits by HFCs, prudential norms for income recognition, accounting standards, provision for bad and doubtful assets, capital adequacy, and concentration of credit or investments to be observed by the HFCs and matters ancillary and incidental thereto.

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) prospect 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 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 provisions of RBI Act, 1934 ("**RBI Act**") dated August 25, 2016 (last amended on April 1, 2022), 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.

The RBI issued a regulatory framework for HFCs by way of its circular dated October 22, 2020 ("**HFC Framework**"). Pursuant to the HFC Framework, the RBI, amongst others, (i) exempted HFCs from the applicability of section 45-IB and 45-IC of the RBI Act; (ii) increase the minimum net owned fund requirement for HFCs from ₹ 100 million to ₹ 200 million; (iii) extended applicability of regulations applicable on NBFCs to HFCs pertaining to monitoring of frauds and information technology framework; and (iv) extended implementation of Indian Accounting Standards for maintenance of prudential floor in relation to impairment allowances and regulatory capital. Further, pursuant to the HFC Framework, the Master Direction – Non-Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("**NBFC-ND-SI Master Directions**") were made applicable on various aspects including loan against security of shares and gold jewellery, securitisation transactions, managing risk and code of conduct in outsourcing, liquidity risk management framework and liquidity coverage ratio. These directions were later replaced by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("RBI Master Directions").

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, *inter alia*, the NHB Directions and the HFC Framework. The RBI Master Directions apply to every HFC registered under the NHB Act.

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

Definition of housing finance and housing finance company

The RBI Master Directions – HFC defines 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:

1. 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

2. 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. Every HFC has to maintain a minimum capital ratio on an ongoing basis consisting of Tier 1 and Tier 2 capital which shall not be less than 15 per cent of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. The Tier 1 capital, at any point of time, shall not be less than 10 per cent. The total of Tier 2 capital, at any point of time, shall not exceed 100 per cent of Tier 1 capital. 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. As per RBI Master Directions – HFC, HFCs are not allowed to issue NCDs for maturities of less than 12 months from the date of issue.

Term Loans

In terms of the Master Circular – Housing Finance dated April 3, 2023 (which consolidated all the previous circulars) 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; or (ii) 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 451.

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.

Prior written permission of RBI is also required for any change in the management of the HFC which would result in change in more than 30% of the directors, excluding independent directors, except in cases of directors being re-elected or retiring on rotation. However, HFCs must continue to inform the NHB regarding any change in their directors/ management. Further, a public notice of at least 30 days must 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 must 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. The public notice, in the form of a publication in at least one leading national and local vernacular newspaper, must indicate the intention to sell or transfer ownership/ control, the particulars of transferee and the reasons for such sale or transfer of ownership/ control.

On-boarding of customers and marketing

1. *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.

2. *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, which requires AML risk categorization of customers based on certain parameters such as customer's 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 Voter ID, Aadhar or any other officially verified document (OVD) or a deemed OVD) 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.

<u>Corporate Governance</u>

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.

<u>Appointment of a Chief Risk Officer</u>

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.

<u>Credit Approval and Disbursement</u>

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, 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, method of application, equated monthly instalments **("EMI")** structure and prepayment charges.

Asset classification, Provisioning and Income Recognition

In terms of the RBI Master Directions – HFC, HFCs that are required to implement Indian Accounting Standard (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 shall comply with the regulatory guidance. 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, with effect 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.

Investment Policy and Accounting for Investments

The Board of Directors of every HFC shall frame investment policy for the company and shall implement the same. The criteria to classify the investments into current and long-term investments shall be spelt out by the Board of the company ex-ante in the investment policy. Investments in securities shall be classified into current and long term, at the time of making each investment.

Declaration of dividends by HFCs

The RBI issued guidelines on Declarations of Dividends by NBFCs vide a circular dated June 24, 2021. Later, the relevant aspects on the subject were inserted in the RBI Master Directions – HFC which provides for guidelines for declaration of dividends. The board of directors of NBFCs shall, while considering the proposals for dividend, take into account the following aspects: (a) supervisory findings of the Reserve Bank (NHB for HFCs) on divergence in classification and provisioning for non-performing assets, (b) qualifications in the Auditors' Report to the financial statements; and (c) long term growth plans of the NBFC.

The directions also lay down the minimum prudential requirements such as (a) meeting the minimum capital requirements in each of the last 3 Financial Years, (b) new NPA ratio shall be less than six per cent in each of the last three years, (c) adherence to the section 29C of the National Housing Bank Act, 1987 and (d) the Reserve Bank or National Housing Bank shall not have placed any explicit restrictions on declaration of divided.

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 Consumer Education and Protection Cell (CEPC) functioning from Regional Offices (ROs) of Reserve Bank of India.

Master Directions - (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 PSLMaster 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 currently applicable 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 and Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023, 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. The above SBR assigns all HFCs in the Middle Layer by default unless the HFC has been assigned some other layer's regulatory applications.

Further, as per paragraph 114A of the RBI Master Directions – HFC, regulatory instructions specified in chapters XIII, XIV, XV, and XVI of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 shall be mutatis mutandis applicable to HFCs in Upper Layer.

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 place a board approved compliance policy and set-up 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/NHB. Further, compliance to inspection reports shall be communicated to NHB 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', with effect from December 21, 2023, as amended from time to time ("**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/ RBI 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) the HFC should qualify under Principal Business Criteria prescribed in Paragraph 4.1.17 of the NBFC-HFC (Reserve Bank) Directions, 2021 dated 17-02-2021 as updated from time to time. (applicable w.e.f. 01-07-2022 for fresh sanctions).; (iv) Minimum Net Owned Fund (NOF) as prescribed by NBFC-HFC (Reserve Bank) Directions, 2021 dated 17-02-2021 as updated from time to time. HFCs holding a Certificate of Registration (CoR) and having net owned fund of less than ₹20 crores are eligible, if such company achieves net owned fund of ₹15 crores by March 31, 2022 and ₹20 crores by March 31, 2023 (requirement to continue to carry on the business of housing finance as per latest RBI direction); (v) the HFC should comply with the provisions of the NHB Act, as amended from time to time and Housing Finance Companies (NHB) Directions, 2010 and RBI circulars/ guidelines issued 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, 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 and RBI's Scale Based Regulations ("**SBR**"), as amended from time to time, prescribed guidelines for asset liability management and liquidity risk management in HFCs ("**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, internal audit function shall broadly assess and contribute to the overall improvement of the organization's governance, risk management, and control processes using a systematic and disciplined approach. The function is an integral part of sound corporate governance and is considered as the third line of defence. 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.

Except for the entities where the internal audit function is a specialised function and managed by career internal auditors, the Head of Internal Audit (HIA) shall be appointed for a reasonably long period, preferably for a minimum of three years. The HIA shall directly report to either the ACB/Board/ MD & CEO or to the Whole Time Director (WTD). Should the Board of Directors decide to allow the MD & CEO or a WTD to be the 'Reporting authority', then the 'Reviewing authority' shall be the ACB/Board and the 'Accepting authority' shall be the Board in matters of performance appraisal of the HIA.

The internal audit function shall not be outsourced. However, where required, experts including former employees can be hired on a contractual basis subject to the ACB/Board being assured that such expertise does not exist within the audit function of the Company.

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 ("RBI Auditors Guidelines")

The RBI Auditors Guidelines are applicable to commercial banks (excluding regional rural banks), urban co-operative banks and NBFCs (including HFCs) in respect of appointment/ reappointment of SCAs/ SAs. While NBFCs, including HFCs, do not have to take prior approval of RBI for appointment of SCAs/ SAs, all NBFCs, including HFCs, need to inform RBI about the appointment of SCAs/ SAs for each year by way of a certificate within one month of such appointment. Further, the RBI Auditors Guidelines provide for, inter alia, the minimum and maximum number of SCAs/ SAs per entity, eligibility criteria for auditors, tenure and rotation, independence of auditors and professional standards of SCAs/ SAs.

The National Housing Bank Master Circular – Returns to be submitted by Housing Finance Companies (HFCs) dated December 31, 2021, and updated as on July 21, 2023

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 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 to the borrower 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 to 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")

The Annexure XVI in RBI Master Directions – HFC lays down the requirements for taking up insurance agency business for HFCs. In light of the same, all HFCs desirous of soliciting insurance policies need to register as a corporate agent with IRDAI under the aforementioned 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 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; (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 and ; (e) whether the applicant is suffering from any of the disqualifications specified under sub-section (5) of section 42D of the Insurance Act, 1938.

Further, pursuant to the IRDAI (Insurance Intermediaries) (Amendment) Regulations, 2022, a corporate agent, depending on the type of registration (i.e., general, life, health or composite) a corporate agent is permitted to act as a corporate agent for a maximum of nine general, nine life or nine 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 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.

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.

Legislative Framework for Recovery of Debts and Bankruptcy

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended (the "SARFAESI Act")

The SARFAESI Act, read with the Security Interest (Enforcement) Rules, 2002, as amended, governs securitization of assets in India. For HFCs, recovery under the SARFAESI Act is allowed for all loans of greater than ₹ 0.10 million ticket size.

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 an 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 SARFAESI Act and rules framed thereunder are a significant legislative framework that allows banks and financial institutions to recover non-performing assets (NPAs) without the intervention of courts. The Act empowers the institutions to enforce security interests, take possession of collateral, and sell or lease it to recover dues. The scope of this Act has been extended to Housing Finance Companies (HFCs), enabling them to benefit from the same streamlined recovery processes. Under the Act, HFCs can enforce their security interests in case of default by the borrower, which involves taking possession of the mortgaged property and selling it to recover the outstanding loan amount. This extension of the SARFAESI Act to HFCs is crucial as it provided them with an effective mechanism to manage NPAs, ensuring better financial health and stability within the housing finance sector. It also enhanced the confidence of investors and stakeholders in HFCs, knowing they have robust legal tools for asset recovery.

Insolvency and Bankruptcy Code, 2016, as amended (the "IBC")

The IBC is a comprehensive law enacted to consolidate and amend laws relating to the reorganization and insolvency resolution of corporate persons, partnership firms, and individuals in a time-bound manner. The primary objective of the IBC is to maximize the value of assets of such persons, promote entrepreneurship, enhance the availability of credit, and balance the interests of all stakeholders, including alteration in the priority of payment of government dues. 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.

Foreign Investments in HFCs

Foreign investment in our Company is governed primarily by the FEMA, the rules made thereunder, read with the Consolidated FDI Policy and the SEBI (Foreign Portfolio Investors) Regulations, 2019. 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 and the RBI), if any.

Legislative Framework for Taxation

Some of the tax legislations that may be applicable to the operations of our Company include:

1. Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-wise legislations made thereunder;

2. Integrated Goods and Services Tax Act, 2017;

3. Income Tax Act, 1961, as amended by the Finance Act in respective years; and

4. State-wise legislations in relation to professional tax.

Other Applicable Laws

In addition to the above, we are required to comply with the Companies Act, regulations notified by the SEBI, IRDAI, or RBI, labour laws, 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 'Bajaj Financial Solutions Limited' at Pune, Maharashtra as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 13, 2008, issued by the Registrar of Companies, Maharashtra, at Pune ("**RoC**") and was granted its certificate for commencement of business on September 24, 2008 by the RoC. Thereafter, the name of our Company was changed to 'Bajaj Housing Finance Limited' with a fresh certificate of incorporation dated November 14, 2014 issued by the Assistant Registrar of Companies, Pune.

Our Company has been granted a certificate of registration dated September 24, 2015 bearing registration number 09.0127.15 by the NHB to commence/carry on the business of a housing finance institution without accepting public deposits. Further, our Company was specified as a 'financial institution' by the Ministry of Finance, by notification dated December 18, 2015 for the purpose of the SARFAESI Act. Pursuant to Reserve Bank of India's press release dated September 30, 2022, we have been categorised as NBFC-Upper Layer as per the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

Changes in our Registered Office

There have been no changes to the registered office of our Company since its incorporation.

Main Objects of our Company

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

- *"Subject to the provisions of the National Housing Bank Act, 1987 and other enactments, as applicable, to provide long term finance to any person or persons or co-operative society or association of persons, company or corporation, jointly or individually, with or without interest and with or without any security including residential or commercial property, inter alia, for the purpose of enabling such borrower to construct, erect, purchase or enlarge any house or building or any part or portion thereof in India for residential, commercial or any other purposes and provide such other loans, inter-alia, against existing properties or financial assistance upon such terms and conditions as the company may think fit;*
- *To carry on, undertake or engage in the business of distribution of all kinds of financial products and its variants, personal and consumer finance products, mutual fund products and other investment products and all types of card products, including but not limited to credit cards, debit cards, charge cards, toll cards, stored value cards and smart cards; and*
- *Subject to the provisions of the Insurance Regulatory & Development Authority Act, 1999, National Housing Bank Act, 1987 and other enactments, as applicable, to undertake, carry on and transact the business of soliciting or procuring insurance business as an insurance agent and/or to act as an insurance intermediary or broker in respect of general insurance, life insurance, or reinsurance business or to act as a composite broker and/or to carry on the business of distribution of insurance products and/or to act as an insurance consultant and/or to act as surveyors and loss assessors."*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

Amendments to our Memorandum of Association

The following table set forth details of the amendments to our Memorandum of Association, in the last 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution	Details of the amendments
November 10, 2014	Clause I of the Memorandum of Association was amended to reflect the change in the name of the Company from 'Bajaj Financial Solutions Limited' to 'Bajaj Housing Finance Limited'
November 10, 2014	Clause III(A) of the Memorandum of Association was amended to alter the objects of the Company and reflect the following: • "*Subject to the provisions of the National Housing Bank Act, 1987 and other enactments, as applicable, to provide long term finance to any person or persons or co-operative society or association of persons, company or corporation, jointly or individually, with or without interest and with or without any security including residential or commercial property, inter alia, for the purpose of enabling such borrower to construct, erect, purchase or enlarge any house or building or any part or portion thereof in India for*

Date of Shareholders' resolution	Details of the amendments
	residential, commercial or any other purposes and provide such other loans, inter-alia, against existing properties or financial assistance upon such terms and conditions as the company may think fit. • *To carry on, undertake or engage in the business of distribution of all kinds of financial products and its variants, personal and consumer finance products, mutual fund products, fixed deposits and other investment products and all types of card products, including but not limited to credit cards, debit cards, charge cards, toll cards, stored value cards and smart cards.* • *Subject to the provisions of the Insurance Regulatory & Development Authority Act, 1999 and other enactments, as applicable, to undertake, carry on and transact the business of soliciting or procuring insurance business as an insurance agent and/or to act as an insurance intermediary or broker in respect of general insurance, life insurance, or reinsurance business or to act as a composite broker and/or to carry on the business of distribution of insurance products and/or to act as an insurance consultant and/or to act as surveyors and loss assessors.* • *To act as a securitisation and reconstruction company under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and to carry on the business of securitization and/or asset reconstruction and for that purpose to acquire and/or deal with and/or dispose off any and all assets, partly or wholly including but not limited to financial assets, property, secured assets, of any nature and otherwise to assist or participate in the securitization, realisation or restructuring or reconstruction of financial assets and/or secured assets and for such purpose to mobilise funds in any manner including but not limited to issue of debentures or bonds or other securities and to offer or otherwise issue or deal in security receipts of any nature and tenor to qualified institutional buyers or any other persons, natural or juristic (as may be permitted under SARFAESI Act, 2002 from time to time) and for the purpose aforesaid or in connection with assets reconstruction or securitisation, to act as trustees, managers, administrators, receivers, valuers or otherwise and to engage, appoint, discharge any intermediaries or agents or professional or consultants*."
December 26, 2015	Clause III (A) of the Memorandum of Association was amended to alter the objects of the Company and reflect the following: • "*Subject to the provisions of the National Housing Bank Act, 1987 and other enactments, as applicable, to provide long term finance to any person or persons or co-operative society or association of persons, company or corporation, jointly or individually, with or without interest and with or without any security including residential or commercial property, interalia, for the purpose of enabling such borrower to construct, erect, purchase or enlarge any house or building or any part or portion thereof in India for residential, commercial or any other purposes and provide such other loans, inter-alia, against existing properties or financial assistance upon such terms and conditions as the company may think fit.* • *To carry on, undertake or engage in the business of distribution of all kinds of financial products and its variants, personal and consumer finance products, mutual fund products and other investment products and all types of card products, including but not limited to credit cards, debit cards, charge cards, toll cards, stored value cards and smart cards.* • *Subject to the provisions of the Insurance Regulatory & Development Authority Act, 1999, National Housing Bank Act, 1987 and other enactments, as applicable, to undertake, carry on and transact the business of soliciting or procuring insurance business as an insurance agent and/or to act as an insurance intermediary or broker in respect of general insurance, life insurance, or reinsurance business or to act as a composite broker and/or to carry on the business of distribution of insurance products and/or to act as an insurance consultant and/or to act as surveyors and loss assessors."*
May 20, 2016	Clause V of the Memorandum of Association was amended to reflect an increase in the authorised share capital of our Company from ₹500,000,000 divided into 50,000,000 Equity Shares of face value of ₹10 each to ₹5,500,000,000 divided into 550,000,000 Equity Shares of face value of ₹10 each
January 22, 2018	Clause V of the Memorandum of Association was amended to reflect an increase in the authorised share capital of our Company from ₹5,500,000,000 divided into 550,000,000 Equity Shares of face value of ₹10 each to ₹30,000,000,000 divided into 3,000,000,000 Equity Shares of face value of ₹10 each
January 29, 2019	Clause V of the Memorandum of Association was amended to reflect an increase in the authorised share capital of our Company from ₹30,000,000,000 divided into 3,000,000,000 Equity Shares of face value of ₹10 each to ₹60,000,000,000 divided into 6,000,000,000 Equity Shares of face value of ₹10 each.
October 22, 2019	Clause III (B) of the Memorandum of Association was amended to alter the objects of the Company, by substitution of the following: "*18. To establish branches, offices and appoint agents, dealers, selling agents, representatives in India for or in connection with the business of the Company*".
January 18, 2022	Clause V of the Memorandum of Association was amended to reflect an increase in the authorised share capital of our Company from ₹60,000,000,000 divided into 6,000,000,000 Equity Shares of face value of ₹10 each to ₹80,000,000,000 divided into 8,000,000,000 Equity Shares of face value of ₹10 each.

Date of Shareholders' resolution	Details of the amendments
May 19, 2023	Clause III (B) of the Memorandum of Association was amended to alter the objects of the Company, by insertion of the following: "*7A - To carry on the business of advertising contractors and agents to acquire and dispose of advertising time, space or opportunities in any media, to undertake advertising and promotional campaigns of every nature, to acquire and provide promotional requisites*"
April 24, 2024	Clause V of the Memorandum of Association was amended to reflect an increase in the authorised share capital of our Company from ₹80,000,000,000 divided into 8,000,000,000 Equity Shares of face value of ₹10 each to ₹90,000,000,000 divided into 9,000,000,000 Equity Shares of face value of ₹10 each.

Major Events and Milestones in the History of our Company

The table below sets forth some of the key events and milestones received by our Company:

Fiscal Year	Particulars
2018	Our Company commenced lending operations with a focus on salaried home loans
2019	• The total value of assets under our management reached ₹150,000 million • We adopted a hub-based model for underwriting salaried credit • We raised ₹20,000 million through two rounds of fund-raising by way of rights issue
2020	• The total value of assets under our management reached ₹300,000 million • We raised ₹15,000 million by way of rights issue
2021	• We began offering repo rate-linked home loans • We began intermediary sourcing for retail products • We developed B2C mobility app for digital sourcing
2022	• The total value of assets under our management reached ₹500,000 million • We introduced the 'e-home loan sanction' functionality
2023	• We were classified as an "NBFC-Upper Layer" by the RBI • We introduced 'e-agreement' functionality
2024	• The total value of assets under our management reached ₹910,000 million • We launched facility for online onboarding of customers • We expanded our operations to focus on self-employed home loans

Key awards, accreditations and recognitions

As on the date of this Draft Red Herring Prospectus, there have been no key awards, accreditations and recognitions received by our Company.

Time and cost overruns

As on the date of this Draft Red Herring Prospectus, there have been no time and cost over-runs in respect of our business operations.

Capacity/facility creation, location of branches

For details regarding locations of our branches, see "*Our Business*" beginning on page 196.

Defaults or re-scheduling/restructuring of borrowings

As on the date of this Draft Red Herring Prospectus, there have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings.

Material agreements entered into by our Company

Except as disclosed below, there are no other agreements / arrangements entered into by our Company or clauses / covenants applicable to our Company which are material and which are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer

License agreement dated April 13, 2018 entered into between our Company and Bajaj Finance Limited ("BFL"), as amended pursuant to the addendum cum renewal to the license agreement dated July 15, 2023 ("BFL Trademark License Agreement")

In terms of the BFL Trademark License Agreement, our Company has been granted a non-exclusive right to use certain trademarks, including *inter alia* 'Bajaj Finance', 'Flexi saver' and 'EMI Network', which are owned or applied for by BFL

("**BFL Trademarks**"), as well as trademarks such as *inter alia* 'Bajaj Finserv', 'Finserv' and 'Bajaj', which are owned or applied for by Bajaj Finserv Limited ("**BFS Trademarks**", and collectively with BFL Trademarks, "**Trademarks**"). BFL has the right to sublicense the BFS Trademarks to our Company as per the agreement entered into between BFL and BFS on June 15, 2021. Accordingly, our Company has been granted a non-exclusive right to use the Trademarks solely in connection with the labelling, advertisement, promotion and offering for sale in respect of our business activities, including the right to use the Trademarks in our product names. Under the terms of the BFL Trademark License Agreement, our Company is required to pay BFL an annual license fee of ₹1,011.0 per trademark.

The BFL Trademark License Agreement is valid until March 19, 2028 and may be terminated by BFL at its option under certain circumstances, including but not limited to (i) our Company failing to make any payment due, (ii) our Company being unable to pay our liabilities when due or making any assignment for the benefit of creditors or filing any petition under any federal or state bankruptcy statute, or being adjudicated as bankrupt or insolvent, or a receiver being appointed for our business or property, or any trustee being appointed in bankruptcy and (iii) our Company's products bearing the Trademarks or marketed using the Trademarks failing to meet the standards and quality contemplated by BFL. Further, the BFL Trademark License Agreement shall stand automatically terminated if our Company merges or amalgamates with any other company; or if the equity shareholding of BFL in our Company is reduced to less than 26%.

Significant financial and strategic partners

Our Company does not have any significant financial or strategic partners as on the date of this Draft Red Herring Prospectus.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" beginning on page 196.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Our Company has not made any material acquisitions or divestments of business / undertakings and has not undertaken any merger, amalgamation or revaluation of assets in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Our Holding Company

Bajaj Finance Limited is our holding company. For details, see "*Our Promoters and Promoter Group*" on page 247.

Our Subsidiaries, Joint Ventures and Associates

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries, joint ventures or associates.

Details of guarantees given to third parties by our Promoter Selling Shareholder who is participating in the Offer for Sale

There are no outstanding guarantees given to third parties by our Promoter Selling Shareholder

Shareholders' agreements and other agreements

Key terms of subsisting shareholders' agreements and other subsisting material agreements

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsisting shareholders' agreements among our Shareholders vis-a-vis our Company.

Except as disclosed in *"– Material agreements entered into by our Company"* above, our Company has not entered into any subsisting material agreements, other than in the ordinary course of business of our Company.

Agreements with Key Managerial Personnel, Senior Management Personnel, Directors, Promoters, or any other employees of our Company

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel, Senior Management Personnel, Directors, Promoters, or any other employees 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.

OUR MANAGEMENT

In terms of our Articles of Association, our Company can have a maximum of fifteen directors, provided that our Company may appoint more than fifteen directors after passing a special resolution of the Shareholders of our Company, in accordance with the Companies Act. As on the date of this Draft Red Herring Prospectus, our Board has six Directors, comprising one Executive Director, and five Non-Executive Directors including three Independent Directors, which includes one woman Independent Director.

Details regarding our Board as on the date of this Draft 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.	**Sanjivnayan Bajaj** **Designation:** Chairman and Non-Executive Director **Term:** Not liable to retire by rotation **Period of Directorship:** Director since January 22, 2018 **Address:** Plot No. 59, Lane No. 3, Koregaon Park, Pune City, Pune 411 001, Maharashtra, India **Occupation:** Industrialist **Date of Birth:** November 2, 1969 **DIN:** 00014615 **Age:** 54 years	*Indian Companies* 1. Bachhraj and Company Private Limited; 2. Bachhraj Factories Private Limited; 3. Bajaj Allianz General Insurance Company Limited; 4. Bajaj Allianz Life Insurance Company Limited; 5. Bajaj Auto Holdings Limited; 6. Bajaj Auto Limited; 7. Bajaj Finance Limited 8. Bajaj Finserv Asset Management Limited; 9. Bajaj Finserv Limited; 10. Bajaj Holdings & Investment Limited; 11. Bajaj Sevashram Private Limited; 12. Bhoopati Shikshan Pratisthan (Section 8 company); 13. Indian School of Business (Section 8 company); 14. Jamnalal Sons Private Limited; 15. Kamalnayan Investment and Trading Private Limited; 16. Mahakalp Arogya Pratisthan (Section 8 company); 17. Maharashtra Scooters Limited; 18. Rahul Securities Private Limited; 19. Rupa Equities Private Limited; 20. Sanraj Nayan Investments Private Limited. *Foreign Companies*: Nil
2.	**Rajeev Jain** **Designation:** Vice Chairman and Non-Executive Director **Term:** With effect from May 1, 2022, liable to retire by rotation **Period of Directorship:** Director since November 10, 2014 **Address:** Flat No. D-2, Ivy Glen, Marigold Premises, Kalyani Nagar, Pune 411 014, Maharashtra, India **Occupation:** Service **Date of Birth:** September 6, 1970 **DIN:** 01550158 **Age:** 53 years	*Indian Companies* (i) Bajaj Finance Limited *Foreign Companies*: Nil
3.	**Anami Narayan Roy** **Designation:** Independent Director **Term:** For a period of five years from May 19, 2020 up to May 18, 2025 **Period of Directorship:** Director since May 19, 2020 **Address:** 62, Sagar Tarang, Khan Abdul Gaffar Khan Road, Worli Seaface, Worli, Mumbai 400 030, Maharashtra, India **Occupation:** Social Entrepreneur, Former Civil Servant	*Indian Companies* 1. Bajaj Allianz General Insurance Company Limited; 2. Bajaj Allianz Life Insurance Company Limited; 3. Bajaj Auto Limited; 4. Bajaj Finance Limited. 5. Bajaj Finserv Limited; 6. Finolex Industries Limited; 7. Glaxosmithkline Pharmaceuticals Limited; 8. Good Host Spaces Private Limited; 9. Siemens Limited; 10. Vandana Foundation (Section 8 company); *Foreign Companies*: Nil

S. No.	Name, DIN, designation, term, period of directorship, address, occupation, date of birth and age	Other Directorships
	Date of Birth: May 15, 1950 **DIN:** 01361110 **Age:** 74 years	
4.	**Dr. Arindam Kumar Bhattacharya** **Designation:** Independent Director **Term:** For a period of five years from May 1, 2022 up to April 30, 2027 **Period of Directorship:** Director since May 1, 2022 **Address:** L1/4, Third Floor, Hauz Khas Enclave, New Delhi 110 016, South West Delhi, Delhi, India **Occupation:** Service **Date of Birth:** March 4, 1962 **DIN:** 01570746 **Age:** 62 years	*Indian Companies* 1. Bajaj Finance Limited; 2. Bajaj Holdings & Investment Limited. 3. Fleur Hotels Private Limited; 4. Info Edge (India) Limited; *Foreign Companies:* Nil
5.	**Jasmine Arish Chaney** **Designation:** Independent Director **Term:** For a period of five consecutive years from April 1, 2023 **Period of Directorship:** Director since April 1, 2023 **Address:** Flat No. 08, Waters Apartment, Tara Baug Lane, 65 Ghorpadi, Sopan Baug, Ghorpuri Bazar, Pune City, Pune 411 001, Maharashtra, India **Occupation:** Consultant **Date of Birth:** July 19, 1970 **DIN:** 07082359 **Age:** 53 years	*Indian Companies* 1. Bajaj Finserv Direct Limited 2. Bajaj Finserv Health Limited 3. Bajaj Financial Securities Limited 4. LF Retail Private Limited *Foreign Companies*: Nil
6.	**Atul Jain** **Designation:** Managing Director **Term:** For a period of five years from May 1, 2022 up to April 30, 2027, liable to retire by rotation **Period of Directorship:** Director since May 1, 2022 **Address:** Flat No. 1402, 14th Floor, 212 River Walk, C Lane, Kalyani Nagar, Yerwada, Plot No. 59, Pune City, Pune 411 006, Maharashtra, India **Occupation:** Service **Date of Birth:** November 16, 1971 **DIN:** 09561712 **Age:** 52 years	*Indian Companies* 1. RMBS Development Company Limited *Foreign Companies*: Nil

Brief Biographies of Directors

Sanjivnayan Bajaj is the Chairman and a Non-Executive Director of our Company. He has obtained a bachelor's degree in engineering (mechanical) with distinction from University of Pune in 1991, a master's degree in science (manufacturing systems engineering) with distinction from University of Warwick, U.K. in 1994 and a master's degree in business administration from Harvard Business School, U.S.A. in 1997. He is the chairman and managing director of Bajaj Finserv Limited. He is also the non-executive chairman of Bajaj Finance Limited and the chairman of Maharashtra Scooters Limited, Bajaj Finserv Asset Management Company Limited, Bajaj Allianz Life Insurance Company Limited and Bajaj Allianz General Insurance Company Limited. He is also the managing director of Bajaj Holdings and Investment Limited and serves as a non-executive director at Bajaj Auto Limited. He has served as the President of the Confederation of Indian Industry for Financial Year 2023 and was a member of the steering committee appointed by the Government of India for Business 20 as part of India's G20 presidency in Financial Year 2023. He has more than 27 years of experience in various areas including business strategy, marketing, finance, investment, audit, legal and IT related functions in auto and financial services sectors.

Rajeev Jain is the Vice Chairman and Non-Executive Director of our Company. He holds a post-graduate diploma in management from the T.A. Pai Management Institute, Manipal and has more than 30 years of experience in the consumer lending industry. He has been associated with our Company for over a decade. In his previous assignments, he has worked with Countrywide Consumer Financial Services Limited, ANZ Grindlays Bank, American Express and AIG. He has several years of experience in managing diverse consumer lending businesses viz., auto loans, durables loans, personal loans and credit cards. He is also the managing director of Bajaj Finance Limited.

Anami Narayan Roy is an Independent Director of our Company. He is a former director general of police and police commissioner of Mumbai, having served in the Indian Police Service in Maharashtra and Government of India for over 38 years. He is also on the board of directors of Bajaj Finserv Limited, Bajaj Finance Limited, GlaxoSmithKline Pharmaceuticals Limited, Finolex Industries Limited, Bajaj Allianz General Insurance Company Limited, Bajaj Allianz Life Insurance Company Limited, Siemens Limited and Bajaj Auto Limited.

Dr. Arindam Kumar Bhattacharya is an Independent Director of our Company. He has obtained a bachelor's degree in technology (honours) in agricultural engineering from Indian Institute of Technology, Kharagpur, a post graduate diploma in management (agriculture) from the Indian Institute of Management, Ahmedabad and a doctorate in engineering from University of Warwick. He is a senior advisor to the Boston Consulting Group. He is also on the board of directors of Bajaj Finance Limited, Bajaj Holdings and Investments Limited, Fleur Hotels Private Limited and Info Edge (India) Limited. He has also authored two books, namely, "Globality – Competing with Everyone from Everywhere for Everything", and "Beyond Great – Nine Strategies for Thriving in an Era of Social Tension, Economic Nationalism and Technological Revolution".

Jasmine Arish Chaney is an Independent Director of our Company. She holds a bachelor's degree in commerce (three-year integrated course) from Sydenham College of Commerce and Economics, University of Bombay and a master's degree in management studies from Somaiya Institute of Management Studies and Research, University of Bombay. She was previously associated with the Credit Rating Information Services of India Limited Ratings Limited for over 30 years in management roles.

Atul Jain is the Managing Director of our Company. He holds a bachelor's degree in commerce (honours in accounting) and a master's degree in business administration, each from Punjabi University, Patiala. He has over 24 years of experience in the financial, investment banking and retail finance sectors and was previously associated with PNB Capital Services Limited as a project executive and with Prudential Capital Markets Limited. He joined the Bajaj group on June 10, 2002, and joined our Company with effect from April 1, 2018. He was also previously associated with Bajaj Finance Limited as an enterprise risk officer, where he was involved in risk and debt management.

Relationship between our Directors and our Key Managerial Personnel or Senior Management Personnel

None of our Directors, Key Managerial Personnel and Senior Management Personnel are related to each other.

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors have been appointed pursuant to any arrangement or understanding with the major shareholders, customers, suppliers or others.

None of our Directors have been identified as a 'Wilful Defaulter' or 'Fraudulent Borrower', as defined under the SEBI ICDR Regulations.

Terms of Appointment of our Executive Director

Atul Jain

Pursuant to the resolution passed by the Board on April 25, 2022, Atul Jain has been appointed as the Managing Director for a period of five years from May 1, 2022 to April 30, 2027, and his appointment was subsequently approved by the Shareholders at the Annual General Meeting held on June 15, 2022. Pursuant to the resolutions passed by the Board on April 25, 2022 and the Shareholders on June 15, 2022, 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.

Atul Jain has also entered into an employment agreement with our Company dated May 1, 2022, which governs *inter alia* the terms of his appointment as Managing Director of our Company and sets out his roles and responsibilities towards our Company.

The details of the remuneration and perquisites payable to him during the term of his office with effect from May 1, 2022, include the following:

Sr. No.	Particulars	Description
1.	Period of appointment	Five years with effect from May 1, 2022
2.	Remuneration	Remuneration will be in the pay scale of ₹ 4.8 million per month to ₹ 11.7 million per month, including allowances such as house rent allowance, leave travel allowance, special allowance, etc. with such annual increments/ increases as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time, during the tenure. Subject to any statutory ceiling(s), annual performance award will additionally be applicable based on our Company's performance from time to time and as may be determined by the Nomination and Remuneration Committee and the Board.
3.	Perquisites	• Gratuity as per the rules of our Company; • Leave with full pay as per the rules of our Company, with encashment of unavailed leaves being permitted; • Reimbursement of medical expenses incurred for himself and his family as per the rules of our Company; • Cover of Life Insurance Policy, Mediclaim Insurance Policy, Personal Accident Insurance Policy and contribution to Employee Deposit Linked Insurance Scheme as per the rules of our Company; • Reimbursement of entertainment expenses incurred in the course of business of our Company; • Membership of one club, fees for which will be paid by our Company; • Telephone and other communication facilities as per the rules of our Company; and • Subject to any statutory ceiling(s), the Managing Director may be given any other allowances, performance pay, perquisites, benefits and facilities as the Nomination and Remuneration Committee/ the Board from time to time may decide.
4.	Valuation of perquisites	Perquisites/allowances shall be valued as per Income-Tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.
5.	Stock options	Stock options to be granted as per the scheme(s) framed and approved by the compensation committee(s) of the listed holding companies of our Company.
6.	Minimum remuneration	In the event of loss or inadequacy of profits of our Company in any financial year during the tenure of his appointment, the Managing Director shall be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013, from time to time.
7.	Computation of ceiling	The following shall not be included in the computation of perquisites for the purposes of the ceiling: • contribution to provident fund; • gratuity payable, to the extent of half a month's salary for each completed year of service; and • encashment of leave at the end of tenure.
8.	Miscellaneous	The terms and conditions of the said appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the

Sr. No.	Particulars	Description
		maximum amount payable to the Managing Director in accordance with the provisions of the Companies Act, 2013 or any amendment made therein.

Pursuant to a resolution of the Nomination and Remuneration Committee dated April 24, 2024, approved by the Board pursuant to its resolution dated April 24, 2024, the remuneration payable to Atul Jain was approved for Financial Year 2025 to a fixed pay and gratuity amount of ₹80.5 million. Additionally, a performance bonus of up to ₹64.5 million was also approved by the Nomination and Remuneration Committee for his performance in Financial Year 2024.

The aggregate remuneration and perquisites payable to Atul Jain 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 2024 are set forth below.

Remuneration to our Executive Director

Details of the remuneration paid to our Managing Director in Financial Year 2024 are set forth below:

S. No.	Name of Executive Director	Remuneration (₹ in million)
1.	Atul Jain	140.8

Remuneration to our Non-Executive Directors and Independent Directors

Pursuant to our Board resolution dated April 26, 2021, our Non-Executive Directors and Independent Directors are entitled to receive remuneration by way of sitting fees of ₹ 0.1 million per sitting for every meeting of the Board and for every meeting of the committees of our Board. Additionally, pursuant to our Shareholders' resolution dated June 15, 2022, our Non-Executive Directors and our Independent Directors are entitled to receive a commission not exceeding one percent of the net profits of our Company.

Details of the remuneration paid to our Non-Executive Directors and Independent Directors of our Company in the Financial Year 2024 are set forth below:

S. No.	Name of Director	Number of Board/ committees of Board meetings attended	Sitting Fees (₹ in million)	Commission Paid (₹ in million)*	Total Remuneration (₹ in million)
1.	Anami Narayan Roy	18	1.8	3.6	5.4
2.	Dr. Arindam Kumar Bhattacharya	20	2.0	4.0	6.0
3.	Jasmine Arish Chaney	17	1.7	3.4	5.1
4.	Rajeev Jain	21	2.1	4.2	6.3
5.	Sanjivnayan Bajaj	13	1.3	2.6	3.9

* *Commission will be paid upon the conclusion of Annual General Meeting for FY 2024.*

Except as disclosed above in *"- Terms of Appointment of our Executive Director"* in relation to Atul Jain, there is no contingent or deferred compensation payable to any of our Directors which accrued in Financial Year 2024.

Bonus or Profit-sharing plan of the Directors

The Shareholders of our Company at the Annual General Meeting held on June 15, 2022, have approved the payment of commission up to a sum not exceeding one percent of the net profits of our Company, if the Company authorizes such payment by a special resolution, calculated in accordance with the provisions of Sections 197 and 198 of the Companies Act, to be paid to the Non-Executive Directors of our Company in such amounts, subject to such ceiling(s) and in such manner and in such respects, as may be decided by the Board from time to time during the five years commencing from July 1, 2022. Other than our Non-Executive Directors, who receive commission on the basis of the aforementioned terms, and our Managing Director, Atul Jain, who is entitled to receive variable pay, none of our Directors are party to any bonus or profit-sharing plan of our Company.

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 Draft Red Herring Prospectus, none of our Directors hold any Equity Shares, except as disclosed below:

Sr. No.	Name	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)
1.	Sanjivnayan Bajaj	100*	Negligible
2.	Rajeev Jain	100*	Negligible
3.	Atul Jain	100*	Negligible
Total		**300**	**Negligible**

* *Jointly held with Bajaj Finance Limited, with Bajaj Finance Limited being the first holder of each of such jointly held Equity Shares.*

Interests of Directors

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 235 and 236, respectively.

None of our Directors have any interests in the promotion or formation of our Company.

None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company. 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.

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.

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 or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer. 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 ESOP Scheme. For details, see "*Capital Structure*" beginning on page 83.

As on date of this Draft Red Herring Prospectus, no loans have been availed by our Directors from our Company.

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
Jasmine Arish Chaney	April 1, 2023	Appointed as an Independent Director
Lila Firoz Poonawalla	January 21, 2023	Completion of her term as an Independent Director
Rajeev Jain	May 1, 2022	Change in designation from managing director to Vice-Chairman and Non-Executive Director
Atul Jain	May 1, 2022	Appointment as Managing Director
Dr. Arindam Kumar Bhattacharya	May 1, 2022	Appointment as Independent Director
Dr. Omkar Goswami	July 9, 2021	Resignation as Independent Director due to personal commitments and additional professional work

Borrowing Powers of our Board

In accordance with our Articles of Association and the applicable provisions of the Companies Act, 2013, and pursuant to a resolution passed by our shareholders at their Extraordinary General Meeting held on June 6, 2024, our Board is authorised to borrow from time to time such sum or sums of money as it may deem requisite for the purpose of the business of our Company, with or without security, whether in India or abroad, notwithstanding that the moneys so borrowed together with moneys already borrowed by our Company (including the temporary loans obtained/to be obtained from our Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up share capital of our Company, its free reserves and securities premium, provided that the total amount up to which monies may be borrowed by the Board shall not exceed the sum of ₹ 1,500,000 million.

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 Draft Red Herring Prospectus, our Board comprises six Directors, including three Independent Directors (including one women director), one Executive Director and two Non-Executive 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.	Anami Narayan Roy	Chairperson
2.	Dr. Arindam Kumar Bhattacharya	Member
3.	Rajeev Jain	Member
4.	Jasmine Arish Chaney	Member

The Audit Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on March 16, 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 19 October 2022 *inter alia,* include:

1. oversight of the listed entity’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. matters required to be included in the director’s responsibility statement to be included in the board’s report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    b. changes, if any, in accounting policies and practices and reasons for the same;
    c. major accounting entries involving estimates based on the exercise of judgment by management;
    d. significant adjustments made in the financial statements arising out of audit findings;
    e. compliance with listing and other legal requirements relating to financial statements;
    f. disclosure of any related party transactions;
    g. modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, 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 utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties
9. valuation of undertakings or assets of the listed entity, wherever it is necessary;
10. evaluation of internal financial controls and risk management systems;

11. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. 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;
13. scrutinising of inter-corporate loans and investments;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
21. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
22. management discussion and analysis of financial condition and results of operations;
23. management letters / letters of internal control weaknesses issued by the statutory auditors;
24. internal audit reports relating to internal control weaknesses; and
25. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
26. statement of deviations:
    a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
    b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7);
27. review of functioning of the vigil mechanism and related matters;
28. review compliance with the provisions of regulation 9 of SEBI Insider Trading Regulation at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;
29. such other matters as may be prescribed under any of the applicable Act, Regulations, Guidelines or as may be assigned by Board from time to time.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Dr. Arindam Kumar Bhattacharya	Chairperson
2.	Anami Narayan Roy	Member
3.	Rajeev Jain	Member

The Nomination and Remuneration Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on January 21, 2023. 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 June 6, 2024, *inter alia*, include:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and to specify the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance;
2. 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:
    a. use the services of an external agencies, if required;
    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c. consider the time commitments of the candidates
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employee;
4. While formulating the policy, to ensure that:
   a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
   b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
5. To take into account financial position of the company, trend in the industry, appointee's qualifications, experience, past performance, past remuneration, etc., and bring about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders while approving the remuneration payable to managing director, whole time director or manager;
6. To lay down/ formulate the evaluation criteria for performance evaluation of independent directors and the Board;
7. To devise a policy on Board diversity;
8. To review and approve the remuneration and change in remuneration payable to managing director(s);
9. To recommend to Board, all remuneration, in whatever form, payable to senior management;('Senior Management' shall have the same meaning as defined under Regulation 16(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time);
10. To ensure 'Fit & Proper' status of the proposed/ existing directors;
11. 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;
12. To act as the compensation committee in terms of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and
13. Such other matters as may be prescribed under any of the applicable Act, Regulations, Guidelines or as may be assigned by Board from time to time.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Anami Narayan Roy	Chairperson
2.	Sanjivnayan Bajaj	Member
3.	Rajeev Jain	Member

The Stakeholders' Relationship Committee was constituted pursuant to resolution passed by our Board in its meeting held on January 17, 2022. 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 January 17, 2022, *inter alia*, include:

1. 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;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. 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;
4. 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;
5. To ensure timely servicing of principal and interest to debenture holders;
6. To ensure that the Company has not violated or breached any covenants of any trust deed;
7. To ensure that the security has been created promptly and adequately;
8. To review disclosures in the information memorandum is adequate and in line with the regulatory requirements;
9. To redress grievances of debenture trustee, if any; and
10. To perform such other matters necessary to protect the interests of the debenture holders or matters as delegated by the Board, or as specified by the SEBI Listing Regulations.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Anami Narayan Roy	Chairperson
2.	Sanjivnayan Bajaj	Member
3.	Rajeev Jain	Member

The Corporate Social Responsibility Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on January 21, 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 May 16, 2018, *inter alia*, include:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy ("**CSR Policy**") which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013;
2. To recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy; and
3. To monitor the CSR Policy of our Company from time to time.

Risk Management Committee

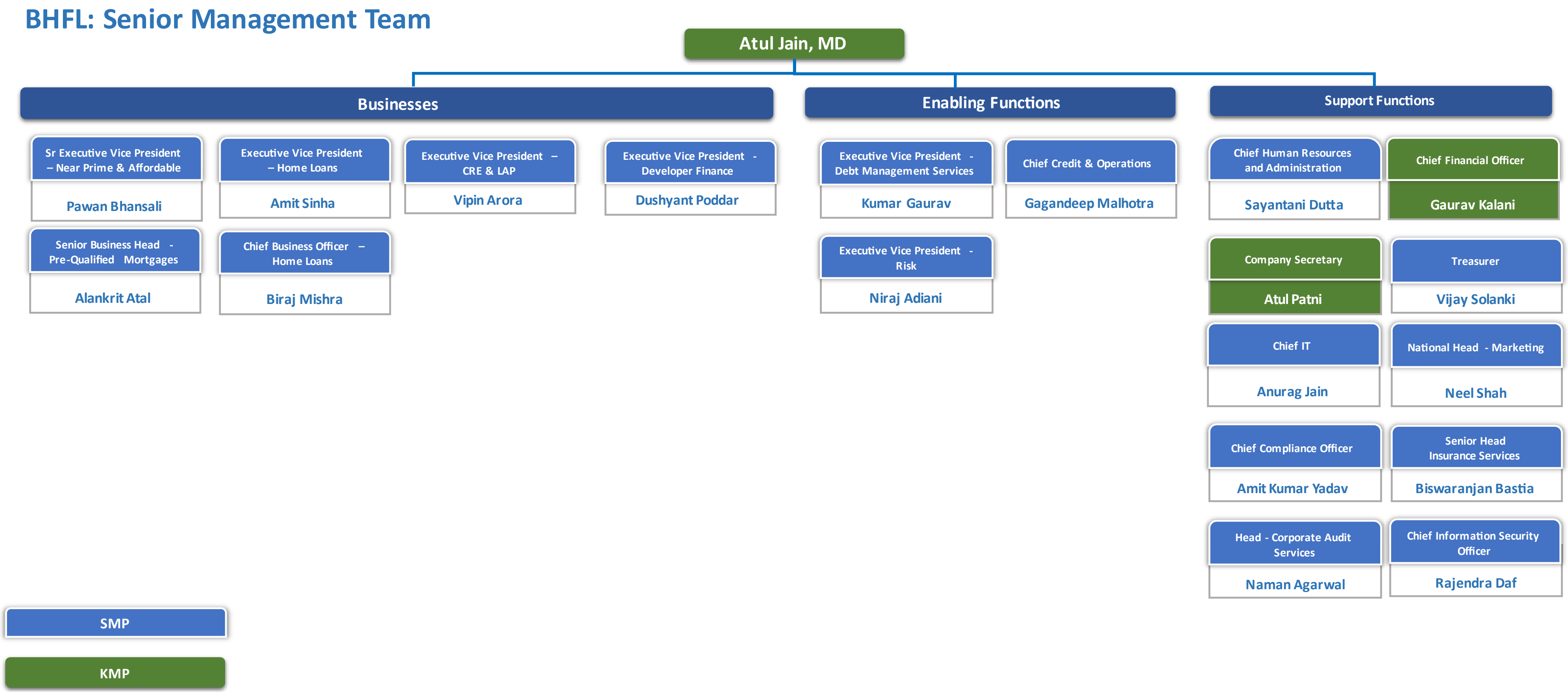
The members of the Risk Management Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Dr. Arindam Kumar Bhattacharya	Chairperson
2.	Sanjivnayan Bajaj	Member
3.	Anami Narayan Roy	Member
4.	Rajeev Jain	Member
5.	Atul Jain	Member
6.	Jasmine Arish Chaney	Member
7.	Niraj Adiani	Member
8.	Gaurav Kalani	Member
9.	Vijay Solanki	Member
10.	Gagandeep Malhotra	Member

The Risk Management Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on April 24, 2024. 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 April 24, 2024, *inter alia*, include:

1. To formulate a detailed risk management policy which shall include:
   a. 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;
   b. Measures for risk mitigation including systems and processes for internal control of identified risks; and
   c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. To review the inspection reports of the Reserve Bank of India or any other regulator (SEBI, RoC, and IRDAI), approve corrective action plans to be taken and monitor compliance thereof; and
7. 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



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 Draft Red Herring Prospectus are as follows:

Atul Jain is the Managing Director of our Company. For details, see "– *Brief Biographies of Directors*". For details of compensation paid to him during Financial Year 2024, see "– *Payment or benefit to Directors of our Company – Remuneration to our Executive Director*".

Gaurav Kalani is the Chief Financial Officer of our Company. He is responsible for finance and accounts functions in our Company. He holds a bachelor's degree in commerce (non-collegiate) from Maharshi Dayanand Saraswati University, Ajmer. He is a chartered accountant registered with the Institute of Chartered Accountants of India. He joined the Bajaj group in April 3, 2003 and joined our Company with effect from April 1, 2018. During the Financial Year 2024, he received a remuneration of ₹ 25.2 million.

Atul Patni is the Company Secretary and Compliance Officer of our Company. He is responsible for secretarial functions in our Company. He has passed the part III examination for bachelor's degree (honours) in commerce and the LLB II Year (New Scheme) examination for bachelor's degree in law, each from the University of Rajasthan, and a post graduate diploma in management with specialisation in finance from Institute of Rural Management, Jaipur. He is a fellow member of the Institute of Company Secretaries of India. He also holds a post graduate diploma in securities law from Government Law College, Mumbai, and is a Chartered Associate of India Institute of Bankers certified by Indian Institute of Banking and Finance. He has over 13 years of experience in the financial sector, including over 10 years of experience in the banking sector. He was previously associated with AU Small Finance Bank Limited as a deputy company secretary, and with IDBI Bank Limited as a manager. He joined our Company with effect from March 14, 2022. During the Financial Year 2024, he received a remuneration of ₹ 4.7 million.

Senior Management Personnel of our Company

In addition to Gaurav Kalani, the Chief Financial Officer of our Company and Atul Patni, the Company Secretary and Compliance Officer of our Company, whose details are provided in "- *Key Managerial Personnel of our Company*" on page 243, the details of our Senior Management Personnel in terms of the SEBI ICDR Regulations, as of the date of this Draft Red Herring Prospectus are as follows:

Pawan Bhansali is the Senior Executive Vice President – Near Prime & Affordable of our Company. He has passed the part II (three year honours) examination for the degree of bachelor of commerce (honours) from University of Calcutta, Kolkata. He is a chartered accountant registered with the Institute of Chartered Accountants of India. He is an associate of the Institute of Company Secretaries of India. He was previously associated with ICICI Home Finance Company Limited as chief distribution officer, and ICICI Bank Limited. He joined our Company with effect from February 19, 2024 and is responsible for near prime and affordable functions in the Company. During the Financial Year 2024, he received a remuneration of ₹2.7 million.

Amit Sinha is the Executive Vice President – Home Loans of our Company. He holds a bachelor's degree in commerce from University of Delhi, Delhi and a post graduate certification in strategic management and marketing management from Institute of Management Technology, Ghaziabad. He joined the Bajaj group in July 27, 2009 and joined our Company with effect from February 1, 2023. He is responsible for home loans and B2C functions in the Company. During the Financial Year 2024, he received a remuneration of ₹27.7 million.

Vipin Arora is the Executive Vice President – CRE & LAP of our Company. He has passed the part III (simultaneous) examination for the bachelor's degree in commerce (pass) course from Shaheed Bhagat Singh College (Day), Delhi University, Delhi. He is a chartered accountant registered with the Institute of Chartered Accountants of India. He was previously associated with Dhanlaxmi Bank Limited and Reliance Home Finance Private Limited as regional credit manager (E6 – senior manager) home finance. He joined our Company with effect from April 1, 2018 and is responsible for CRE & LAP functions in the Company. During the Financial Year 2024, he received a remuneration of ₹31.4 million.

Dushyant Poddar is the Executive Vice President – Developer Finance of our Company. He has passed the part II (three year honours) examination in bachelor's degree in commerce from University of Calcutta, Kolkata and a post graduate diploma in management from Indian Institute of Management, Indore. He is a chartered accountant registered with the Institute of Chartered Accountants of India. He was previously associated with Citibank, N.A. He joined our Company with effect from April 1, 2018 and is responsible for developer finance functions in our Company. During the Financial Year 2024, he received a remuneration of ₹24.2 million.

Alankrit Atal is the Senior Business Head – Pre-Qualified Mortgages of our Company. He has passed the part III examination for the bachelor's degree in business administration from the University of Rajasthan. He was previously associated with Barclays Investments & Loans (India) Limited. He joined our Company with effect from August 1, 2019 and is responsible for pre-qualified mortgages functions in our Company. During the Financial Year 2024, he received a remuneration of ₹16.6 million.

Biraj Kumar Mishra is the Chief Business Officer- Home Loans of our Company. He holds a bachelor's degree in commerce (honours) from Ravenshaw College (Autonomous), Utkal University, Cuttack and a post graduate diploma in management from Institute of Business Administration and Training, Bhubaneshwar. He was previously associated with HDFC Bank Limited. He joined our Company with effect from June 1, 2022 and is responsible for home loan – B2B functions in our Company. During the Financial Year 2024, he received a remuneration of ₹16.8 million.

Kumar Gaurav is the Executive Vice President – Debt Management Services of our Company. He holds a bachelor's degree in commerce (honours) from University of Delhi, Delhi and a post graduate diploma in business management from Institute for Integrated Learning in Management, Delhi. He was previously associated with Indiabulls Financial Services Limited as regional sales manager. He joined our Company with effect from April 1, 2018 and is responsible for debt management services in our Company. During the Financial Year 2024, he received a remuneration of ₹25.2 million.

Niraj Adiani is the Executive Vice President - Risk of the Company. He holds a bachelor's degree in commerce from Gujarat University, Ahmedabad. He is a chartered accountant registered with the Institute of Chartered Accountants of India. He was previously associated with HDFC Bank Limited and ICICI Bank Limited. He joined our Company with effect from April 1, 2018 and is responsible for risk functions in our Company. During the Financial Year 2024, he received a remuneration of ₹23.0 million.

Gagandeep Malhotra is the Chief – Credit & Operations of our Company. He holds a bachelor's degree in technology from National Institute of Technology, Kurukshetra and master's degree in business administration from Indian Institute of Technology, Kanpur. He was previously associated with Citibank N.A. He joined our Company with effect from June 1, 2022 and is responsible for credit and operations functions in our Company. During the Financial Year 2024, he received a remuneration of ₹23.7 million.

Sayantani Dutta is the Chief – Human Resources and Administration of our Company. She has passed the three year degree course examination for the bachelor's degree in science (honours) from Ranchi University, Ranchi and holds a post graduate diploma in management from Xavier Institute of Management, Bhubaneswar. She was previously associated with Kotak Mahindra Bank Limited. She joined our Company with effect from March 11, 2024 and is responsible for human resources functions in our Company. During the Financial Year 2024, she received a remuneration of ₹0.7 million.

Vijay Vikram Singh Solanki is the Treasurer of our Company. He holds a bachelor's degree in engineering from Shivaji University, Kolhapur and a master's degree in business administration from Institute for Technology and Management, Mumbai. He was previously associated with JM Morgan Stanley Fixed Income Securities Private Limited as assistant vice president and Khandwala Finances Limited. He joined our Company with effect from December 15, 2020 and is responsible for treasury functions in our Company. During the Financial Year 2024, he received a remuneration of ₹35.5 million.

Anurag Jain is the Chief – Information Technology of our Company. He holds a bachelor's degree in engineering from Guru Nanak Dev Engineering College, Panjab University, Ludhiana. He also completed an executive program in leadership and management from Indian Institute of Management, Calcutta. He was previously associated with Infinite Computed Solutions (India) Limited as assistant vice president. He joined our Company with effect from April 1, 2018 and is responsible for information technology functions in our Company. During the Financial Year 2024, he received a remuneration of ₹21.9 million.

Neel Ravindra Shah is the National Head – Marketing of our Company. He holds a bachelor's degree in commerce and a master's degree in commerce, each from the University of Pune (formerly University of Poona) and a master's degree in business administration from Symbiosis Centre for Management & Human Resource Development, Pune. He was previously associated with Group M Media India Private Limited. He joined our Company with effect from April 1, 2018 and is responsible for marketing functions in our Company. During the Financial Year 2024, he received a remuneration of ₹5.7 million.

Amit Kumar Yadav is the Chief Compliance Officer of our Company. He holds a bachelor's degree in arts (honours) in business economics from University of Delhi, Delhi and a post graduate diploma in business administration from Symbiosis Centre for Distance Learning, Pune. He was previously associated with DHFL Pramerica Life Insurance Company Limited as senior manager – regulatory and corporate compliance and Aviva Life Insurance Company India Limited as manager – sales compliance He joined our Company with effect from April 1, 2022 and is responsible for compliance functions in our Company. During the Financial Year 2024, he received a remuneration of ₹13.3 million.

Biswaranjan Bastia is the Senior Head – Insurance Services of our Company. He has passed the examination for a bachelor's degree in electrical engineering from University College of Engineering, Burla, and holds a post graduate diploma in management from Xavier Institute of Management, Bhubaneswar. He was previously associated with SREI Equipment Finance Private Limited. He joined our Company with effect from November 1, 2018 and is responsible for insurance functions in our Company. During the Financial Year 2024, he received a remuneration of ₹13.7 million.

Naman Agarwal is the Head – Corporate Audit Services of our Company. He has passed the examination for a bachelor's degree in commerce from the National Degree College, University of Lucknow. He is a chartered accountant registered with the Institute of Chartered Accountants of India. He has previously been associated with Indiabulls Financial Services Limited and ICICI Bank Limited. He joined our Company with effect from April 1, 2018 and is responsible for corporate audit services functions in our Company. During the Financial Year 2024, he received a remuneration of ₹12.5 million.

Rajendra Pandurang Daf is the Chief Information Security Officer of our Company. He holds a bachelor's degree in engineering from Amravati University, Amaravati. He was previously associated with KPMG Assurance and Consulting Services LLP as senior associate director and Bajaj Allianz Life Insurance Company Limited. He joined our Company with effect from June 24, 2022 and is responsible for information security functions in our Company. During the Financial Year 2024, he received a remuneration of ₹4.6 million.

Status of Key Managerial Personnel and Senior Management Personnel

All our Key Managerial Personnel and Senior Management Personnel 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 Personnel have been appointed.

Shareholding of Key Managerial Personnel and Senior Management Personnel in our Company

Except as disclosed in "*- Shareholding of Directors in our Company*" on page 236 and "*Capital Structure – Notes to the Capital Structure – Equity Share capital history of our Company*" on page 83, none of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

For details of employee stock options held by our Key Managerial Personnel and Senior Managerial Personnel, see "*Capital Structure – Employee Stock Options Scheme of our Company*" on page 91.

Interests of Key Managerial Personnel and Senior Management Personnel

Except as provided in "*- Shareholding of Directors in our Company*" on page 236 and in "*- Interests of Directors*" on page 237, our Key Managerial Personnel and Senior Management Personnel do not have any interests in our Company, other than to the extent of (i) remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company; and (ii) the Equity Shares and employee stock options held by them, if any, and any dividend payable to them and other benefits arising out of such shareholding. For details, see "*- Shareholding of the Key Managerial Personnel and Senior Management Personnel in our Company*" on page 245.

Changes in our Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years:

Details of the changes in our Key Managerial Personnel and the Senior Management Personnel in the three immediately preceding years are set forth below:

Name	Date of change	Reason
Amit Kumar Yadav	April 1, 2022	Appointment as Chief Compliance Officer
Rajeev Jain	April 30, 2022	Change in designation from managing director to Vice-Chairman and Non-Executive Director
R Vijay	April 30, 2022	Resigned as the company secretary
Atul Jain	May 1, 2022	Appointment as the Managing Director
Atul Patni	May 1, 2022	Appointment as the Company Secretary
Biraj Kumar Mishra	June 1, 2022	Appointment as Chief Business Officer- Home Loans
Gagandeep Malhotra	June 1, 2022	Appointment as head – credit, wholesale lending
Rajendra Pandurang Daf	June 24, 2022	Appointment as national head – IT, information security*
Amit Sinha	February 1, 2023	Appointment as Executive Vice President – Home Loans
Pawan Bhansali	February 19, 2024	Appointment as Senior Executive Vice President – Near Prime & Affordable
Sayantani Dutta	March 11, 2024	Appointment as Chief – Human Resources and Administration

** He was designated as Chief Information Security Officer by the Company on January 25, 2024.*

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel

Except for the deferred performance linked variable pay in accordance with the RBI's 'Scale Based Regulatory Framework: A Revised Framework for NBFCs' circular dated October 22, 2021, which mandates NBFCs to put in place a Board approved compensation policy including principles for fixed/variable pay, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel or Senior Management Personnel which accrued in Financial Year 2024.

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 Personnel, is entitled to any benefits upon termination of employment under any service contract entered into with our Company. Except as stated otherwise in this Draft 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 Draft 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 Personnel

Except the performance bonus component of their remuneration and as disclosed in "- *Terms of Appointment of our Executive Director*" on page 235, our Key Managerial Personnel and Senior Management Personnel are not parties to any bonus or profit-sharing plan of our Company.

Employee stock option plan

For details of our employee stock option plan, see "*Capital Structure*" beginning on page 83.

OUR PROMOTERS AND PROMOTER GROUP

Bajaj Finance Limited ("**BFL**") and Bajaj Finserv Limited ("**BFS**") are the Promoters of our Company. As on the date of this Draft Red Herring Prospectus, one of our Promoters, Bajaj Finance Limited, holds 7,819,575,273 Equity Shares, equivalent to 100% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company. Out of the 7,819,575,273 Equity Shares held, Bajaj Finance Limited jointly holds 100 Equity Shares each with Rajivnayan Bajaj, Madhur Bajaj, Sanjivnayan Bajaj, Rajeev Jain, Atul Jain, and V. Rajagopalan, with Bajaj Finance Limited being the first holder of each of such jointly held Equity Shares. For further details of the shareholding of our Promoters and Promoter Group, see "*Capital Structure – Details of Equity Shares held by our Promoters, directors of our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel*" on page 89.

Our Promoters

1. Bajaj Finance Limited ("BFL")

Corporate Information

BFL was originally incorporated as 'Bajaj Auto Finance Private Limited' as a private limited company, pursuant to a certificate of incorporation dated March 25, 1987 issued by the RoC under the Companies Act, 1956. BFL became a deemed public limited company by virtue of Section 43A of the Companies Act, 1956 and thereafter got converted into a public limited company with effect from September 24, 1988. The name of the company was changed to BFL on September 6, 2010. The registered office of BFL is located at Akurdi, Pune 411 035, Maharashtra, India. The corporate identification number and permanent account number of BFL are L65910MH1987PLC042961 and AABCB1518L respectively.

BFL is a listed company, having its equity shares listed on BSE and NSE. It is a non-banking financial company engaged in providing financial services and is classified as a deposit taking NBFC – investment and credit company. BFL has not changed its activities since the date of its incorporation.

Board of Directors

As on the date of this Draft Red Herring Prospectus, the board of directors of BFL comprises of:

Sr. No.	Name of the director	Designation
1.	Sanjivnayan Bajaj	Chairperson and non-executive non-independent director
2.	Rajeev Jain	Managing director
3.	Rajivnayan Bajaj	Non-executive non-independent director
4.	Dr. Naushad Forbes	Independent director
5.	Anami Narayan Roy	Independent director
6.	Pramit Jhaveri	Independent director
7.	Radhika Haribhakti	Independent director
8.	Dr. Arindam Kumar Bhattacharya	Independent director
9.	Anup Saha	Deputy managing director

Shareholding pattern

The shareholding pattern of BFL as on March 31, 2024 is as follows:

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	Total nos. shares held (V)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VI) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (VII)		No. of Shares underlying outstanding convertible securities (including warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (VIII)	Number of Locked in shares (IX)		Number of equity shares held in dematerialized form (X)	Sub-categorization of shares (XI) Shareholding (No. of shares) under		
						No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(A)	Promoter & Promoter Group*	24	33,85,24,545	33,85,24,545	54.69	33,85,24,545	54.69	15,50,000	54.80	31,78,16,130	93.88	33,85,24,545			
(B)	Public	7,99,174	27,94,83,446	27,94,83,446	45.15	27,94,83,446	45.15		45.04		0.00	27,90,14,811	0	0	0
(C)	Non Promoter-Non Public	1	9,88,329	9,88,329	0.16	9,88,329	0.16		0.00		0.00	9,88,329			
(C1)	**Shares underlying DRs**	-	-	-	0.00	-	0.00		0.00		0,00	-			
(C2)	**Shares held by Employee Trusts**	1	9,88,329	9,88,329	0.16	9,88,329	0.16		0.16		0.00	9,88,329			
	Total	**7,99,199**	**61,89,96,320**	**61,89,96,320**	**100.00**	**61,89,96,320**	**100.00**	**15,50,000**	**100**	**31,78,16,130**	**51.34**	**61,85,27,685**	**0**	**0**	**0**

** The shares held by Bajaj Finserv Limited, promoter and holding company of BFL were locked-in from 29 September 2023 till 31 March 2024 pursuant to the preferential issue under Chapter V of the SEBI ICDR Regulations, 2018. The lock-in release date was 31 March 2024. However, the pattern is filed basis benpos dated 30 March 2024 wherein the shareholding of Bajaj Finserv Limited in BFL is reflecting as locked-in.*

Promoter of BFL

The promoter of BFL is Bajaj Finserv Limited ("**BFS**"). For details in relation to the shareholding pattern of BFS, see *"- Bajaj Finserv Limited – Shareholding pattern"* on page 250. As on the date of this Draft Red Herring Prospectus, Bajaj Holdings and Investment Limited, one of the promoters of BFS, holds 39.06% of the equity share capital of BFS.

For details in relation to the board of directors of BFS, see *"- Bajaj Finserv Limited – Board of Directors"* on page 249.

Details of change in control of BFL

There has been no change in control of BFL in the last three years preceding the date of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies where BFL is registered, shall be submitted to the BSE and NSE at the time of filing this Draft Red Herring Prospectus.

2. Bajaj Finserv Limited ("BFS")

Corporate Information

BFS was incorporated as a public limited company pursuant to a certificate of incorporation dated April 30, 2007 under the Companies Act, 1956. The registered office of BFS is located at Bajaj Auto Ltd. Complex, Mumbai – Pune Road, Akurdi, Pune 411 035, Maharashtra, India. The corporate identification number and permanent account number of BFS are L65923PN2007PLC130075 and AADCB2924N respectively.

BFS is a listed company, having its equity shares listed on BSE and NSE. It is engaged as an unregistered core investment company. BFS has not changed its activities since the date of its incorporation.

Board of Directors

As on the date of this Draft Red Herring Prospectus, the board of directors of BFS comprises of:

Sr. No.	Name of the director	Designation
1.	Sanjivnayan Bajaj	Chairperson and managing director
2.	Madhur Bajaj	Non-executive non-independent director
3.	Rajivnayan Bajaj	Non-executive non-independent director
4.	Dr. Naushad Forbes	Independent director
5.	Anami Narayan Roy	Independent director
6.	Radhika Haribhakti	Independent director
7.	Pramit Jhaveri	Independent director
8.	Manish Kejriwal	Non-executive non-independent director

Shareholding pattern

The shareholding pattern of BFS as on March 31, 2024 is as follows:

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	Total nos. shares held (V)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VI) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (VII)		Number of Locked in shares (IX)		Number of equity shares held in dematerialized form (X)	Sub-categorization of shares (XI)		
											Shareholding (No. of shares) under		
						No of Voting Rights	Total as a % of (A+B+C)	No. (a)	As a % of total Shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(A)	Promoter & Promoter Group*	67	96,82,49,700	96,82,49,700	60.69	96,82,49,700	60.69	1,00,360	0.01	96,82,49,700			
(B)	Public	5,66,973	62,43,14,674	62,43,14,674	39.13	62,43,14,674	39.13		0.00	61,98,01,743	0	0	0
(C)	Non Promoter-Non Public	1	29,24,439	29,24,439	0.18	29,24,439	0.18		0.00	29,24,439			
(C1)	**Shares underlying DRs**	-	-	-	0.00	-	0.00		0.00	-			
(C2)	**Shares held by Employee Trusts**	1	29,24,439	29,24,439	0.18	29,24,439	0.18		0.00	29,24,439			
	Total	**5,67,041**	**1,59,54,88,813**	**1,59,54,88,813**	**100.00**	**1,59,54,88,813**	**100.00**	**1,00,360**	**0.01**	**1,59,09,75,882**	**0**	**0**	**0**

** Vanraj Bajaj (minor), who is part of the promoter group of BFS, holds total 332,360 (post stock split and bonus issue) shares in BFS, out of which 100,360 shares (post stock split and bonus issue) are encumbered.*

Promoters of BFS

The promoters of BFS are Bajaj Holdings and Investment Limited ("**BHIL**"), Madhur Bajaj, Niraj Bajaj, Rajivnayan Bajaj, Sanjivnayan Bajaj and Shekhar Bajaj. The equity shares of BHIL are listed on BSE and NSE. As on the date of this Draft Red Herring Prospectus, Jamnalal Sons Private Limited holds 18.01% of the equity share capital of BHIL.

As on the date of this Draft Red Herring Prospectus, the board of directors of BHIL comprise of:

Sr. No.	Name of the director	Designation
1.	Shekhar Bajaj	Chairperson and non-executive non-independent director
2.	Niraj Bajaj	Non-executive non-independent director
3.	Sanjivnayan Bajaj	Managing director and chief executive officer
4.	Madhur Bajaj	Non-executive non-independent director
5.	Rajivnayan Bajaj	Non-executive non-independent director
6.	Manish Kejriwal	Non-executive non-independent director
7.	Dr. Naushad Forbes	Independent director
8.	Pradip Shah	Independent director
9.	Dr. Arindam Kumar Bhattacharya	Independent director
10.	Vidya Yeravdekar	Independent director
11.	Abhinav Bindra	Independent director
12.	Smita Mankad	Independent director

Details of change in control of BFS

There has been no change in control of BFS in the last three years preceding the date of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies where BFS is registered, shall be submitted to the BSE and NSE at the time of filing this Draft Red Herring Prospectus.

Change in control of our Company

There has not been any change in control of our Company in the last five years preceding the date of this Draft Red Herring Prospectus.

Interests of our Promoters

Our Promoters are interested in our Company to the extent (i) that they are the Promoters of our Company; and (ii) of their shareholding in our Company; including the dividend payable thereon, if any, and any other distributions in respect of the Equity Shares held by them in our Company, from time to time. For details of the shareholding of our Promoters and our Promoter Group in our Company, see "*Capital Structure - Details of Equity Shares held by our Promoters, directors of our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel*", on page 89.

Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares; or (ii) controlled by our Promoters. For further details of interest of our Promoters in our Company, see *"Other Financial Information - Related Party Transactions"* on page 348.

No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as a director or promoter or otherwise for services rendered by such Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Our Promoters have no interest in any property acquired by our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus or 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, etc.

Payment or benefits to our Promoters or our Promoter Group

Except as disclosed in "*Offer Document Summary – Summary of related party transactions*" and "*Restated Financial Information*" on pages 26 and 273, respectively, no amount or benefit has been paid or given to our Promoters, or any of the members of the Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or any of the members of the Promoter Group as on date of this Draft Red Herring Prospectus.

Material guarantees given by our Promoters to third parties with respect to Equity Shares

Our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares, as on the date of this Draft Red Herring Prospectus.

Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated with any companies or firms in the last three years.

Our Promoter Group

Entities forming part of our Promoter Group (other than our Promoters)

1. Bajaj Allianz Financial Distributors Limited
2. Bajaj Allianz General Insurance Company Limited
3. Bajaj Allianz Life Insurance Company Limited
4. Bajaj Financial Securities Limited
5. Bajaj Finserv Asset Management Limited
6. Bajaj Finserv Direct Limited
7. Bajaj Finserv Health Limited
8. Bajaj Finserv Mutual Fund Trustee Limited
9. Bajaj Finserv Ventures Limited
10. Bajaj Holdings & Investment Limited
11. Pennant Technologies Private Limited
12. Snapwork Technologies Private Limited
13. VH Medcare Private Limited
14. Vidal Health Insurance TPA Private Limited
15. Vidal Healthcare Services Private Limited

Individuals forming part of our Promoter Group

1. Sanjivnayan Bajaj

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoters and subsidiaries) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the Board of our Company.

Pursuant to a resolution dated June 7, 2024, our Board has noted that in accordance with the SEBI ICDR Regulations, the Group Companies of our Company shall include (i) the companies (other than the Promoters) with which there were related party transactions as per the Ind AS 24 during any of the last three financial years in respect of which restated financial statements are included in the Offer Documents ("**Relevant Period**"), and (ii) other companies considered material by the Board, identified as the group companies of the Company. For the purposes of (ii), such companies that are a part of the Promoter Group with which there were transactions in the most recent financial year and/or stub period, if any, included in the restated financial statements, which individually or in the aggregate exceeded 10% of the total restated income of the Company for the most recent completed full financial year, have also been classified as group companies.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company has the following Group Companies:

1. Bajaj Allianz General Insurance Company Limited;
2. Bajaj Allianz Life Insurance Company Limited;
3. Bajaj Allianz Staffing Solutions Limited;
4. Bajaj Auto Limited;
5. Bajaj Financial Securities Limited;
6. Bajaj Finserv Direct Limited;
7. Bajaj Finserv Health Limited;
8. Bajaj Finserv Ventures Limited;
9. Bajaj Holdings and Investment Limited;
10. Hind Musafir Agency Limited;
11. Maharashtra Scooters Limited;
12. Pennant Technologies Private Limited;
13. Poddar Housing And Development Limited; and
14. Snapwork Technologies Private Limited.

Details of our top five Group Companies

In accordance with the SEBI ICDR Regulations, the details of our top five Group Companies have been set out below and certain financial information in relation to these entities for the previous three financial years, extracted from their respective audited financial statements is available at the websites indicated below. Such information should not be considered as part of information that any investor should consider before making any investment decision. Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations.

1. Bajaj Allianz General Insurance Company Limited

Registered Office

The registered office of Bajaj Allianz General Insurance Company Limited is situated at Bajaj Allianz House, Airport Road, Yerawada, Pune 411 006, Maharashtra, India.

Financial Information

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, earnings per share (basic), earnings per share (diluted) and net asset value derived from the audited financial statements of Bajaj Allianz General Insurance Company Limited for Financial Years 2024, 2023 and 2022 as required by the SEBI ICDR Regulations, are available at https://www.bajajallianz.com/about-us/financial-summary.html.

2. Bajaj Allianz Life Insurance Company Limited

Registered Office

The registered office of Bajaj Allianz Life Insurance Company Limited is situated at Bajaj Allianz House Airport Road, Yerawada, Pune 411 006, Maharashtra, India.

Financial Information

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, earnings per share (basic), earnings per share (diluted) and net asset value derived from the audited financial statements of Bajaj Allianz Life Insurance Company Limited for Financial Years 2024, 2023 and 2022 as required by the SEBI ICDR Regulations, are available at https://www.bajajallianzlife.com/content/dam/balic/pdf/financial-summary.pdf.

3. Bajaj Auto Limited

Registered Office

The registered office of Bajaj Auto Limited is situated at Bajaj Auto Limited Complex, Mumbai - Pune Road, Akurdi, Pune 411 035, Maharashtra, India.

Financial Information

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, earnings per share (basic), earnings per share (diluted) and net asset value derived from the audited financial statements of Bajaj Auto Limited for Financial Years 2024, 2023 and 2022 as required by the SEBI ICDR Regulations, are available at https://www.bajajauto.com/investors/miscellaneous.

4. Bajaj Holdings and Investment Limited

Registered Office

The registered office of Bajaj Holdings and Investment Limited is situated at Mumbai Pune Roadakurdi, Pune 411 035, Maharashtra, India.

Financial Information

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, earnings per share (basic), earnings per share (diluted) and net asset value derived from the audited financial statements of Bajaj Holdings and Investment Limited for Financial Years 2024, 2023 and 2022 as required by the SEBI ICDR Regulations, are available at https://www.bhil.in/investors.html#url-miscellaneous.

5. Maharashtra Scooters Limited

Registered Office

The registered office of Maharashtra Scooters Limited is situated at C/O Bajaj Auto Ltd Bombay Poona Road Akurdi, Poona 411 035, Maharashtra, India.

Financial Information

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, earnings per share (basic), earnings per share (diluted) and net asset value derived from the audited financial statements of Maharashtra Scooters Limited for Financial Years 2024, 2023 and 2022 as required by the SEBI ICDR Regulations, are available at https://www.mahascooters.com/investors.html#miscellaneous.

Details of other Group Companies

1. Bajaj Allianz Staffing Solutions Limited

The registered office of Bajaj Allianz Staffing Solutions Limited is situated at Bajaj Allianz House, Airport Road, Yerawada, Pune 411 006, Maharashtra, India.

2. Bajaj Financial Securities Limited

The registered office of Bajaj Financial Securities Limited is situated at Bajaj Auto Ltd Complex Mumbai - Pune Road Akurdi, Pune 411 035, Maharashtra, India.

3. Bajaj Finserv Direct Limited

The registered office of Bajaj Finserv Direct Limited is situated at Bajaj Auto Limited Complex Mumbai - Pune Road, Akurdi, Pune 411 035, Maharashtra, India.

4. *Bajaj Finserv Health Limited*

The registered office of Bajaj Finserv Health Limited is situated at Bajaj Auto Ltd Complex Mumbai - Pune Road Akurdi, Pune, Pune 411 035, Maharashtra, India.

5. *Bajaj Finserv Ventures Limited*

The registered office of Bajaj Finserv Ventures Limited is situated at Bajaj Finserv Limited S. No. 208/1B, Lohagaon, Viman Nagar, Pune 411 014, Maharashtra, India.

6. *Hind Musafir Agency Limited*

The registered office of Hind Musafir Agency Limited is situated at Bajaj Bhavan, 2nd Floor, 226, Nariman Point, Mumbai 400 021, Maharashtra, India.

7. *Pennant Technologies Private Limited*

The registered office of Pennant Technologies Private Limited is situated at Cyber Gateway Block B, Level 1,Wing 2, L&T Infocity, HITEC City, Madhapur, Rangareddi, Hyderabad 500 081, Telangana, India.

8. *Poddar Housing And Development Limited*

The registered office of Poddar Housing And Development Limited is situated at Unit No.3-5, Neeru Silk Mills, Mathurdas Mills, Compound, 126, N. M. Joshi Marg, Lowerparel (W), Mumbai 400 013, Maharashtra, India.

9. *Snapwork Technologies Private Limited*

The registered office of Snapwork Technologies Private Limited is situated at Technocity, 7th Floor, 4/1,4/2 Next To IBP Petrol Pump, TTC, MIDC, Mahape, Navi Mumbai 400 701, Maharashtra, India.

Nature and extent of interest of our Group Companies

In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc

None of our Group Companies are interested in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery.

Common pursuits among our Group Companies and our Company

One of our Group Companies, namely Bajaj Finserv Direct Limited, being registered with IRDAI as a corporate agent, is engaged to a limited extent, in a similar line of business as ours, and to this limited extent, there may be common pursuits between our Company and Bajaj Finserv Direct Limited.

Related business transactions with our Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in "*Other Financial Information - Related Party Transactions*" on page 348, there are no related business transactions with our Group Companies.

Litigation involving our Group Companies

Except as disclosed in the section "*Outstanding Litigation and Material Developments*" on page 382, as on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

Business interest of our Group Companies

Except in the ordinary course of business and other than the transactions disclosed in the section "*Other Financial Information – Related Party Transactions"* on page 348, none of our Group Companies have any business interest in our Company.

Confirmations

Except for Bajaj Auto Limited, Bajaj Holdings and Investment Limited, Maharashtra Scooters Limited and Poddar Housing and Development Limited, none of our Group Companies have their equity shares listed on stock exchanges. . Further, except for Bajaj Auto Limited, details of which are disclosed in the section *"Other Regulatory and Statutory Disclosures"* at page 398, our Group Companies have not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The Board of Directors at its meeting held on June 6, 2024 adopted a Dividend Distribution Policy ("**the Policy**"). In terms of the Policy, the dividend would be declared on per share basis on the Equity Shares and will be distributed amongst all shareholders, based on their shareholding on the record date. The declaration and payment of dividends on our Equity Shares, if any, is subject to the guidelines prescribed by the RBI from time to time including the Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023, and the provisions of the Articles of Association and applicable law, including the Companies Act.

The Board would among other things take the following financial/ internal paraments into account while declaring or recommending dividend to shareholders:

A. Profits earned and available for distribution;

B. Accumulated Reserves including Retained Earnings;

C. Earnings outlook for next three to five years;

D. Expected future capital / expenditure requirements of the Company;

E. Organic growth plans / expansions;

F. Long term investment proposed, capital restructuring, debt reduction;

G. Cost of raising funds from alternate sources;

H. Crystallization of contingent liabilities of the Company;

I. Profit earned under Consolidated Financial Statements;

J. Cash Flows;

K. Current and projected cash balance;

L. Capital requirement for growth in the loan portfolio;

M. Creation of contingency fund;

N. Company's liquidity position and future cash flow needs;

O. Trend of dividends paid in the past years by the Company;

P. Capital expenditure requirements considering the expansion and acquisition opportunities;

Q. Income and profitability parameters – Net Interest Income (NII), Profit Before Tax (PBT) and Profit After Tax (PAT), Return on Assets (RoA), Return on Equity (RoE), Earnings Per Share (EPS), Profit growth targets and market expectations, etc.;

R. Income and profitability parameters – Net Interest Income (NII), Profit Before Tax (PBT) and Profit After Tax (PAT), Return on Assets (RoA), Return on Equity (RoE), Earnings Per Share (EPS), Profit growth targets and market expectations, etc.;

S. Portfolio quality parameters – Absolute values of gross NPA and net NPA, Gross NPA and net NPA as percentage of loan assets, Provisioning levels and provision coverage, Outlook on portfolio quality, etc; and

T. Any other relevant factors and material events.

The Board would among other things take the following external parameters into account while declaring or recommending dividend to shareholders:

A. Macro-economic environment - Significant changes in macro-economic environment materially affecting the business in which the Company is engaged in the geographies in which the Company operates;

B. Regulatory changes - Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the business in which the Company is engaged;

C. Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged;

D. Outlook for the housing sector;

E. Government policies; and

F. Other factors like statutory and contractual restrictions.

The Board would also consider the following important parameters while declaring or recommending dividend to shareholders:

A. Long term growth plans of the Company;

B. Supervisory findings of the National Housing Bank or Reserve Bank of India on divergence in classification and provisioning for non-performing assets (NPAs);

C. Related adverse findings from any other regulator such as IRDAI, SEBI, etc.; and

D. Qualifications in the auditors' report to the financial statements.

The Shareholders of our Company may not expect dividend in the following circumstances, subject to the discretion of the Board:

(i) in case of inadequacy of profits or whenever the Company has incurred losses;

(ii) whenever the Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;

(iii) whenever the Company undertakes any acquisitions or joint arrangements requiring significant allocation of capital;

(iv) significantly higher working capital requirement affecting free cash flow;

(v) whenever the Company proposes to utilize surplus cash for buy- back of securities or setting off of previous year losses or losses of its subsidiary/ies; and

(vi) in case the Company is prohibited to recommend/declare dividend by any regulatory body.

The Board may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

There is no guarantee that any dividends will be declared or paid in the future. Future dividends, if any, shall depend on various factors such as our revenues, profits, cash flow, financial condition, contractual restrictions, and capital requirements of our Company and regulatory requirements. Additionally, restrictive covenants under the loans or financing arrangements our Company is currently availing or may enter to finance our fund requirements for our business activities may impact our ability to pay dividends. For further details, see "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures, restrictive covenants of our financing arrangements and compliance with applicable laws.*" on page 56.

No dividend on Equity Shares has been paid by our Company during the last three Fiscals or since April 1, 2023 until the date of this Draft Red Herring Prospectus.

SELECTED STATISTICAL INFORMATION

This section should be read together with the Restated Financial Information, including the notes thereto, in "Financial Information" on page 273 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 349. Our fiscal year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is derived from our Restated Financial Information included in this Draft Red Herring Prospectus. The following information is included for analytical purposes. 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 Draft 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. Such non-GAAP measures and other statistical and operational information 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 and therefore 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.

Average Balance Sheet, Interest Earned/Expended and Yield/Cost

The tables below present the simple average balances for interest-earning assets and interest-bearing liabilities of our Company together with the related interest income and expense amounts, resulting in the presentation of the average yields and borrowing cost for each period. The average yield on average assets is the ratio of interest income to average interest-earning assets. The average cost on average interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities.

(₹ million, except percentages)

	Fiscal								
	2024			2023			2022		
	Average Balance (A)	Interest Income/ Expenses (B)	Yield/ Cost (%) (C = B/A)	Average Balance (A)	Interest Income/ Expenses (B)	Yield/ Cost (%) (C = B/A)	Average Balance (A)	Interest Income/ Expenses (B)	Yield/ Cost (%) (C = B/A)
Interest-earning assets:									
Loans	707,073.2	70,856.7	10.0%	542,979.8	52,101.5	9.6%	399,504.9	34,636.4	8.7%
Investments	16,801.6	1,117.8	6.7%	10,449.4	574.0	5.5%	5,880.9	71.5	1.2%
Fixed Deposits	771.4[(2)]	49.1	6.4%	296.4[(2)]	16.9	5.7%	1,809.2[(2)]	109.6	6.1%
Non-interest earning assets:									
Investments	2,895.8	-	-	5,796.6	-	-	16,690.7	-	-
Fixed assets	1,185.2	-	-	1,059.8	-	-	887.8	-	-
Other assets	4,374.7	-	-	4,291.5	-	-	5,183.2	-	-
Interest-bearing liabilities:									
Total Borrowings	614,373.6	46,926.1	7.6%	476,188.6	32,113.2	6.7%	365,464.6	21,553.1	5.9%
Non-interest bearing liabilities:									
Capital and other equity	113,683.5	-	-	86,222.8	-	-	63,867.9	-	-
Other liabilities	4,207.8	-	-	3,353.5	-	-	2,594.8	-	-
Deferred Tax liability	141.4	-	-	141.4	-	-	-	-	-

Notes:

(1) Average balance represents the simple average of balance as at the last day of the relevant fiscal year and last day of the preceding fiscal year.

(2) Average balance for Deposits denotes daily average balance during the relevant fiscal year.

Analysis of Changes in Interest Income and Interest Expense by Volume and Rate

The following tables set forth, for the periods indicated, the analysis of the changes in our interest income and interest expense due to changes in average volume and changes in average rates.

(₹ million)

	Fiscal 2024 vs. Fiscal 2023					
	Average Balance Fiscal 2024	**Average Balance Fiscal 2023**	**Net Change in Volume**	**Net Change in Interest Income / expenses**	**Due to change in Volume**	**Due to change in Rate**
Interest earned:						
Loans	707,073.2	542,979.8	164,093.4	18,755.2	15,745.5	3,009.7
Investments	16,801.6	10,449.4	6,352.3	543.8	348.9	194.9
Deposits	771.4	296.4	475.0	32.2	27.1	5.1
Total Interest earned [A]	724,646.2	553,725.6	170,920.7	19,331.2	16,121.6	3,209.6
Interest expended:						
Borrowings	614,373.6	476,188.6	138,185.0	14,812.9	9,318.9	5,494.0
Total interest expended [B]	614,373.6	476,188.6	138,185.0	14,812.9	9,318.9	5,494.0
Net interest income [A-B]	110,272.7	77,537.0	32,735.6	4,518.3	6,802.6	(2,284.3)

(₹ million)

	Fiscal 2023 vs. Fiscal 2022					
	Average Balance Fiscal 2023	**Average Balance Fiscal 2022**	**Net Change in Volume**	**Net Change in Interest Income / expenses**	**Due to change in Volume**	**Due to change in Rate**
Interest earned:						
Loans	542,979.8	399,504.9	143,475.0	17,465.1	12,439.0	5,026.1
Investments	10,449.4	5,880.9	4,568.5	502.5	55.5	447.0
Deposits	296.4	1,809.2	(1,512.8)	(92.7)	(91.6)	(1.1)
Total Interest earned [A]	553,725.6	407,194.9	146,530.7	17,874.9	12,402.9	5,472.0
Interest expended:						
Borrowings	476,188.6	365,464.6	110,724.0	10,560.1	6,529.9	4,030.2
Total interest expended [B]	476,188.6	365,464.6	110,724.0	10,560.1	6,529.9	4,030.2
Net interest income [A-B]	77,537.0	41,730.3	35,806.7	7,314.8	5,873.0	1,441.8

Notes:

(1) Change in average volume is computed as the increase / (decrease) in average balances on relevant assets or liabilities for the relevant fiscal year.

(2) The net changes in interest earned / expended is difference between interest earned / expended on the relevant asset or liability for the relevant fiscal year and interest earned / expended on the relevant asset or liability for the relevant preceding fiscal year.

(3) Interest due to volume change is computed as net change in volume multiplied by Interest yield (%)/ cost (%) on the relevant assets or liabilities for the relevant preceding fiscal year.

(4) Interest due to rate change is computed as difference in Interest yield (%)/cost (%) multiplied by average balances of relevant assets/ liabilities for the relevant fiscal year.

Financial Metrics

The following table presents selected financial metrics for the Company for the fiscal years ended March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million, except percentages and per share data)

	As at or For the year ended March 31,		
	2024	**2023**	**2022**
AUM[(1)]	913,704.0	692,279.0	533,217.2
AUM Growth (%)[(2)]	32.0%	29.8%	37.2%
Average AUM[(3)]	802,991.5	612,748.1	460,963.1
Assigned Assets[(4)]	120,696.5	71,140.1	68,396.5
Assigned Assets to AUM (%)[(5)]	13.2%	10.3%	12.8%
Loan Assets[(6)]	793,007.5	621,138.9	464,820.7
Average Loan Assets[(7)]	707,073.2	542,979.8	399,504.9
Total Assets[(8)]	818,270.9	646,541.4	485,270.8

	As at or For the year ended March 31,		
	2024	2023	2022
Borrowings[9]	691,293.2	537,453.9	414,923.2
Average Borrowings[10]	614,373.6	476,188.6	365,464.6
Disbursements[11]	446,562.4	343,336.3	261,752.4
Disbursements Growth (%)[12]	30.1%	31.2%	73.5%
Total income[13]	76,177.1	56,654.4	37,671.3
Finance costs[14]	46,926.1	32,113.2	21,553.1
Net Total Income[15]	29,251.0	24,541.2	16,118.2
Operating Expenses[16]	7,029.0	6,305.6	4,708.9
Impairment on financial instruments[17]	608.8	1,235.0	1,810.7
Profit before tax[18]	21,613.2	17,000.6	9,598.6
Total tax expense[19]	4,301.0	4,422.6	2,502.4
Profit after tax[20]	17,312.2	12,578.0	7,096.2
Total Income as a percentage of Average Loans[21]	10.8%	10.4%	9.4%
Yield on Loans[22]	10.2%	9.7%	8.7%
Finance cost as a percentage of Average Borrowings[23]	7.6%	6.7%	5.9%
Net Total Income as a percentage of Average Loans (Net Interest Margin)[24]	4.1%	4.5%	4.0%
Spreads[25]	2.6%	3.0%	2.8%
Operating Expenses as a percentage of Average Loans[26]	1.0%	1.2%	1.2%
Operating Expenses as a percentage of Net Total Income[27]	24.0%	25.7%	29.2%
Impairment on financial instruments as a percentage of Average Loans[28]	0.1%	0.2%	0.5%
Total tax expense as a percentage of profit before tax[29]	19.9%	26.0%	26.1%
Gross NPA[30]	2,156.1	1,373.3	1,463.6
Gross NPA (%)[31]	0.27%	0.22%	0.31%
Net NPA[32]	781.7	499.9	668.9
Net NPA (%)[33]	0.10%	0.08%	0.14%
Provision Coverage Ratio (%)[34]	63.7%	63.6%	54.3%
Basic Earnings Per Equity Share (₹)[35]	2.6	1.9	1.5
Diluted Earnings Per Equity Share (₹)[36]	2.6	1.9	1.5
Book Value Per Share[37]	18.2	15.6	13.8

Notes:

*(1) Asset under management (“**AUM**”) is aggregate of (i) Loan Assets (“**Loans**”), which is aggregate amount of loan receivable from customer and includes future principal outstanding and overdue principal outstanding after considering the impairment allowances, and (ii) Assigned Assets (Off Book), which represents aggregate amount of future principal outstanding and overdue principal outstanding for off book loan assets (which have been transferred by our Company by way of assignment) as at the last day of the relevant fiscal year.*

(2) Percentage growth in AUM as at the last day of the relevant fiscal year over the AUM of the last day of the preceding fiscal year.

(3) Simple average of AUM as at the last day of the relevant fiscal year and AUM of the last day of the preceding fiscal year.

(4) Aggregate amount of future principal outstanding and overdue principal outstanding for off book loan assets (which have been transferred by our Company by way of assignment) as at the last day of the relevant fiscal year.

(5) Ratio of Assigned asset to AUM as at the last day of relevant fiscal year.

(6) Loan assets, which is aggregate amount of loan receivable from customer which includes future principal outstanding and overdue principal outstanding after considering the impairment allowances.

(7) Simple average of loan assets as at the last day of the relevant fiscal year and loan assets of the last day of the preceding fiscal year.

(8) Sum of total financial assets and total non-financial assets as at the last day of the relevant fiscal year.

(9) Sum of debt securities, borrowings (other than debt securities) and deposits as at the last day of relevant fiscal year.

(10) Simple average of borrowings as at the last day of the relevant fiscal year and borrowings as at the last day of the preceding fiscal year.

(11) Total amount of new loans sanctioned and disbursed (either partly or fully) to the customer during the relevant fiscal year.

(12) Percentage growth in disbursement for the relevant fiscal year over disbursement of the preceding fiscal year.

(13) Sum of total revenue from operations and other income for the relevant fiscal year.

(14) Total finance costs for the relevant fiscal year.

(15) Total income reduced by finance cost for the relevant fiscal year.

(16) Sum of Fees and commission expense, employee benefit expense, depreciation and amortisation and other expenses for the relevant fiscal year.

(17) Impairment allowance on gross carrying value of loan assets and other financial assets and bad-debts written off for the relevant fiscal year.

(18) Net total income reduced by operating expenses and impairment on financial instruments for the relevant fiscal year.

(19) Sum of current tax and deferred tax charge / (credit) for the relevant fiscal year.

(20) Profit before tax as reduced by total tax expenses for the relevant fiscal year.

(21) Ratio of total income to average loans assets for the relevant fiscal year.

(22) Ratio of interest income to the Average Loan Assets for the relevant fiscal year.

(23) Ratio of finance costs to average borrowings for the relevant fiscal year.

(24) Ratio of net total income to Average Loan Assets for relevant fiscal year.

(25) Difference between yield on loan assets and cost of borrowings for the relevant fiscal year.

(26) Ratio of Operating Expenses to Average Loan Assets for the relevant fiscal year.

(27) Ratio of Operating Expenses to Net total income for the relevant fiscal year.

(28) Ratio of impairment on financial instrument to Average Loan Assets for the relevant fiscal year.

(29) Ratio of total tax expense to profit before tax for the relevant fiscal year.

(30) Gross carrying value of stage 3 loan assets as at the last day of relevant fiscal year.

(31) Ratio of Gross NPA to gross carrying value of loan asset as at the last day of the relevant fiscal year.

(32) Net carrying value of stage 3 loan assets which is gross stage 3 loan assets reduced by impairment allowances provided on stage 3 loan assets as at the last day of relevant fiscal year.

(33) Ratio of Net NPA to gross carrying value of loan asset after reducing impairment loan allowances on stage 3 loan assets as at the last day

of the relevant fiscal year.
(34) Impairment loss allowance on stage 3 loan assets as a percentage of gross carrying value of stage 3 loan assets as at the last day of relevant fiscal year.
(35) Calculated by dividing the profit after tax attributable to equity shareholders by weighted average number of equity shares outstanding during the relevant fiscal year.
(36) Calculated by dividing the profit after tax attributable to equity shareholders by the weighted average number of equity shares. outstanding during the relevant fiscal year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.
(37) Calculated by dividing outstanding equity share capital and other equity of the company to total number of outstanding shares as at the last day of relevant fiscal year.

Return on Equity and Assets

The following table presents selected financial ratios for the Company for the fiscal years ended March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million, except percentages and per share data)

	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Income to Average Loans(1)	10.8 %	10.4 %	9.4 %
Finance Costs to Average Loans(2)	6.6 %	5.9 %	5.4 %
Operating Expenses to Average Loans(3)	1.0 %	1.2 %	1.2 %
Credit Cost to Average Loans(4)	0.1 %	0.2 %	0.5 %
Profit Before Tax to Average Loans(5)	3.1 %	3.1 %	2.4 %
Profit After Tax to Average Loans (ROA)(6)	2.4 %	2.3 %	1.8 %
Profit After Tax to Average Net Worth (ROE)(7)	15.2 %	14.6 %	11.1 %

Notes:
(1) Ratio of total income to Average Loan Assets for the relevant fiscal year.
(2) Ratio of finance costs to Average Loan Assets for the relevant fiscal year.
(3) Ratio of Operating Expenses to Average Loan Assets for the relevant fiscal year.
(4) Ratio of impairment on financial instrument to Average Loan Assets for the relevant fiscal year.
(5) Ratio of profit before tax to Average Loan Assets for the relevant fiscal year.
(6) Ratio of profit after tax to Average Loan Assets for the relevant fiscal year.
(7) Ratio of profit after tax to average total equity for the relevant fiscal year. Average total equity represents the simple average of total equity, which is aggregate of equity share capital and other equity as at the last day of the relevant fiscal year and total equity of the last day of the preceding fiscal year.

Details of Assignment Transactions

The following table details the assignment transactions for the Company for the Fiscals 2024, 2023 and 2022.

(₹ in million)

	Fiscal 2024	Fiscal 2023	Fiscal 2022
Amount of loans transferred(1)	70,919.2	22,347.0	28,710.9
Amount of loans acquired(2)	29,567.1	248.4	7,387.8

Notes:
(1) Amount of loans transferred to other banks/ other regulated entities basis the direction of 'Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021' notified by the RBI.
(2) Amount of loans acquired from other banks or other regulated entities basis the direction of 'Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021' notified by the RBI.

Asset Quality

Total Loan Book

The following table sets forth the asset quality ratios for the Total Loan Book of the Company as at March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million and except percentages)

		As at	
	March 31, 2024	March 31, 2023	March 31, 2022
Gross Stage 1 loans (A)	793,193.1	621,420.2	461,996.1
Gross Stage 2 loans (B)	2,900.0	3,599.1	6,036.9
Gross Stage 1 and 2 loans (C=A+B)	**796,093.1**	**625,019.3**	**468,033.0**
Impairment loss allowance on Stage 1 loans (D)	3,191.5	3,596.6	2,599.5
Impairment loss allowance on Stage 2 loans (E)	675.8	783.7	1,281.7
Impairment loss allowance on Stage 1 and 2 loans (F=D+E)	**3,867.3**	**4,380.3**	**3,881.2**
Net Stage 1 and 2 loans (G=C-F)	**792,225.8**	**620,639.0**	**464,151.8**
Coverage Ratio on Stage 1 and 2 loans (H=F/C)	0.5 %	0.7 %	0.8 %
Gross Stage 3 loans (I)	2,156.1	1,373.3	1,463.6
Impairment loss allowance on Stage 3 loans (J)	1,374.4	873.4	794.7
Net Stage 3 loans (K=I-J)	**781.7**	**499.9**	**668.9**

	As at March 31, 2024	March 31, 2023	March 31, 2022
GNPA Ratio [L=I/(C+I)]	0.27 %	0.22 %	0.31 %
NNPA Ratio [M=K/(G+K)]	0.10 %	0.08 %	0.14 %
Provision Coverage Ratio (PCR) (N=J/I)	63.7 %	63.6 %	54.3 %
Overall Coverage Ratio [O=(F+J)/(C+I)]	0.7 %	0.8 %	1.0 %

Capital to Risk (Weighted) Assets the ratio ("CRAR")

The following table sets forth certain information relating to the CRAR of the Company as at March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million and except percentages)

	As at March 31, 2024	March 31, 2023	March 31, 2022
Tier I Capital (A)[(1)]	118,572.4	101,847.4	64,690.1
Tier II Capital (B)[(2)]	3,484.5	3,596.6	2,599.5
Total Capital (C=A+B)	**122,056.9**	**105,444.0**	**67,289.6**
Total Risk Weighted Assets (D)	**573,518.3**	**459,017.5**	**341,261.5**
CRAR (%) (E= C/D)	**21.28 %**	**22.97 %**	**19.71 %**
CRAR – Tier I capital (%) (F= A/D)	20.67 %	22.19 %	18.95 %
CRAR – Tier II capital (%) (G= B/D)	0.61 %	0.78 %	0.76 %
Debt to total equity ratio[(3)]	5.7	5.1	6.2

Notes:

(1) Tier I capital computed basis the method provided by the regulator as at the last day of relevant fiscal year.

(2) Tier II capital computed basis the method provided by the regulator as at the last day of relevant fiscal year.

(3) Ratio of the total borrowings to total equity of the last day of relevant fiscal year.

Detail of Total Outstanding Borrowings

The following table details the total outstanding borrowings for the Company as at March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million, except percentages)

	As at March 31, 2024		March 31, 2023		March 31, 2022	
	Amount	% of Mix	Amount	% of Mix	Amount	% of Mix
Bank Borrowings[(1)]						
Private Sector Bank	108,570.0	15.7%	80,852.9	15.0%	71,762.6	17.3%
Public Sector Bank	243,551.4	35.2%	229,194.1	42.7%	160,419.1	38.7%
Foreign Banks	2,500.0	0.4%	6,500.0	1.2%	12,750.0	3.1%
NHB Refinance	68,375.9	9.9%	20,000.0	3.7%	0.0	0.0%
Non-Convertible Debentures	239,950.4	34.7%	194,914.3	36.3%	124,919.2	30.1%
Commercial Paper	26,502.9	3.8%	4,234.9	0.8%	39,972.3	9.6%
Deposits[(2)]	1,842.6	0.3%	1,757.7	0.3%	5,100.0	1.2%
Total Outstanding Borrowing	**691,293.2**	100.0**%**	**537,453.9**	100.0**%**	**414,923.2**	100.0**%**
Average Cost of Borrowing / Cost of Funds[(3)]	**7.6%**		**6.7%**		**5.9%**	

Notes:

(1) Sum of borrowings taken from private sector bank, public sector banks and foreign banks in form of term loans, cash credit and overdraft facility as at the last day of relevant fiscal year.

(2) Inter corporate deposits (ICD) as at the last day of relevant fiscal year.

(3) Ratio of the finance cost to average borrowings for the relevant fiscal year.

Asset Liability Management

The following table sets forth the maturity patterns of certain items of assets and liabilities as at March 31, 2024.

(₹ in million and except percentages)

	As at March 31, 2024										
	1 to 7 days	8 to 14 days	15 to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
Cash, Cash equivalents and investments	645.3	58.7	105.3	988.6	0.1	5,872.4	7,315.2	0.3	5,039.9	—	20,025.8
Advances	7,180.6	8,269.3	6,767.4	16,783.1	16,144.9	47,080.5	79,897.5	227,560.1	137,300.9	246,023.2	793,007.5
Other inflows	20,001.4	2,500.0	4,624.6	8,732.2	33,112.1	11,267.4	20,239.0	54,487.0	25,811.5	97,970.1	278,745.3
Total Inflows (A)	**27,827.3**	**10,828.0**	**11,497.3**	**26,503.9**	**49,257.1**	**64,220.3**	**107,451.7**	**282,047.4**	**168,152.3**	**343,993.3**	**1,091,778.6**
Cumulative Total Inflows (B)	27,827.3	38,655.3	50,152.6	76,656.5	125,913.6	190,133.9	297,585.6	579,633.0	747,785.3	1,091,778.6	
Borrowings	2,673.7	3,249.1	2,740.7	18,463.3	39,583.5	37,626.7	59,460.1	253,610.3	169,442.9	104,442.9	691,293.2
Total Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	122,335.0	122,335.0
Other outflows	7,699.9	7,508.5	8,514.9	7,697.4	9,397.3	24,509.3	57,134.7	87,237.1	4,588.6	63,862.7	278,150.4
Total Outflows (C)	**10,373.6**	**10,757.6**	**11,255.6**	**26,160.7**	**48,980.8**	**62,136.0**	**116,594.8**	**340,847.4**	**174,031.5**	**290,640.6**	**1,091,778.6**
Cumulative Total Outflows (D)	**10,373.6**	**21,131.2**	**32,386.8**	**58,547.5**	**107,528.3**	**169,664.3**	**286,259.1**	**627,106.4**	**801,138.0**	**1,091,778.6**	
Gap (E=A-C)	17,453.7	70.4	241.7	343.2	276.3	2,084.3	(9,143.1)	(58,800.0)	(5,879.2)	53,352.7	
Cumulative Gap (F=B-D)	**17,453.7**	**17,524.1**	**17,765.8**	**18,109.0**	**18,385.3**	**20,469.6**	**11,326.5**	**(47,473.4)**	**(53,352.7)**	**0.0**	
Cumulative Gap as a % (F/D)	**168.3 %**	**82.9 %**	**54.9 %**	**30.9 %**	**17.1 %**	**12.1 %**	**4.0 %**	**(7.6) %**	**(6.7) %**	**0.0 %**	

State-wise Mix of AUM, Disbursements and Branches

The following table sets forth the state-wise mix of AUM, disbursements and branches as at the dates indicated:

(₹ in million and except percentages)

	As at March 31,														
	2024					2023					2022				
	AUM	% of total AUM	Disbursements	% of total Disbursements	Branches	AUM	% of total AUM	Disbursements	% of total Disbursements	Branches	AUM	% of total AUM	Disbursements	% of total Disbursements	Branches
Maharashtra	287,475.6	31.5 %	142,942.2	32.0 %	55	214,511.5	31.0 %	105,619.7	30.8 %	56	162,870.9	30.5 %	80,649.3	30.8 %	56
Karnataka	210,071.5	23.0 %	110,920.5	24.8 %	20	153,207.1	22.1 %	88,256.7	25.7 %	20	115,089.0	21.6 %	54,294.5	20.7 %	20
Telangana	135,521.0	14.8 %	57,556.7	12.9 %	12	106,286.0	15.4 %	50,428.5	14.7 %	10	77,197.8	14.5 %	43,336.5	16.6 %	8
Gujarat	72,859.6	8.0 %	42,079.4	9.4 %	29	52,859.2	7.6 %	27,073.9	7.9 %	29	40,707.5	7.6 %	21,855.1	8.3 %	29
New Delhi	69,981.1	7.7 %	31,333.4	7.0 %	6	58,842.9	8.5 %	28,111.3	8.2 %	7	51,990.1	9.8 %	27,294.1	10.4 %	6
Tamil Nadu	49,237.2	5.4 %	17,079.1	3.8 %	11	44,134.2	6.4 %	13,927.4	4.1 %	13	38,542.2	7.2 %	13,445.6	5.1 %	13
Rajasthan	15,060.9	1.6 %	8,360.2	1.9 %	22	9,500.3	1.4 %	4,135.4	1.2 %	22	7,190.6	1.3 %	2,911.8	1.1 %	22
Uttar Pradesh	15,029.4	1.6 %	6,741.7	1.5 %	6	11,681.5	1.7 %	6,142.2	1.8 %	4	8,160.3	1.5 %	4,381.9	1.7 %	3
West Bengal	14,302.2	1.6 %	8,064.7	1.8 %	4	9,880.9	1.4 %	6,273.3	1.8 %	2	7,887.4	1.5 %	4,594.5	1.8 %	2
Madhya Pradesh	11,422.7	1.3 %	5,050.5	1.1 %	19	8,615.6	1.2 %	3,023.6	0.9 %	19	7,486.3	1.4 %	2,455.4	0.9 %	19
Haryana	11,398.5	1.2 %	6,728.7	1.5 %	4	7,733.8	1.1 %	5,751.7	1.7 %	2	2,991.8	0.6 %	2,576.5	1.0 %	2
Andhra Pradesh	8,174.1	0.9 %	4,157.2	0.9 %	8	5,056.9	0.7 %	1,510.6	0.4 %	6	4,458.2	0.8 %	1,505.2	0.6 %	6
Kerala	5,400.5	0.5 %	1,164.7	0.4 %	8	5,365.8	0.9 %	1,515.8	0.3 %	11	4,889.9	1.1 %	1,439.6	0.5 %	11

	As at March 31,														
	2024					2023					2022				
	AUM	% of total AUM	Disbursements	% of total Disbursements	Branches	AUM	% of total AUM	Disbursements	% of total Disbursements	Branches	AUM	% of total AUM	Disbursements	% of total Disbursements	Branches
Chandigarh	3,249.3	0.4 %	2,081.9	0.5 %	1	1,910.1	0.3 %	593.5	0.2 %	1	1,698.9	0.3 %	415.2	0.2 %	1
Orissa	1,001.5	0.1 %	475.0	0.1 %	1	724.4	0.1 %	195.5	0.1 %	1	713.9	0.1 %	212.6	0.1 %	1
Chhattisgarh	967.6	0.1 %	474.7	0.1 %	2	680.1	0.1 %	235.4	0.1 %	1	657.1	0.1 %	205.4	0.1 %	1
Uttarakhand	830.0	0.1 %	294.5	0.1 %	1	660.7	0.1 %	170.8	0.0 %	1	685.3	0.1 %	179.2	0.1 %	1
Punjab	694.1	0.1 %	544.8	0.1 %	1	0.0	0.0 %	0.0	0.0 %	0	0.0	0.0 %	0.0	0.0 %	0
Bihar	543.4	0.1 %	399.2	0.1 %	1	207.6	0.0 %	207.1	0.1 %	1	0.0	0.0 %	0.0	0.0 %	0
Goa	271.9	0.0 %	1.8	0.0 %	1	302.7	0.0 %	82.5	0.0 %	1	0.0	0.0 %	0.0	0.0 %	0
Assam	184.7	0.0 %	107.0	0.0 %	1	117.7	0.0 %	81.4	0.0 %	1	0.0	0.0 %	0.0	0.0 %	0
Puducherry	26.2	0.0 %	4.5	0.0 %	1	0.0	0.0 %	0.0	0.0 %	0	0.0	0.0 %	0.0	0.0 %	0
Jharkhand	1.0	0.0 %	0.0	0.0 %	1	0.0	0.0 %	0.0	0.0 %	0	0.0	0.0 %	0.0	0.0 %	0
Total	**913,704.0**	**100.0 %**	**446,562.4**	**100.0 %**	**215**	**692,279.0**	**100.0 %**	**343,336.3**	**100.0 %**	**208**	**533,217.2**	**100.0 %**	**261,752.4**	**100.0 %**	**201**

Productivity Metrics

The following table sets forth selected productivity metrics for the Company as at March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million)

	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
AUM	913,704.0	692,279.0	533,217.2
Number of branches[(1)]	215	208	201
Number of employees[(2)]	2,372	2,788	3,705
AUM per employee[(3)]	385.2	248.3	143.9
AUM per branch[(4)]	4,249.8	3,328.3	2,652.8

Notes:

(1) Total number of branches as at the last day of relevant fiscal year.
(2) Number of employees of our Company as at the last day of relevant fiscal year.
(3) Ratio of AUM to number of employees at the last day of relevant fiscal year.
(4) Ratio of AUM to number of branches at the last day of relevant fiscal year.

Product wise AUM

The following table sets forth the product wise AUM for the Company as at March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million, except percentages and per share data)

	As at					
	March 31, 2024		March 31, 2023		March 31, 2022	
	AUM	% Mix	AUM	% Mix	AUM	% Mix
Home Loans	528,196.0	57.8 %	427,068.6	61.7 %	345,448.5	64.8 %
Loan Against Property	95,679.3	10.5 %	78,168.9	11.3 %	74,052.8	13.9 %
Lease Rental Discounting	176,368.0	19.3 %	112,594.8	16.3 %	68,694.2	12.9 %
Developer Finance	95,993.3	10.5 %	56,693.2	8.2 %	28,987.0	5.4 %
Other loans	17,467.4	1.9 %	17,753.5	2.5 %	16,034.7	3.0 %
Total	**913,704.0**	**100.0 %**	**692,279.0**	**100.00 %**	**533,217.2**	**100.00 %**

Gross carrying value of loan assets

The following table sets forth a breakdown of the gross carrying value of loan balances for the Company as at March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million)

	As at								
	March 31, 2024			March 31, 2023			March 31, 2022		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Home Loans	489,994.4	1,614.6	1,313.8	391,801.3	2,028.2	823.8	298,871.4	3,735.9	869.9
Loan Against Property	77,930.4	1,174.1	539.2	57,924.0	1,374.6	459.1	61,516.0	2,054.8	515.5
Lease Rental Discounting	111,220.2	0.0	0.0	96,843.4	0.0	0.0	56,553.6	17.3	0.0
Developer Finance	96,620.4	4.5	141.2	57,067.9	72.5	0.3	29,074.2	5.9	10.7
Other loans	17,427.7	106.8	161.9	17,783.6	123.8	90.1	15,980.9	223.0	67.5
Total	**793,193.1**	**2,900.0**	**2,156.1**	**621,420.2**	**3,599.1**	**1,373.3**	**461,996.1**	**6,036.9**	**1,463.6**

ECL Provision

The following table sets forth a breakdown of the ECL provisions of the Company as at March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million)

	As at								
	March 31, 2024			March 31, 2023			March 31, 2022		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Home Loans	1,225.8	379.7	810.8	1,981.0	454.1	534.3	1,518.3	829.9	483.9
Loan Against Property	469.8	259.2	335.2	420.6	277.0	275.6	412.2	391.4	254.3
Lease Rental Discounting	759.2	0.0	0.0	619.3	0.0	0.0	319.7	2.3	—
Developer Finance	667.8	0.9	104.2	428.7	18.6	0.2	213.4	1.2	10.7
Other loans	68.9	36.0	124.2	147.0	34.0	63.3	133.9	56.9	45.8
Total	**3,191.5**	**675.8**	**1,374.4**	**3,596.6**	**783.7**	**873.5**	**2,599.5**	**1,281.7**	**794.7**

Loan Assets

The following table sets forth a breakdown of loan assets of the Company as at March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million)

	As at								
	March 31, 2024			March 31, 2023			March 31, 2022		
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Home Loans	488,768.6	1,234.9	503.0	389,820.3	1,574.1	289.5	297,353.1	2,906.0	386.0
Loan Against Property	77,460.6	914.9	204.0	57,503.4	1,097.6	183.5	61,101.8	1,663.4	261.2
Lease Rental Discounting	110,461.0	0.0	0.0	96,224.1	0.0	0.0	56,233.9	15.0	0.0
Developer Finance	95,952.6	3.6	37.0	56,639.2	53.9	0.1	28,860.8	4.7	0.0
Other loans	17,358.8	70.8	37.7	17,636.6	89.9	26.8	15,847.0	166.1	21.7
Total	**790,001.6**	**2,224.2**	**781.7**	**617,823.6**	**2,815.4**	**499.9**	**459,396.6**	**4,755.2**	**668.9**

Product wise Loan Asset Quality

The following table sets forth certain product wise asset quality ratios of the Company as at March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million except percentages and per share data)

	As at								
	March 31, 2024			March 31, 2023			March 31, 2022		
	GNPA %	**NNPA %**	**PCR %**	**GNPA %**	**NNPA %**	**PCR %**	**GNPA %**	**NNPA %**	**PCR %**
Home Loans	0.27 %	0.10 %	61.7 %	0.21 %	0.07 %	64.9 %	0.29 %	0.13 %	55.6 %
Loan Against Property	0.68 %	0.26 %	62.2 %	0.77 %	0.31 %	60.0 %	0.80 %	0.41 %	49.3 %
Lease Rental Discounting	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.0 %
Developer Finance	0.15 %	0.04 %	73.8 %	0.00 %	0.00 %	66.7 %	0.04 %	0.00 %	100.0 %
Other loans	0.91 %	0.21 %	76.7 %	0.50 %	0.15 %	70.3 %	0.41 %	0.13 %	67.9 %
Total	0.27 %	0.10 %	63.7 %	0.22 %	0.08 %	63.6 %	0.31 %	0.14 %	54.3 %

Home Loans Metrics

The following table sets forth selected metrics for the Home Loans business as at March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million, except as otherwise mentioned)

	As at		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
ATS (in ₹) (at Origination)[(1)]	4.6	4.6	4.2
LTV[(2)]	70.5 %	71.3 %	71.1 %
Tenure (number of months)	284	309	214
Average Customer Salary[(3)]	1.3	1.3	1.2

Notes:

(1) Ratio of total amount of home loans sanctioned to the customer, whose home loan is active as at the last day of the relevant fiscal year to numbers of active home loans at the last day of the relevant fiscal year.

(2) Represents the average of HL LTV for active Home loans customer whose home loan is active as at the last day of the relevant fiscal year, weighted basis Home Loan value. LTV represents the ratio of total secured loans sanctioned to the customer against value of collateral(s) mortgaged

(3) Calculated as average of total gross annual salary of the customer at the time of origination, whose home loan is active as at the last day of the relevant fiscal year to numbers of active home loans at the last day of the relevant fiscal year.

Home Loans AUM by Customer Segmentation

The following table sets forth the AUM by customer segmentation for the Home Loans business as at March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million, except percentages and per share data)

	As at					
	March 31, 2024		March 31, 2023		March 31, 2022	
	Amount	**% AUM**	**Amount**	**% AUM**	**Amount**	**% AUM**
Salaried	462,142.1	87.5 %	386,175.0	90.5 %	310,806.3	90.0 %
Self-employed Professional	22,629.4	4.3 %	22,372.2	5.2 %	17,737.0	5.1 %
Self-employed Non-Professional	43,424.5	8.2 %	18,521.4	4.3 %	16,905.2	4.9 %
Total	**528,196.0**	**100.0 %**	**427,068.6**	**100.0 %**	**345,448.5**	**100.0 %**

Home Loans AUM by CIBIL Score

The following table sets forth the AUM by CIBIL score for the Home Loans business as at March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million, except percentages and per share data)

	As at					
	March 31, 2024		March 31, 2023		March 31, 2022	
	Amount	**% AUM**	**Amount**	**% AUM**	**Amount**	**% AUM**
CIBIL >750	400,305.0	75.8 %	327,354.2	76.7 %	268,135.0	77.6 %
CIBIL 650-750	111,467.3	21.1 %	87,222.3	20.4 %	67,306.0	19.5 %
CIBIL < 650	5,329.7	1.0 %	5,247.2	1.2 %	5,485.9	1.6 %

	As at					
	March 31, 2024		March 31, 2023		March 31, 2022	
	Amount	% AUM	Amount	% AUM	Amount	% AUM
NTC (0/-1)	11,094.0	2.1 %	7,244.9	1.7 %	4,521.6	1.3 %
Total	**528,196.0**	**100.0 %**	**427,068.6**	**100.0%**	**345,448.5**	**100.0 %**

Home Loans AUM by Sourcing Channels

The following table sets forth the disbursements by sourcing channels for the Home Loans business for the fiscal years ended March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million)

	As at					
	March 31, 2024		March 31, 2023		March 31, 2022	
	Amount	% AUM	Amount	% AUM	Amount	% AUM
Indirect	233,839.8	44.3 %	212,514.5	49.8 %	188,579.7	54.6 %
Direct	294,356.2	55.7 %	214,554.1	50.2 %	156,868.8	45.4 %
Total	**528,196.0**	**100.0 %**	**427,068.6**	**100.0 %**	**345,448.5**	**100.0 %**

Note: represents mix of Housing Loan AUM basis the channel or sources from which AUM has been originated i.e. Direct or Indirect. In case of Indirect channels, loans are originated via Intermediaries as at the last day of the relevant fiscal year.

LAP Metrics

The following table sets forth selected metrics for the Loans Against Property business as at March 31, 2024, March 31, 2023 and March 31, 2022.

	As at		
	March 31. 2024	March 31, 2023	March 31, 2022
ATS (in ₹) (at Origination)	5.8	4.9	4.3
LTV	55.1 %	52.8 %	56.6 %
Tenure (number of months)	155	147	127
% Self Occupied Residential Property	71.2 %	71.2 %	72.5 %

LAP AUM by Customer Segmentation

The following table sets forth the AUM by customer segmentation for the Loans Against Property business as at March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million, except percentages and per share data)

	As at					
	March 31, 2024		March 31, 2023		March 31, 2022	
	AUM	% Mix	AUM	% Mix	AUM	% Mix
Salaried	19,411.4	20.3 %	18,512.4	23.7 %	18,038.5	24.4 %
Self-employed Professional	10,157.6	10.6 %	9,601.6	12.3 %	8,477.1	11.4 %
Self-employed Non-Professional	66,110.3	69.1 %	50,055.0	64.0 %	47,537.2	64.2 %
Total	**95,679.3**	**100.0 %**	**78,169.0**	**100.0 %**	**74,052.8**	**100.0 %**

Note:
Represents mix of LAP AUM basis the channel from which AUM has been originated i.e. Direct or Indirect. In case of Indirect channels Loans are originated via Intermediaries as at the last day of the relevant fiscal year.

LAP AUM by Sourcing Channels

The following table sets forth the AUM by sourcing channels for the Loans Against Property business for the fiscal years ended March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in million, except percentages and per share data)

	As at					
	March 31, 2024		March 31, 2023		March 31, 2022	
	AUM	% Mix	AUM	% Mix	AUM	% Mix
Indirect	47,194.1	49.3 %	38,603.1	49.4 %	33,706.5	45.5 %
Direct	48,485.2	50.7 %	39,565.9	50.6 %	40,346.2	54.5 %
Total	**95,679.3**	**100.0 %**	**78,169.0**	**100.0 %**	**74,052.7**	**100.0 %**

Lease Rental Discounting Metrics

The following table sets forth selected metrics for the Lease Rental Discounting business as at March 31, 2024, March 31, 2023 and March 31, 2022.

	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
ATS (in ₹) (at Origination)	998.6	786.6	549.8

	As at March 31, 2024	March 31, 2023	March 31, 2022
Number of Active Customers	237	187	164

Developer Finance Metrics

The following table sets forth selected metrics for the Developer Finance business as at March 31, 2024, March 31, 2023 and March 31, 2022.

	As at March 31, 2024	March 31, 2023	March 31, 2022
ATS (in ₹) (at Origination)	446.3	338.5	261.0
Number of Active Developer Relationships(1)	419	327	267
Number of Active Projects(2)	616	487	373

Notes:

1. *Active Developer Relationships refers to the unique count of developers whose construction finance loans are active as at the last day of the relevant fiscal year.*
2. *Active Projects refers to number of active project against which active loan is active as at the last day of the relevant fiscal year.*

Reconciliation of GAAP to Non-GAAP Financial Information

Reconciliation of the following non-GAAP measures included in this Draft Red Herring Prospectus are presented in the tables below: operating expenses, average loans, average borrowings, average equity, total income as a percentage of average loans, finance costs as a percentage of average borrowings, net total income, net total income as a percentage of average loans, operating expenses as a percentage of average loans, operating expenses as a percentage of net total income, impairment on financial instruments as a percentage of average loans, total tax expenses as a percentage of profit before tax, and leverage ratio, net interest income, yield on loan assets, Bank borrowings and average interest bearing investments.

Reconciliation of Operating Expenses

(₹ in million)

	Fiscal 2024	2023	2022
Fees and commission expense (A)	117.1	140.3	46.8
Employee benefits expense (B)	4,656.3	4,351.4	3,489.4
Depreciation and amortisation expenses (C)	396.0	334.0	257.6
Other expenses (D)	1,859.6	1,479.9	915.1
Operating Expenses [E=A+B+C+D]	**7,029.0**	**6,305.6**	**4,708.9**

Reconciliation of Average Loans

(₹ in million)

	As at March 31, 2024	March 31, 2023	March 31, 2022
Opening Loans (A)	621,138.9	464,820.7	334,189.0
Closing Loans (B)	793,007.5	621,138.9	464,820.7
Average Loans for the year ended ((A+B)/2)	**707,073.2**	**542,979.8**	**399,504.9**

Reconciliation of Average Borrowings

(₹ in million)

	As at March 31, 2024	March 31, 2023	March 31, 2022
Opening Borrowings:			
Debt securities (A)	199,149.2	164,891.5	113,320.8
Borrowings (other than debt securities) (B)	336,547.0	244,931.7	202,685.2
Deposits (C)	1,757.7	5,100.0	0.0
Total Borrowings (D= A+B+C)	**537,453.9**	**414,923.2**	**316,006.0**
Closing Borrowings:			
Debt securities (E)	266,453.3	199,149.2	164,891.5
Borrowings (other than debt securities) (F)	422,997.3	336,547.0	244,931.7
Deposits (G)	1,842.6	1,757.7	5,100.0
Total Borrowings (H= E+F+G)	**691,293.2**	**537,453.9**	**414,923.2**
Average Borrowings for the year ended (I=(D+H)/2)	**614,373.6**	**476,188.6**	**365,464.6**

Reconciliation of Average Equity

(₹ in million)

	As at March 31, 2024	March 31, 2023	March 31, 2022
Opening Equity:			
Equity share capital (A)	67,121.6	48,833.3	48,833.3
Other equity (B)	37,910.3	18,580.3	11,488.9
Total equity (C= A+B)	**105,031.9**	**67,413.6**	**60,322.2**
Closing Equity:			
Equity share capital (D)	67,121.6	67,121.6	48,833.3
Other equity (E)	55,213.4	37,910.3	18,580.3
Total equity (F= D+E)	**122,335.0**	**105,031.9**	**67,413.6**
Average Equity for the year ended (G=(C+F)/2)	**113,683.5**	**86,222.8**	**63,867.9**

Reconciliation of Total Income as a Percentage of Average Loans

(₹ in million except percentages)

	As at March 31, 2024	March 31, 2023	March 31, 2022
Total Income (A)	76,177.1	56,654.4	37,671.3
Average Loans (B)	707,073.2	542,979.8	399,504.9
Total Income as a percentage of Average Loans (C= A/B)%	**10.8 %**	**10.4 %**	**9.4 %**

Reconciliation of Finance Costs as a Percentage of Average Borrowings

(₹ in million except percentages)

	As at March 31, 2024	March 31, 2023	March 31, 2022
Finance costs (A)	46,926.1	32,113.2	21,553.1
Average Borrowings (B)	614,373.6	476,188.6	365,464.6
Finance cost as a percentage of Average Borrowings (C= A/B)%	**7.6 %**	**6.7 %**	**5.9 %**

Reconciliation of Net Total Income

(₹ in million)

	As at March 31, 2024	March 31, 2023	March 31, 2022
Total Income (A)	76,177.1	56,654.4	37,671.3
Finance costs (B)	46,926.1	32,113.2	21,553.1
Net Total Income (C= A-B)	**29,251.0**	**24,541.2**	**16,118.2**

Reconciliation of Net Total Income as a Percentage of Average Loans

(₹ in million except percentages)

	As at March 31, 2024	March 31, 2023	March 31, 2022
Net Total Income (A)	29,251.0	24,541.2	16,118.2
Average Loans (B)	707,073.2	542,979.8	399,504.9
Net Total Income as a percentage of Average Loans (Net Interest Margin) (C= A/B)%	**4.1 %**	**4.5 %**	**4.0 %**

Reconciliation of Operating Expenses as a Percentage of Average Loans

(₹ in million except percentages)

	As at March 31, 2024	March 31, 2023	March 31, 2022
Operating Expenses (A)	7,029.0	6,305.6	4,708.9
Average Loans (B)	707,073.2	542,979.8	399,504.9
Operating Expenses as a percentage of Average Loans (C= A/B)%	**1.0 %**	**1.2 %**	**1.2 %**

Reconciliation of Operating Expenses as a Percentage of Net Total Income

(₹ in million except percentages)

	As at March 31, 2024	March 31, 2023	March 31, 2022
Operating Expenses (A)	7,029.0	6,305.6	4,708.9
Net Total Income (B)	29,251.0	24,541.2	16,118.2
Operating Expenses as a percentage of Net Total Income (C= A/B)%	**24.0** %	**25.7** %	**29.2** %

Reconciliation of Impairment on Financial Instruments as a Percentage of Average Loans

(₹ in million except percentages)

	As at March 31, 2024	March 31, 2023	March 31, 2022
Impairment on financial instruments (A)	608.8	1,235.0	1,810.7
Average Loans (B)	707,073.2	542,979.8	399,504.9
Impairment on financial instruments as a percentage of Average Loans (C= A/B)%	**0.1** %	**0.2** %	**0.5** %

Reconciliation of Total Tax Expenses as a Percentage of Profit Before Tax

(₹ in million except percentages)

	As at March 31, 2024	March 31, 2023	March 31, 2022
Total tax expenses (A)	4,301.0	4,422.6	2,502.4
Profit before tax (B)	21,613.2	17,000.6	9,598.6
Total tax expenses as a percentage of profit before tax (C=A/B)%	**19.9** %	**26.0** %	**26.1** %

Reconciliation of Leverage Ratio

(₹ in million)

	As at March 31, 2024	March 31, 2023	March 31, 2022
Total assets (A)	818,270.9	646,541.4	485,270.8
Total equity (B)	122,335.0	105,031.9	67,413.6
Leverage ratio (C=A/B)	**6.7**	**6.2**	**7.2**

Reconciliation of Net Interest Income

(₹ in million)

	As at March 31, 2024	March 31, 2023	March 31, 2022
Interest Income (A)	72,023.6	52,692.4	34,817.5
Finance Cost (B)	46,926.1	32,113.2	21,553.1
Net Interest Income (A-B)	**25,097.5**	**20,579.2**	**13,264.4**

Reconciliation of Yield on Loan Assets

(₹ in million)

	As at March 31, 2024	March 31, 2023	March 31, 2022
Interest Income (A)	72,023.6	52,692.4	34,817.5
Average Loan (B)	707,073.2	542,979.8	399,504.9
Yield on loan assets ((A/B)*100)	**10.2%**	**9.7%**	**8.7%**

Reconciliation of Bank Borrowings

(₹ in million)

	As at March 31, 2024	March 31, 2023	March 31, 2022
Term Loan (A)	345,427.5	314,952.2	244,931.7
Cash Credit/Overdraft facility (B)	569.5	1,417.6	0.0
Working capital demand loan(C)	8,624.4	177.2	0.0
Bank Borrowings [D=A+B+C]	**354,621.4**	**316,547.0**	**244,931.7**

Reconciliation of Average Interest Bearing Investment

(₹ in million)

Particulars	As at March 31, 2024	March 31, 2023	March 31, 2022
Opening Average Interest Bearing Investment			
At fair value through profit or loss (A)			
Government Securities / T-Bill	14,224.2	6,674.5	-
At fair value through other comprehensive income (B)			
Government Securities	-	-	-
At Amortised cost (C)			
Fixed Deposits	-	-	5,087.2
Total Opening Interest Bearing Investment (D=A+B+C)	**14,224.2**	**6,674.5**	**5,087.2**
Closing Average Interest Bearing Investment			
At fair value through profit or loss (E)			
Government Securities / T-Bill	14,175.2	14,224.2	6,674.5
At fair value through other comprehensive income (F)			
Government Securities	5,203.8	-	-
At Amortised cost (G)			
Fixed Deposits	-	-	-
Total Closing Interest Bearing Investment (H=E+F+G)	**19,379.0**	**14,224.2**	**6,674.5**
Average Interest Bearing Investment (I=(D+H)/2)	**16,801.6**	**10,449.4**	**5,880.9**

SECTION V: FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

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Independent Auditor's Examination Report on the Restated Financial Statements of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 and Restated Financial Statement of profit and loss (including other comprehensive income), Restated cash flows, the Restated Statement of Changes in Equity and the Statement of Material Accounting Policies, and other explanatory information for each of the years ended March 31, 2024, 2023 and 2022, of Bajaj Housing Finance Limited (Collectively, the "Restated Financial Information")

The Board of Directors,
Bajaj Housing Finance Limited
Bajaj Auto Limited Complex,
Mumbai-Pune Road, Akurdi,
Pune – 411035

Dear Sirs / Madams,

1. We have examined the attached Restated Financial Information of Bajaj Housing Finance Limited (The "company") as at March 31, 2024, 2023 and 2022 and for each of the year ended March 31, 2024, 2023 and 2022 annexed to this report and prepared by the company for the purpose of inclusion in the draft Red Herring Prospectus (referred to as the "Offer Document") in connection with its proposed offering of equity share of face value of Rs. 10 each of the Company (the "Offering"). The Restated Financial Information, which has been approved by the Board of Directors of the Company at their meeting held on June 7, 2024, have been prepared by the management of the Company in accordance with 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) Regulation, 2018, as amended (the "ICDR Regulation"); and

   c. The Guidance Note on Report in company Prospectus (Revised 2019) issued by the institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the Guidance Note").

Management Responsibility for the Restated Financial Information

2. The Management is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Document to be filed with Securities and Exchange Board of India ("SEBI"), the BSE Limited ("BSE"), The National Stock Exchange of India Limited ("NSE") and the Registrar of Companies, Maharashtra at Pune in connection with the Offering. The Restated Financial Information has been prepared by the management of the company on the basis stated in Note 2 to the Restated Financial Information. The management responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Financial information. The management is also responsible for identifying and ensuring that the Company complies with the Act, the ICDR regulation and the Guidance Note.

Auditor's Responsibilities

3. We have examined the Restated Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed vide our engagement letter dated May 28, 2024 requesting us to carry out the assignment, in connection with the Offering.

   b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics Issued by ICAI.

   c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated 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 Offering.

Restated Financial Information as per audited financial statements

4. These Restated Financial Information has been compiled by the management of the Company from the audited financial statements as at and for each of the years ended March 31, 2024, 2023 and 2022 which have been approved by the Board of Directors at their meeting held on April 24, 2024, April 24, 2023 and April 25, 2022 respectively. These audited financial statements as at and for each of the years ended March 31, 2024, 2023 and 2022 were prepared by the Company in accordance with Indian Accounting standard (IND AS) Rules, 2015 notified under section 133 of the Companies Act 2013 along with other relevant provisions of the Act, and guidelines issued by the Reserve Bank of India (the 'RBI') and the National Housing Bank (the 'NHB') from time to time.

Auditor's Report

5. For Purpose of our examination, we have relied on the:

   a. Auditor's Report issued by us dated April 24, 2024 on the financial statements of the Company as at and for the year ended March 31, 2024 as referred in para 4 above.

   b. Auditor's Report issued by us dated April 24, 2023 on the financial statements of the Company as at and for the year ended March 31, 2023 as referred in Para 4 above.

   c. Auditor's Report issued by us dated April 25, 2022 on the financial statements of the Company as at and for the year ended March 31, 2022 as referred in Para 4 above.

   Emphasis of matter paragraph in our report referred above in point C, for the financial year ended March 31, 2022:

   We draw attention to Note 3 to the Financial Statements which describes the uncertainty caused by the continuing COVID-19 pandemic and the related probable events which could impact the Company's estimates of impairment of loans to customers.

   Our opinion is not modified in respect of this matter.

6. Based on our examination and according to the information and explanations give to us, as at and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 and in accordance with the requirements of section 26 of part 1 of Chapter III of the Act, the ICDR Regulations and the Guidance Note, we report that the Restated Financial Information of the Company:

   a. has been arrived at after incorporating adjustments for the changes in accounting policies, material errors and regrouping/ reclassifications retrospectively in the financial years ended March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2024 and more fully described in Note 64 –Reconciliation of audited financial information with restated financial information.

   b. there are no qualifications in the auditor's report on the audited financial statements of the Company as at and for each of the years ended March 31, 2024, 2023 and 2022, which require any adjustments to the Restated Financial Information.

   c. has been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. We have not audited any financial statements of the Company as of any date or for any period after March 31, 2024. Accordingly, we express no opinion on the financial position, results of operations and cash flows of the Company as of any date or for any period subsequent to March 31, 2024.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit report issued by us, nor should this report be construed as a new opinion on any of the financial statements referred herein.

9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements as mentioned in paragraph 4 above.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Document to be filed with SEBI, BSE, NSE and the Registrar of Companies, Maharashtra at Pune in connection with the Offering and is not to be used, referred to or distributed for any other purpose. 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.

For G.D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W
Peer Review Number: 015904

Umesh S. Abhyankar
Partner
Membership Number: 113053
UDIN: 24113053BKBFJL3553
Pune, June 7, 2024

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number: 105049W
Peer Review Number: 014497

Shailesh Shah
Partner
Membership Number: 033632
UDIN: 24033632BKFHWZ2224
Pune, June 7, 2024

Bajaj Housing Finance Limited

Restated Balance Sheet

(₹ in million)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
ASSETS				
Financial assets				
Cash and cash equivalents	5	638.6	938.8	4,070.3
Bank balances other than cash and cash equivalents	6	1.5	149.9	1.4
Derivative financial instruments	7	116.6	13.7	-
Receivables	8	-	-	-
Trade receivables		133.6	15.9	18.7
Other receivables		-	3.6	0.1
Loans	9	793,007.5	621,138.9	464,820.7
Investments	10	19,385.7	20,009.1	12,482.7
Other financial assets	11	2,840.7	3,019.4	2,539.3
Total financial assets		**816,124.2**	**645,289.3**	**483,933.2**
Non-financial assets				
Current tax assets (net)	12	310.9	39.7	90.8
Deferred tax assets (net)	12	509.4	-	155.8
Property, plant and equipment	13	875.0	849.2	780.9
Intangible assets under development	13	8.7	3.1	14.6
Other Intangible assets	13	353.6	280.7	191.1
Other non-financial assets	14	89.1	79.4	104.4
Total Non-financial assets		**2,146.7**	**1,252.1**	**1,337.6**
Total assets		**818,270.9**	**646,541.4**	**485,270.8**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments	7	8.3	-	-
Payables	15			
Trade payables				
Total outstanding dues to micro enterprises and small enterprises		-	-	1.8
Total outstanding dues to creditors other than micro enterprises and small enterprises		576.1	459.3	362.3
Other payables				
Total outstanding dues to micro enterprises and small enterprises		-	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		827.5	730.4	381.7
Debt securities	16	266,453.3	199,149.2	164,891.5
Borrowings (other than debt securities)	17	422,997.3	336,547.0	244,931.7
Deposits	18	1,842.6	1,757.7	5,100.0
Other financial liabilities	19	2,341.4	2,116.2	1,744.2
Total financial liabilities		**695,046.5**	**540,759.8**	**417,413.2**
Non-financial liabilities				
Current tax liabilities (net)	12	259.3	161.7	200.6
Provisions	20	356.4	156.3	40.5
Deferred tax liabilities (net)	12	-	282.7	-
Other non-financial liabilities	21	273.7	149.0	202.9
Total Non-financial liabilities		**889.4**	**749.7**	**444.0**
EQUITY				
Equity share capital	22	67,121.6	67,121.6	48,833.3
Other equity	23	55,213.4	37,910.3	18,580.3
Total equity		**122,335.0**	**105,031.9**	**67,413.6**
Total liabilities and equity		**818,270.9**	**646,541.4**	**485,270.8**
Summary of material accounting policies	4			

The accompanying notes are an integral part of the restated financial information

As per our report of even date

On behalf of the Board of Directors

For G. D. Apte & Co.
Chartered Accountants
Firm Registration No.: 100515W

Umesh S. Abhyankar
Partner
Membership No.: 113053

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No.: 105049W

Shailesh Shah
Partner
Membership No.: 033632

Atul Jain
Managing Director
DIN: 09561712

Sanjiv Bajaj
Chairman
DIN: 00014615

Gaurav Kalani
Chief Financial Officer

Rajeev Jain
Vice Chairman
DIN: 01550158

Atul Patni
Company Secretary
FCS: F10094

Pune: 7 June 2024

Bajaj Housing Finance Limited

Restated Statement of Profit and Loss

(₹ in million)

Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from Operations				
Interest income	24	72,023.6	52,692.4	34,817.5
Fees and commission income	25	1,382.3	862.2	818.5
Net gain on fair value changes	26	1,332.0	1,120.4	589.7
Sale of services	27	524.8	502.9	1,420.2
Income on derecognised (assigned) loans	28	530.8	1,348.0	-
Other operating income	29	379.6	121.4	21.2
Total Revenue from operations		**76,173.1**	**56,647.3**	**37,667.1**
Other Income	30	4.0	7.1	4.2
Total Income		**76,177.1**	**56,654.4**	**37,671.3**
Expenses				
Finance costs	31	46,926.1	32,113.2	21,553.1
Fees and commission expense	32	117.1	140.3	46.8
Impairment on financial instruments	33	608.8	1,235.0	1,810.7
Employee benefits expense	34	4,656.3	4,351.4	3,489.4
Depreciation and amortisation	13	396.0	334.0	257.6
Other expenses	35	1,859.6	1,479.9	915.1
Total Expenses		**54,563.9**	**39,653.8**	**28,072.7**
Profit before tax		**21,613.2**	**17,000.6**	**9,598.6**
Tax expense				
Current tax		5,090.0	3,998.0	2,504.0
Deferred tax charge / (credit)		(789.0)	424.6	(1.6)
Total tax expense	12	**4,301.0**	**4,422.6**	**2,502.4**
Profit after tax		**17,312.2**	**12,578.0**	**7,096.2**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Re-measurement gains/(losses) on defined benefit plans		(19.3)	55.4	(6.4)
Income Tax impact on above		4.9	(13.9)	1.6
Items that will be reclassified to profit or loss				
Re-measurement gains/(losses) on Investment measured at FVOCI		7.1	-	-
Income Tax impact on above		(1.8)	-	-
Other comprehensive income for the year, (net of tax)		**(9.1)**	**41.5**	**(4.8)**
Total comprehensive income for the year		**17,303.1**	**12,619.5**	**7,091.4**
Earnings per equity share				
(Face value per share ₹ 10)				
Basic (₹)	36	2.6	1.9	1.5
Diluted (₹)	36	2.6	1.9	1.5
Summary of material accounting policies	4			

The accompanying notes are an integral part of the restated financial information

On behalf of the Board of Directors

For G. D. Apte & Co.
Chartered Accountants
Firm Registration No.: 100515W

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No.: 105049W

Atul Jain
Managing Director
DIN: 09561712

Sanjiv Bajaj
Chairman
DIN: 00014615

Umesh S. Abhyankar
Partner
Membership No.: 113053

Shailesh Shah
Partner
Membership No.: 033632

Gaurav Kalani
Chief Financial Officer

Rajeev Jain
Vice Chairman
DIN: 01550158

Atul Patni
Company Secretary
FCS: F10094

Pune: 7 June 2024

Bajaj Housing Finance Limited
Restated Statement of changes in Equity

I. Equity share capital

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	67,121.6	48,833.3	48,833.3
Changes in equity share capital during the year (refer note no. 22(a))	-	18,288.3	-
Balance at the end of the year	**67,121.6**	**67,121.6**	**48,833.3**

II. Other equity

For the year ended 31 March 2024 (₹ in million)

Particulars	Note No.	Reserves and Surplus			Other Comprehensive Income on	Total other equity
		Securities Premium	Statutory reserve in terms of 29C of NHB Act	Retained earnings	Debt instrument through OCI	
Balance as at 1 April 2023		**8,377.2**	**6,175.1**	**23,358.0**	**-**	**37,910.3**
Profit after tax		-	-	17,312.2	-	17,312.2
Other comprehensive income (net of tax)		-	-	(14.4)	5.3	(9.1)
Total		**8,377.2**	**6,175.1**	**40,655.8**	**5.3**	**55,213.4**
Transfer to statutory reserves in terms of section 29C of the NHB Act, 1987		-	3,462.5	(3,462.5)	-	-
Balance as at 31 March 2024	**23**	**8,377.2**	**9,637.6**	**37,193.3**	**5.3**	**55,213.4**

For the year ended 31 March 2023 (₹ in million)

Particulars	Note No.	Reserves and Surplus			Other Comprehensive Income on	Total other equity
		Securities Premium	Statutory reserve in terms of 29C of NHB Act	Retained earnings	Debt instrument through OCI	
Balance as at 1 April 2022		**1,666.7**	**3,659.5**	**13,254.1**	**-**	**18,580.3**
Profit after tax		-	-	12,578.0	-	12,578.0
Other comprehensive income (net of tax)		-	-	41.5	-	41.5
Total		**1,666.7**	**3,659.5**	**25,873.6**	**-**	**31,199.8**
Transfer to statutory reserves in terms of section 29C of the NHB Act, 1987		-	2,515.6	(2,515.6)	-	-
Add: Issue of equity shares to Holding Company		6,710.5	-	-	-	6,710.5
Balance as at 31 March 2023	**23**	**8,377.2**	**6,175.1**	**23,358.0**	**-**	**37,910.3**

For the year ended 31 March 2022 (₹ in million)

Particulars	Note No.	Reserves and Surplus			Other Comprehensive Income on	Total other equity
		Securities Premium	Statutory reserve in terms of 29C of NHB Act	Retained earnings	Debt instrument through OCI	
Balance as at 1 April 2021		**1,666.7**	**2,240.2**	**7,582.0**	**-**	**11,488.9**
Profit after tax		-	-	7,096.2	-	7,096.2
Other comprehensive income (net of tax)		-	-	(4.8)	-	(4.8)
Total		**1,666.7**	**2,240.2**	**14,673.4**	**-**	**18,580.3**
Transfer to statutory reserves in terms of section 29C of the NHB Act, 1987		-	1,419.3	(1,419.3)	-	-
Balance as at 31 March 2022	**23.**	**1,666.7**	**3,659.5**	**13,254.1**	**-**	**18,580.3**

The accompanying notes are an integral part of the restated financial information

As per our report of even date

On behalf of the Board of Directors

For G. D. Apte & Co.
Chartered Accountants
Firm Registration No.: 100515W

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No.: 105049W

Atul Jain
Managing Director
DIN: 09561712

Sanjiv Bajaj
Chairman
DIN: 00014615

Umesh S. Abhyankar
Partner
Membership No.: 113053

Shailesh Shah
Partner
Membership No.: 033632

Gaurav Kalani
Chief Financial Officer

Rajeev Jain
Vice Chairman
DIN: 01550158

Atul Patni
Company Secretary
FCS: F10094

Pune: 7 June 2024

Bajaj Housing Finance Limited
Restated Statement of Cash Flows

(₹ in million)

	Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
I.	**Cash flow from operating activities**			
	Profit before tax	**21,613.2**	**17,000.6**	**9,598.6**
	Adjustments for:			
	Interest income	(72,023.6)	(52,692.4)	(34,817.5)
	Depreciation and amortisation	396.0	334.0	257.6
	Impairment on financial instruments	608.8	1,235.0	1,810.7
	Provision no longer required written back	-	-	(0.5)
	Finance Costs	46,926.1	32,113.2	21,553.1
	Net loss on disposal of property, plant and equipment	7.7	7.0	4.8
	Service fees for management of assigned portfolio of loans	(371.1)	(224.9)	(1,125.3)
	Income on derecognised (assigned) loans	(530.8)	(1,348.0)	-
	Net gain on financial instruments measured at FVTPL	(1,332.0)	(1,120.4)	(589.7)
		(4,705.7)	**(4,695.9)**	**(3,308.2)**
	Cash inflow from interest on loans	68,865.7	50,405.0	34,760.5
	Cash inflow from receivables on assignment of loans	1,027.2	1,046.4	571.3
	Cash outflow towards finance cost	(44,567.7)	(31,036.2)	(25,025.9)
	Cash generated from operations before working capital changes	**20,619.5**	**15,719.3**	**6,997.7**
	Working capital changes:			
	(Increase) / decrease in Bank balances other than cash and cash equivalents	148.4	(148.5)	2,498.9
	(Increase) / decrease in trade receivables	(118.1)	2.7	37.2
	(Increase) / decrease in other receivables	3.6	(3.5)	0.1
	(Increase) in loans	(170,472.7)	(155,849.8)	(132,566.5)
	Decrease in other financial assets	40.1	39.6	155.1
	(Increase) / decrease in other non-financial assets	(10.0)	15.5	33.2
	Increase in trade payables	116.8	95.2	155.6
	Increase in other payables	97.1	348.7	168.9
	Increase in other financial liabilities	252.3	331.6	149.5
	Increase in provisions	180.8	171.2	11.2
	Increase / (decrease) in other non-financial liabilities	124.7	(53.9)	(22.7)
		(149,017.5)	(139,331.9)	(122,381.8)
	Income taxes paid (net of refunds)	(5,263.6)	(3,985.8)	(2,423.5)
	Net cash used in operating activities (I)	**(154,281.1)**	**(143,317.7)**	**(124,805.3)**
II.	**Cash flow from investing activities**			
	Purchase of property, plant and equipment	(256.2)	(203.7)	(184.1)
	Sale of property, plant and equipment	33.0	38.7	16.3
	Purchase of intangible assets and intangible assets under development	(173.8)	(134.3)	(107.1)
	Purchase of investments measured under FVTPL	(365,675.5)	(430,358.6)	(331,338.0)
	Sale of investments measured under FVTPL	373,008.9	424,080.9	348,318.8
	Purchase of investments measured under amortised cost	(61,396.7)	-	(49,000.0)
	Sale of investments measured under amortised cost	61,396.7	-	54,000.0
	Purchase of investments measured under FVOCI	(5,149.6)	-	-
	Interest received on investments	946.3	462.6	267.3
	Net cash generated from / (used) in investing activities (II)	**2,733.1**	**(6,114.4)**	**21,973.2**
III.	**Cash flow from financing activities**			
	Issue of equity share capital (including securities premium)	-	24,998.8	-
	Proceeds from long term borrowings	239,871.2	266,572.2	155,974.0
	Repayments towards long term borrowings	(118,178.7)	(107,374.2)	(69,233.9)
	Short term borrowings (net)	29,613.3	(34,351.1)	10,549.9
	Deposits (other than public deposits) (net)	80.5	(3,406.8)	5,100.0
	Payment of lease liability	(138.5)	(138.3)	(105.4)
	Net cash generated from financing activities (III)	**151,247.8**	**146,300.6**	**102,284.6**
	Net decrease in cash and cash equivalents (I+II+III)	**(300.2)**	**(3,131.5)**	**(547.5)**
	Cash and cash equivalents at the beginning of the year	938.8	4,070.3	4,617.8
	Cash and cash equivalents at the end of the year	**638.6**	**938.8**	**4,070.3**

Notes:
- The above statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard 7 - Statement of cash flows.
- Refer note no. 42 (b) for change in liabilities arising from financing activities.
- Cash receipt and payment for borrowings in which the turnover is quick, the amounts are large, and the maturities are short are defined as short term borrowings and shown on net basis. Such items include commercial papers, cash credit, overdraft facility, working capital demand loan and triparty repo dealing and settlement. All other borrowings are defined as long term borrowings

Components of cash and cash equivalents:

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents comprises of:			
Cash on hand	-	-	-
Balances with banks:			
In current accounts	638.6	938.8	1,563.5
Fixed Deposit (with original maturity of 3 months or less	-	-	2,506.8
Total	**638.6**	**938.8**	**4,070.3**

On behalf of the Board of Directors

As per our report of even date

For G. D. Apte & Co.
Chartered Accountants
Firm Registration No.: 100515W

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No.: 105049W

Atul Jain
Managing Director
DIN: 09561712

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Membership No.: 033632

Gaurav Kalani
Chief Financial Officer

Rajeev Jain
Vice Chairman
DIN: 01550158

Atul Patni
Company Secretary
FCS: F10094

Pune: 7 June 2024

1. Corporate information

The Company (earlier known as 'Bajaj Financial Solutions Limited') (Corporate ID No.: U65910PN2008PLC132228) was incorporated as a subsidiary of Bajaj Finserv Limited ('BFS') on 13 June 2008, is a company limited by shares and domiciled as well as having its operations in India. The Company was acquired by Bajaj Finance Limited (BFL) from BFS in November 2014 to conduct housing finance business in a dedicated subsidiary company and accordingly the Company's name was changed to Bajaj Housing Finance Limited (BHFL) on 14 November 2014. It got registered with National Housing Bank ('NHB') as a non deposit taking Housing Finance Company vide certificate no 09.0127.15 on 24 September 2015. BHFL is a 100% subsidiary of BFL and started its operation in financial year 2017-18 (FY2018). The Non convertible debentures (NCDs) of the Company are listed on the Bombay Stock Exchange (BSE), India. The Company has a diversified lending model and focuses on five broad categories viz: (i) home loans, (ii) loan against property, (iii) lease rental discounting, (iv) developer financing, and (v) unsecured loans. The Company has its registered office at Akurdi, Pune, Maharashtra, India and its principal place of business is at 5th floor, B2 Building, Cerebrum IT Park, Kalyani Nagar, Pune, Maharashtra, India. The Company has been classified as NBFC- UL (upper layer) by RBI as part of its 'Scale Based Regulation', since 30 September 2022.

2. Basis of preparation

The restated Balance Sheet as at 31 March 2024, 31 March 2023 and 31 March 2022, the restated statement of Profit and Loss for the period ended 31 March 2024, 31 March 2023 and 31 March 2022 and the restated statement of changes in equity as at 31 March 2024, 31 March 2023 and 31 March 2022 in the format prescribed by Division III of Schedule III to the Act . The restated statement of cash flows for the period ended 31 March 2024, 31 March 2023 and 31 March 2022 has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'. These restated financial information have been prepared by the Management of the Company for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP" or the "Offer Documents") prepared by the company in connection with its proposed Initial Public Offer ("IPO")

Restated Financial has been prepared in requirement 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").

The restated financial information have been also prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 ("the Act") along with other relevant provisions of the Act, the updated Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, dated 17 February, 2021 as amended ('the RBI Master Directions'), the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time , notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC). CC.PD.No.109/22.10.106/ 2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') and other applicable RBI circulars/notifications. The Company uses accrual basis of accounting except in case of significant uncertainties.[Refer note no. 4.1(i)]

The restated financial information are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The restated financial information were approved by the Company's Board of Directors and authorised for issue on 7 June 2024

3. Presentation of restated financial information

The Company presents its balance sheet in the order of liquidity.

The restated financial information are presented in Indian Rupees (INR) which is also the functional currency of the Company, in denomination of million rounded off to one decimal places. The restated financial information have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

Accounting estimates, judgements and asssumptions

The preparation of the Company's restated financial information requires Management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Accounting estimates and judgements are used in various line items in the financial information for e.g.:
-Business model assessment (Refer note no. 4.3.(i))
-Impairment of financial assets (Refer note no. 4.3.(i), 9, 50)
-Provisions and other contingent liabilities (Refer note no. 4.7 and 41)
-Provision for tax expenses (Refer note no. 4.4)

3. Presentation of restated financial information (contd.)

Estimation of impairment allowance on financial assets amidst COVID-19 pandemic

For the year ended 31 March 2022, estimates and associated assumptions used for determining the impairment allowance on the Company's financial assets, were based on historical experience and other emerging factors emanating from the COVID-19 pandemic which may also influence the expected credit loss. The Company had used One Time Restructuring (OTR 1 and 2) and repayment moratorium on loans as early indicators suggesting higher flow rates and loss given default and accordingly accounted for commensurate expected credit loss. The Company believed that the factors considered were reasonable under the current circumstances and information available. However, the uncertainty caused by resurgence of the COVID-19 pandemic and related events could further influence the estimate of credit losses.

4. Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial informations. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Revenue from operations

(i) Interest income

The Company recognises interest income using effective interest rate (EIR) method as per Ind AS 109 'Financial Instruments' on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

Delayed Payment interest (Penal interest and the like) are levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

(ii) Revenue from operations other than interest income

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 - 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 - 'Revenue from contracts with customers.

(a) Fees and commission income

The Company recognises:
- service and administration charges on completion of contracted service;
- bounce charges on realisation;
- fees on value added services and products on delivery of services and products to the customer;
- distribution income on completion of distribution of third-party products and services; and
- income on loan foreclosure and prepayment on realisation.

(b) Net gain on fair value changes

The Company recognises gains/loss on fair value change of financial assets measured at FVTPL. Realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

(c) Sale of services

The Company, on de-recognition of financial assets where a right to service the derecognised financial assets is retained, recognises the fair value of future service fee income and service obligations cost on net basis as service fee income/ expense in the statement of profit and loss and, correspondingly creates a service asset/ liability in balance sheet. Any subsequent change in the fair value of service asset/ liability is recognised as service income/ expense in the period in which it occurs. The embedded interest component in the service asset / liability is recognised as interest income/ expense in line with Ind AS 109 - 'Financial instruments'.

(d) Income on derecognised (assigned) loans

The Company, on de-recognition of financial assets under the direct assignment transactions, recognises the right of excess interest spread (EIS) which is difference between interest on the loan portfolio assigned and the applicable rate at which the direct assignment is entered into with the assignee. The Company records the discounted value of scheduled cash flow of the future EIS, entered into with the assignee, upfront in the statement of profit and loss. Any subsequent increase or decrease in the fair value of future EIS is recognised in the period in which it occurs. The embedded interest component in the future EIS is recognised as interest income in line with Ind AS 109 - 'Financial instruments'.

(e) Other operating income

The Company recognises recoveries against written off financial assets on realisation. Any other operating income is recognised on completion of service.

4.2 Expenses

(i) Finance Cost

Borrowing costs on financial liabilities are recognised using the EIR method as per Ind AS 109 'Financial Instruments'.

(ii) Fees and commission expenses

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as fees payable for management of portfolio, are recognised in the Statement of Profit and Loss on an accrual basis.

4. Summary of material accounting policies (contd.)

4.3 Financial instruments

Recognition of financial Instruments

All financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

(i) Financial assets

Initial measurement

All financial assets are recognized initially at fair value adjusted for incremental transaction costs and income that are directly attributable to the acquisition of the financial asset except for following :
- Financial assets measured at FVTPL which are recognised at fair value; and transaction cost are adjusted to profit and loss statement.
- Trade receivables that do not contain a significant financing component (as defined in Ind AS 115) are recorded at transaction price

Classification and Subsequent measurement

For the purpose of classification, financial assets are classified into three categories as per the Company's Board approved policy:
a) Debt instruments at amortised cost
b) Debt instruments at FVOCI
c) Debt instruments at FVTPL

The Classification depends on the contractual terms of the cash flows of the financial assets (SPPI) and Company's business model for managing financial assets which are explained below-

Business Model assessment
The Company has put in place its Board approved policies for determination of the business model. These policies consider whether the objective of the business model, at initial recognition, is to hold the financial asset to collect its contractual cash flows or, dually, to sell the financial asset and collect the contractual cash flows. The Company determines its business model that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

SPPI Assessment
The Company assesses the contractual terms of the financial assets to identify whether they meet the SPPI test.

In making this assessment, the Company considers whether the contractual cash flows represent sole payments of principal and interest which means that whether the cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Principal for the purpose of this test refers to the fair value of the financial asset at initial recognition.

a) Debt instruments at amortised cost:

The Company measures its debt instruments like Loans, certain debt instruments at amortised cost if both the following conditions are met:
- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Sole Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost on Effective Interest Rate (EIR). The expected credit loss (ECL) calculation for debt instruments at amortised cost is explained in subsequent notes in this section.

The Company may enter into following transactions without affecting business model of the Company:
- considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial and infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies.
- Assignment and sale of Non-NPA transactions which are infrequent and below threshold provided by management.

b) Debt instruments at FVOCI:

The Company subsequently classifies its debt instruments as FVOCI, only if both of the following criteria are met:
- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognized in the Other Comprehensive Income (OCI). The interest income on these assets are recognised in profit or loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

Debt instruments such as mortgage loans portfolio where the Company periodically resorts to partially selling the loans by way of assignment to willing buyers are classified as FVOCI.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from other comprehensive income to profit or loss.

4. Summary of material accounting policies (contd.)

c) Debt instruments at FVTPL:

The Company operates a trading portfolio as a part of its treasury strategy and classifies its debt instruments which are held for trading under FVTPL category. As a part of its hedging strategy, the Company enters into derivative contracts and classifies such contracts under FVTPL.

Interest incomes is recorded in Statement of Profit and Loss according to the terms of the contract, Gains and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

Derecognition of Financial Assets:

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:

a) The right to receive cash flows from the asset has expired such as repayments in the financial asset, sale of the financial asset etc.; or
b) The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not have any continuing involvement in the same. A write-off of a financial asset constitutes a de-recognition event.

Derecognition in case of Direct Assignment

The Company transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Company retains the right to service the financial asset, it recognises either a servicing asset or a servicing liability for that servicing contract. A service liability in respect of a service is recognised if the present value of fee to be received is not expected to compensate the Company adequately for performing the service. If the present value of fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On derecognition of a financial asset in its entirety, the difference between:
• The carrying amount (measured at the date of derecognition) and
• The consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Write off

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery basis past trends. Where the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write off. Any subsequent recoveries against such loans are credited to statement of profit and loss. The Company has Board approved policy on write off and one time settlement of loans.

Impairment on financial assets:

A) General Approach
Expected credit losses ('ECL') are recognised for applicable financial assets held under amortised cost, debt instruments measured at FVOCI, and certain loan commitments as per the Board approved policy.

The Company follows a staging methodology for ECL computation. Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' for which a 12 month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Life time ECL is recognised for stage 2 and stage 3 financial assets.

Stage 1 (12-month ECL) is provided basis the default events that are likely to occur in the next 12 months from the reporting date. Stage 2 and stage 3 (lifetime ECL) is provided for basis all possible default events likely to occur during the life of the financial instrument.
Financial assets are written off in full, when there is no realistic prospect of recovery. The Company may apply enforcement activities to certain qualifying financial assets written off.

Treatment of the different stages of financial assets and the methodology of determination of ECL

a) Credit impaired (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:
- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Loan accounts where either principal and/or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared.

Restructured loans where repayment terms are renegotiated as compared to the original contracted terms, due to significant credit distress of the borrower are classified as credit impaired. Such loans are upgraded to stage 1 if-
• The loan which was restructured is not in default for a period till repayment of 10% of principal outstanding or 12 months, whichever is later; and
• Other loans of such customer are not in default during this period.
Loans where one time compromise settlement is offered to the customer to close their loan accounts with certain relaxation and waiver of charges/interest/ principal are classified as stage-3 assets.

4. Summary of material accounting policies (contd.)

b) Significant increase in credit risk (stage 2)

The Company considers loan accounts which are overdue for more than or equal to 31 day but up to 90 days as on the reporting date as an indication of significant increase in credit risk. Additionally, for mortgage loans, the Company recognises stage 2 based on other indicators such as frequent delays in payments beyond due dates.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial assets in stage 1. Loan will fall under stage one if the DPD is up to 30 days. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using behavioural analysis and other performance indicators, determined statistically.

d) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of forward economic guidance (FEG) model. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro economic factors. In addition, the estimation of ECL takes into account the time value of money.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- *Probability of default (PD)*
  PD is the likelihood that a loan will not be repaid and will fall into default. Determination of PD is covered above for each stages of ECL i.e. For assets which are in stage 1, a 12 month PD is considered, for stage 2 and 3 lifetime PD is required.

- *Exposure at default (EAD)*
  EAD represents the expected-outstanding balance at default, taking into account the repayment of principal and interest from the balance sheet date to the date of default together with any expected drawdowns of committed facilities.

Loss Given Default (LGD)
LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. It is expressed as percentage of outstanding at the time of default.

The Company recalibrates above components of its ECL model on a periodical basis by using the available incremental and recent information as well as assessing changes to its statistical techniques for a granular estimation of ECL.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 50.

e) ECL on undrawn commitments

Expected credit loss on undrawn loan commitment is the present value of the difference between :
-contractual cash flow that are due, if the holder of the loan commitment drawn down the loan and
-the cash flow that the entity expects to receive if the loan is drawn down.
Expected credit losses on loan commitments shall be consistent with its expectations of drawdowns on that loans commitment i.e. it shall consider the expected portion of the loan commitment that are expected to be drawn down within 12 months of the reporting date when estimating 12-month expected credit losses.

B) Simplified Approach

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables that do not contain significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables and other financial assets. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and other financial assets and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward looking estimates.

4. Summary of material accounting policies (contd.)

(ii) Financial liabilities

Initial measurement:

All financial liabilities are recognised initially at fair value adjusted for incremental transaction costs that are directly attributable to the financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to the statement of profit or loss.

Subsequent measurement:

After initial recognition, the Company subsequently measures all financial liabilities at amortised cost using the EIR method , unless Company is required to measure liabilities at fair value through profit or loss such as derivative liabilities. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

Derecognition:

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired through repayments or waivers.

(iii) Derivative Financial Instruments

The Company enters into interest rate swaps (derivative financial instruments) to manage its exposure to interest rate risk.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Company designates derivatives as hedges of the fair value of recognised liabilities (fair value hedges).

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge Accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair value hedges hedge the exposure to changes in the fair value of a recognised liability, or an identified portion of such liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in Finance Costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in Finance Cost.

The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the statement of profit and loss.

4. Summary of material accounting policies (contd.)

4.4 Taxes

Income tax comprises current tax and deferred tax.

Income tax is recognised based on tax rates and tax laws enacted, or substantively enacted, at the reporting date and on any adjustment to tax payable in respect of previous years. It is recognised in the statement of profit and loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement as the related item appears.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet, and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled.

The carrying amount of deferred tax assets is reviewed at each reporting date by the Company and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset basis the criteria given under Ind AS 12 Income Taxes.

4.5 Property, plant and equipment

The Company measures property, plant and equipment initially at cost and subsequently at cost less accumulated depreciation and impairment losses, if any.

Depreciation is provided on a prorata basis for all tangible assets on straight line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Depreciation on leasehold improvements is provided on straight line method over the primary period of lease of premises or 5 years whichever is less.

Useful life used by the Company is in line with Schedule II-Part C of the Companies Act, 2013, except for end user machines, chairs and vehicles . Useful life of assets are determined by the Management by an internal technical assessment where useful life is significantly different from those prescribed by Schedule III. Details of useful life is given in note no.13.

4.6 Intangible assets and amortization thereof

Intangible assets, representing softwares, licenses etc. are initially recognised at cost and subsequently carried at cost less accumulated amortization and accumulated impairment, if any. The intangible assets are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life.

4.7 Provisions, contingent liabilities and Commitment

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made as a contingent liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Commitments are future liabilities, which include Undrawn loan commitments, estimated amount of contracts remaining to be executed on capital account and not provided for.

4.8 Retirement and other employee benefits

a) Short term benefits

Short term employee benefits: The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The liability for accumulated leaves which is eligible for encashment within the same calendar year is provided for at prevailing salary rate for the entire unavailed leave balance as at the balance sheet date.

b) Employment benefit plans

The Company operates defined contribution, defined benefit and other long term service benefits.

Payment to defined contribution plans i.e. provident Fund and employees' state insurance are charged as an expenses as the employee render service.

Defined benefit plans for gratuity is funded by the Company. Payment for present liability of future payment of gratuity is made to the approved gratuity fund viz. Bajaj Auto Limited gratuity fund trust, which covers the same under cash accumulation policy and debt fund of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Limited (BALIC). However, any deficits in plan assets managed by LIC and BALIC as compared to actuarial liability determined by an appointed actuary are recognised as a liability. Actuarial liability is computed using the projected unit credit method. The Calculation includes assumptions with regard to discount rate, salary escalation rate, attrition rate and mortality rate. Management determines these assumptions in consultation with the plan's actuaries and past trend. Gains and losses through remeasurements of the net defined benefit liability/assets are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. The effect of any planned amendments are recognised in Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

4. Summary of material accounting policies (contd.)

c) Share based payments

The Company enters into equity settled share-based payment arrangement with its employees as compensation for the provision of their services. The Holding Company determines the fair value of the employee stock options on the grant date using the Black Scholes model. The total cost of the share option is accounted for on a straight-line basis over the vesting period of the grant. The cost attributable to the services rendered by the employees of the Company is recognised as employee benefits expenses in profit or loss .

4.9 Fair value measurement

The Company measures its qualifying financial instruments at fair value on each balance sheet date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In case of financial instruments are classified on the basis of valuation techniques that features one or more significant market inputs that are unobservable, then measurement of fair value becomes more judgemental. Details on level 3 financial instruments along with sensitivity and assumptions are set out in note no. 49.

All assets and liabilities for which fair value is measured or disclosed in the financial informations are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 48 and 49.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

4.10 Collateral Repossession

The nature of products across these broad product categories are either unsecured or secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Company's credit risk.

The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Company resorts to invoking its right under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 and other judicial remedies available against its mortgages and commercial lending business. The repossessed assets are either sold through auction or released to delinquent customers in case they come forward to settle their dues.

4.11 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

5. Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Cash on hand	-	-	-
Balances with banks:			
In current accounts*	638.6	938.8	1,563.5
Fixed deposits (with original maturity of 3 months or less)	-	-	2,506.8
Total	**638.6**	**938.8**	**4,070.3**

*includes amount in current account maintained for employees care fund of ₹ 1.6 million as at 31 March 2024 , ₹ 1.0 million as at 31 March 2023 and ₹ 1.3 million as at 31 March 2022.

6. Bank balances other than cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Fixed deposits (with original maturity more than 3 months)*	1.5	149.9	1.4
Total	**1.5**	**149.9**	**1.4**

*includes earmarked balance with banks against overdraft facility of ₹ 0.2 million as at 31 March 2024, Nil as at 31 March 2023, Nil as at 31 March 2022

7 Derivative financial instruments (at FVTPL)

As at 31 March 2024 (₹ in million)

Particulars	Notional Amount	Fair value assets	Fair Value Liabilities
Interest Rate Derivatives			
Interest Rate Swaps (Fair Value Hedge)	18,500.0	116.6	8.3
Total	**18,500.0**	**116.6**	**8.3**

As at 31 March 2023 (₹ in million)

Particulars	Notional Amount	Fair value assets	Fair Value Liabilities
Interest Rate Derivatives			
Interest Rate Swaps (Fair Value Hedge)	1,000.0	13.7	-
Total	**1,000.0**	**13.7**	**-**

As at 31 March 2022 (₹ in million)

Particulars	Notional Amount	Fair value assets	Fair Value Liabilities
Interest Rate Derivatives			
Interest Rate Swaps (Fair Value Hedge)	-	-	-
Total	**-**	**-**	**-**

The Company has a Board approved policy for entering into derivative transactions. Derivative transactions comprise of interest rate swaps. The Company undertakes such transactions for hedging borrowings. The Asset Liability Management Committee periodically monitors and reviews the risk involved.

8. Receivables

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Trade receivables			-
Considered good - Unsecured			
Fees, commission and others	134.1	16.0	18.7
Less: Impairment allowance	0.5	0.1	-
	133.6	15.9	18.7
Other receivables			
Considered good - unsecured			
Others	-	3.6	0.1
Less: Impairment allowance	-	-	-
	-	3.6	0.1
Total	**133.6**	**19.5**	**18.8**

-No receivables are due from directors or other officers of the Company either severally or jointly with any other person.
-No receivables are due from firms or private companies in which any director is a partner, a director or a member.

Trade receivables (Gross) ageing schedule as at 31 March 2024 (₹ in million)

Particulars	Not due	Unbilled	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables								
(i) Considered good	-	-	134.1	-	-	-	-	134.1
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
(i) Considered good	-	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-

Trade receivables (Gross) ageing schedule as at 31 March 2023 (₹ in million)

Particulars	Not due	Unbilled	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables								
(i) Considered good	-	-	16.0	-	-	-	-	16.0
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
(i) Considered good	-	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-

Trade receivables (Gross) ageing schedule as at 31 March 2022 (₹ in million)

Particulars	Not due	Unbilled	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables								
(i) Considered good	-	-	18.7	-	-	-	-	18.7
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
(i) Considered good	-	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-

Reconciliation of impairment loss allowance on trade receivables (₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Impairment loss allowance as at beginning of the year (a)	0.1	-	-
Increase during the year (b)	0.4	0.1	-
Decrease during the year (c)	-	-	-
Impairment loss allowance at the end of the year (a+b-c)	**0.5**	**0.1**	**-**

9. Loans

(₹ in million)

Particulars	As at 31 March 2024			As at 31 March 2023			As at 31 March 2022		
	At amortised Cost	At FVOCI*	Total	At amortised Cost	At FVOCI*	Total	Amortised Cost	At FVOCI	Total
Term Loan									
I. Secured									
Against equitable mortgage of immovable property	197,439.8	580,373.0	777,812.8	130,525.0	474,824.5	605,349.5	96,427.4	353,847.5	450,274.9
Less: Impairment loss allowance	1,710.8	3,273.8	4,984.6	1,291.2	3,687.8	4,979.0	1,017.6	3,399.1	4,416.7
Total (I)	**195,729.0**	**577,099.2**	**772,828.2**	**129,233.8**	**471,136.7**	**600,370.5**	**95,409.8**	**350,448.4**	**445,858.2**
II. Unsecured									
Unsecured loans	20,436.4	-	20,436.4	21,043.1	-	21,043.1	19,221.7	-	19,221.7
Less: Impairment loss allowance	257.1	-	257.1	274.7	-	274.7	259.2	-	259.2
Total (II)	**20,179.3**	**-**	**20,179.3**	**20,768.4**	**-**	**20,768.4**	**18,962.5**	**-**	**18,962.5**
Total (I+II)	**215,908.3**	**577,099.2**	**793,007.5**	**150,002.2**	**471,136.7**	**621,138.9**	**114,372.3**	**350,448.4**	**464,820.7**
Out of above:									
(i) Secured by tangible	195,494.5	577,099.2	772,593.7	128,233.7	471,136.7	599,370.4	92,314.3	350,448.4	442,762.7
(ii) Secured by intangible assets	2,711.9	-	2,711.9	3,015.1	-	3,015.1	2,927.7	-	2,927.7
(iii) Covered by Bank/ Government Guarantee	234.5	-	234.5	1,000.1	-	1,000.1	3,095.5	-	3,095.5
(iv) Unsecured	17,467.4	-	17,467.4	17,753.3	-	17,753.3	16,034.8	-	16,034.8
Total (i+ii+iii+iv)	**215,908.3**	**577,099.2**	**793,007.5**	**150,002.2**	**471,136.7**	**621,138.9**	**114,372.3**	**350,448.4**	**464,820.7**
Out of above :									
I. Loans in India									
Public sector	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Others	217,876.2	580,373.0	798,249.2	151,568.1	474,824.5	626,392.6	115,649.1	353,847.5	469,496.6
Less: Impairment loss allowance	1,967.9	3,273.8	5,241.7	1,565.9	3,687.8	5,253.7	1,276.8	3,399.1	4,675.9
	215,908.3	**577,099.2**	**793,007.5**	**150,002.2**	**471,136.7**	**621,138.9**	**114,372.3**	**350,448.4**	**464,820.7**
II. Loans outside India	-	-	-	-	-	-	-	-	-
Total (I+II)	**215,908.3**	**577,099.2**	**793,007.5**	**150,002.2**	**471,136.7**	**621,138.9**	**114,372.3**	**350,448.4**	**464,820.7**

*The net value is the fair value of these loans

Loans including installment and interest outstanding amounts to ₹ 151.0 million for 31 March 2024, ₹ 57.7 million for 31March 2023, ₹ Nil for 31 March 2022 in respect of properties held for disposal under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 [SARFAESI].

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

Loan details (₹ in million)

Particulars	As at 31 March 2024			As at 31 March 2023			As at 31 March 2022		
	At amortised cost	At FVOCI	Total	At amortised cost	At FVOCI	Total	At amortised cost	At FVOCI	Total
Total Gross loan	220,338.7	579,258.1	799,596.8	153,713.0	475,120.9	628,833.9	117,277.0	355,059.9	472,336.9
Less: EIR impact	2,462.5	(1,114.9)	1,347.6	2,144.9	296.4	2,441.3	1,627.9	1,212.4	2,840.3
Total for gross term loan net of EIR impact	**217,876.2**	**580,373.0**	**798,249.2**	**151,568.1**	**474,824.5**	**626,392.6**	**115,649.1**	**353,847.5**	**469,496.6**

Summary of loans by stage distribution (₹ in million)

Particulars	As at 31 March 2024				As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	793,193.1	2,900.0	2,156.1	798,249.2	621,420.2	3,599.1	1,373.3	626,392.6	461,996.1	6,036.9	1,463.6	469,496.6
Less: Impairment loss allowance	3,191.5	675.8	1,374.4	5,241.7	3,596.6	783.7	873.4	5,253.7	2,599.5	1,281.7	794.7	4,675.9
Net carrying amount	**790,001.6**	**2,224.2**	**781.7**	**793,007.5**	**617,823.6**	**2,815.4**	**499.9**	**621,138.9**	**459,396.6**	**4,755.2**	**668.9**	**464,820.7**

9. Loans (Contd.)

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans: (₹ in million)

Particulars	For the year ended 31 March 2024							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Stage 2	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
Balance as at the beginning of the year	**621,420.2**	**3,596.6**	**3,599.1**	**783.7**	**1,373.3**	**873.4**	**626,392.6**	**5,253.7**
Transfer during the year								
Transfer to stage 1	1,293.7	309.0	(1,214.7)	(271.1)	(79.0)	(37.9)	-	-
Transfer to stage 2	(1,870.5)	(33.0)	1,933.8	69.5	(63.3)	(36.5)	-	-
Transfer to stage 3	(899.4)	(12.0)	(769.0)	(175.7)	1,668.4	187.7	-	-
	(1,476.2)	**264.0**	**(49.9)**	**(377.3)**	**1,526.1**	**113.3**	**-**	**-**
Impact of changes in credit risk on account of stage movements		(238.0)		379.4		747.1	-	888.5
Changes in opening credit exposures (repayments net of additional disbursement)	(155,187.1)	(1,869.8)	(790.6)	(150.8)	(315.4)	87.2	(156,293.1)	(1,933.4)
New credit exposures during the year, net of repayments	328,436.2	1,438.7	141.4	40.8	30.0	11.3	328,607.6	1,490.8
Amounts written off during the year	-	-	-	-	(457.9)	(457.9)	(457.9)	(457.9)
Balance as at the end of the year	**793,193.1**	**3,191.5**	**2,900.0**	**675.8**	**2,156.1**	**1,374.4**	**798,249.2**	**5,241.7**

(₹ in million)

Particulars	For the year ended 31 March 2023							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
Balance as at the beginning of the year	**461,996.1**	**2,599.5**	**6,036.9**	**1,281.7**	**1,463.6**	**794.7**	**469,496.6**	**4,675.9**
Transfer during the year								
Transfer to stage 1	2,391.3	242.4	(2,265.8)	(241.0)	(125.5)	(1.4)	-	-
Transfer to stage 2	(1,410.5)	(265.6)	1,598.9	338.1	(188.4)	(72.5)	-	-
Transfer to stage 3	(543.8)	(200.3)	(786.0)	(398.5)	1,329.8	598.8	-	-
	437.0	**(223.5)**	**(1,452.9)**	**(301.4)**	**1,015.9**	**524.9**	**-**	**-**
Impact of changes in credit risk on account of stage movements	-	(284.5)	-	280.0	-	388.6	-	384.1
Changes in opening credit exposures (repayments net of additional disbursement)	(99,507.1)	44.4	(1,038.2)	(487.1)	(608.4)	(322.1)	(101,153.7)	(764.8)
New credit exposures during the year, net of repayments	258,494.2	1,460.7	53.3	10.5	29.3	14.4	258,576.8	1,485.6
Amounts written off during the year	-	-	-	-	(527.1)	(527.1)	(527.1)	(527.1)
Balance as at the end of the year	**621,420.2**	**3,596.6**	**3,599.1**	**783.7**	**1,373.3**	**873.4**	**626,392.6**	**5,253.7**

9. **Loans (Contd.)**
Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans:

(₹ in million)

Particulars	For the year ended 31 March 2022							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
Balance as at the beginning of the year	329,961.7	1,786.8	6,593.6	1,318.8	1,191.3	452.0	337,746.6	3,557.6
Transfer during the year								
Transfer to stage 1	1,854.9	317.9	(1,794.5)	(298.3)	(60.4)	(19.6)	-	-
Transfer to stage 2	(3,161.4)	(19.1)	3,177.7	25.6	(16.3)	(6.5)	-	-
Transfer to stage 3	(633.2)	(3.6)	(559.3)	(119.1)	1,192.5	122.7	-	-
	(1,939.7)	**295.2**	**823.9**	**(391.8)**	**1,115.8**	**96.6**	**-**	**-**
Impact of changes in credit risk on account of stage movements	-	(209.3)	-	506.8	-	605.7	-	903.2
Changes in opening credit exposures (repayments net of additional disbursement)	(82,244.1)	(451.5)	(1,549.9)	(177.1)	(192.2)	321.7	(83,986.2)	(306.9)
New credit exposures during the year, net of repayments	216,218.2	1,178.3	169.3	25.0	41.1	11.1	216,428.6	1,214.4
Amounts written off during the year	-	-	-	-	(692.4)	(692.4)	(692.4)	(692.4)
Balance as at the end of the year	**461,996.1**	**2,599.5**	**6,036.9**	**1,281.7**	**1,463.6**	**794.7**	**469,496.6**	**4,675.9**

Details of impairment of financial instruments disclosed in the statement of profit and loss :

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Net impairment loss allowance charge/ (release) for the year	(12.0)	577.8	1,118.3
Amounts written off during the year	457.9	527.1	692.4
Impairment allowance on undrawn loan commitments	149.2	123.2	-
Impairment on loans	**595.1**	**1,228.1**	**1,810.7**
Add: Impairment on other assets	13.7	6.9	-
Impairment on financial instruments	**608.8**	**1,235.0**	**1,810.7**

10. Investments

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(I) At fair value through other comprehensive income			
In Government Securities	5,196.8	-	-
Add: Fair value gain/(loss)	7.0	-	-
Total (I)	**5,203.8**	**-**	**-**
(II) At fair value through profit or loss			
i. In mutual funds	6.4	5,772.6	5,806.2
Add: Fair value gain/(loss)	0.3	12.3	2.0
Total (i) *	**6.7**	**5,784.9**	**5,808.2**
ii. In Government Securities / T-Bill	14,178.9	14,226.2	6,669.0
Add: Fair value gain/(loss)	(3.7)	(2.0)	5.5
Total (ii)	**14,175.2**	**14,224.2**	**6,674.5**
Total (II)	**14,181.9**	**20,009.1**	**12,482.7**
Total (I) + (II)	**19,385.7**	**20,009.1**	**12,482.7**

Out of above: (₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
In India	19,385.7	20,009.1	12,482.7
Outside India	-	-	-
	19,385.7	**20,009.1**	**12,482.7**

* All the investments are in the debt oriented mutual fund schemes which includes investments for employee care fund of ₹ 6.7 million as at 31 March 2024, ₹ 9.3 million as at 31 March 2023, ₹ 5.6 million as at 31 March 2022.

-Impairment loss allowance recognised on investments is Nil for the year ended 31 March 2024, 31 March 2023, 31 March 2022.

11. Other financial assets

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Security deposits	70.1	75.2	69.8
Receivables on assigned loans	2,755.7	2,881.0	2,354.5
Others*	35.0	70.0	115.0
	2,860.8	3,026.2	2,539.3
Less: Impairment loss allowance**	20.1	6.8	-
Total	**2,840.7**	**3,019.4**	**2,539.3**

* Includes receivable from pools purchased under direct assignment of ₹ 32.4 million as at 31 March 2024, ₹ 43.0 million as at 31 March 2023,₹ 115.0 million as at 31 March 2022.

**Impairment allowance recognised on receivable on assigned loans is ₹ 18.9 million for 31 March 2024, ₹ 6.3 million for 31 March 2023, ₹ Nil for March 2022.

Reconciliation of impairment loss allowance on other financial assets (₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Impairment loss allowance as at beginning of the year (a)	6.8	-	-
Increase during the year (b)	13.3	6.8	-
Decrease during the year (c)	-	-	-
Impairment loss allowance at the end of the year (a+b-c)	**20.1**	**6.8**	**-**

12. Income Tax

(a)

(i) Current Tax Asset (Net)

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Income taxes paid in advance -net of provision for income tax ₹ 8,372.0 million as at 31 March 2024, ₹ 1,871.3 million as at 31 March 2023, ₹ 3,223.2 million as at 31 March 2022	310.9	39.7	90.8
Total	**310.9**	**39.7**	**90.8**

(ii) Current Tax liability (Net)

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Provision for Income tax -net of advance tax ₹ 6,507.3 million as at 31 March 2024, ₹ 8,125.3 million as at 31 March 2023, ₹ 2,827.4 million as at 31 March 2022	259.3	161.7	200.6
Total	**259.3**	**161.7**	**200.6**

12. Income Tax (Contd.)

(b) Deferred tax assets (net)

Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate (₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Profit before tax	**21,613.2**	**17,000.6**	**9,598.6**
Tax at corporate tax rate of 25.17%	**5,440.1**	**4,279.1**	**2,416.0**
Tax on expenditure not considered for tax provision (net of allowance)	183.6	143.8	87.8
Tax impact on deduction under Section 36(1)(viii) of the Income tax Act, 1961*	(591.5)	-	-
Tax Impact of reversal of opening deferred tax liability on special reserve under section 36(1)(viii) of the Inocme tax Act, 1961*	(730.9)	-	-
Tax benefit on additional deductions	(0.3)	(0.3)	(1.4)
Tax expense (effective tax rate - 31 March 2024 -19.90%, 31 March 2023- 26.01%, 31 March 2022- 26.07%)	**4,301.0**	**4,422.6**	**2,502.4**

* As per the Company review of profitablity of utilisation of the Special reserve created under section 36(1)(viii) of the Income Tax Act, 1961, there is no intention of utilisation of this special reserve in future and the deferred tax liability created on this reserve is not capable of being reversed. In the absence of temprory difference, no deferred tax liability is required to be recognised as on 31 March 2024. Consequent to this review, the deferred tax liability of ₹ 730.9 million as at 1 April 2023 has been reversed during the year ended 31 March 2024 with corresponding credit to Restated statement of Profit and Loss.

Movement in Deferred Tax Assets / (Liability)

For the year ended 31 March 2024 (₹ in million)

Particulars	Balance as at 31 March 2023	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2024
I. Deferred tax asset				
Property, plant and equipment and Intangible assets	10.2	4.8	-	15.0
Remeasurements of employee benefits	2.0	14.3	4.9	21.2
Expected credit loss	1,149.9	-	-	1,149.9
EIR impact on financial instruments measured at amortised cost	3.5	(1.0)	-	2.5
Mark to Market impact on fair value hedge	0.1	5.6	-	5.7
Right of use assets and lease liability (net)	10.5	(1.1)	-	9.4
Unrealised net gain/ (loss) on fair value changes	-	1.0	-	1.0
Gross deferred tax assets (I)	**1,176.2**	**23.6**	**4.9**	**1,204.7**
II. Deferred tax liabilities				
Receivables on assigned loans	725.1	(31.6)	-	693.5
Deduction of special reserve as per section 36(1)(viii) of the Income Tax Act, 1961	730.9	(730.9)	-	-
		-	-	-
Fair value on Debt instruments designated under FVTPL	2.4	(2.4)	-	-
Fair value on Debt instruments designated under FVOCI	-	-	1.8	1.8
Other temporary differences	0.5	(0.5)	-	(0.0)
Gross deferred tax liabilities (II)	**1,458.9**	**(765.4)**	**1.8**	**695.3**
Deferred tax assets/ (liabilities), net (I-II)	**(282.7)**	**789.0**	**3.1**	**509.4**

For the year ended 31 March 2023 (₹ in million)

Particulars	Balance as at 31 March 2022	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2023
I. Deferred tax asset				
Property, plant and equipment and Intangible assets	9.2	1.0	-	10.2
Remeasurements of employee benefits	10.0	5.9	(13.9)	2.0
Expected credit loss	1,053.8	96.1	-	1,149.9
EIR impact on financial instruments measured at amortised cost	5.2	(1.7)	-	3.5
Mark to Market impact on fair value hedge	-	0.1		0.1
Right of use assets and lease liability (net)	10.3	0.2	-	10.5
Gross deferred tax assets (I)	**1,088.5**	**101.6**	**(13.9)**	**1,176.2**
II. Deferred tax liabilities				
Receivables on assigned loans	592.6	132.5	-	725.1
Deduction of special reserve as per section 36(1)(viii) of the Income Tax Act, 1961	338.3	392.6	-	730.9
Unrealised net gain on fair value changes	1.8	0.6	-	2.4
Other temprory difference	-	0.5	-	0.5
Gross deferred tax liabilities (II)	**932.7**	**526.2**	**-**	**1,458.9**
Deferred tax assets/ (liabilities), net (I-II)	**155.8**	**(424.6)**	**(13.9)**	**(282.7)**

12. **Income Tax (Contd.)**

For the year ended 31 March 2022

(₹ in million)

Particulars	Balance as at 31 March 2021	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2022
I. Deferred tax asset				
Property, plant and equipment and Intangible assets	9.7	(0.5)	0.0	9.2
Remeasurements of employee benefits	2.2	6.2	1.6	10.0
Expected credit loss	769.1	284.7	0.0	1,053.8
EIR impact on financial instruments measured at amortised cost	7.6	(2.4)	0.0	5.2
Mark to Market impact on fair value hedge	-	-	-	-
Right of use assets and lease liability (net)	9.4	0.9	0.0	10.3
Gross deferred tax assets (I)	**798.0**	**288.9**	**1.6**	**1,088.5**
II. Deferred tax liabilities				
Receivables on assigned loans	453.2	139.4	0.0	592.6
Deduction of special reserve as per section 36(1)(viii) of the Income Tax Act, 1961	187.2	151.1	0.0	338.3
Unrealised net gain on fair value changes	5.0	(3.2)	0.0	1.8
Gross deferred tax liabilities (II)	**645.4**	**287.3**	**0.0**	**932.7**
Deferred tax assets/ (liabilities), net (I-II)	**152.6**	**1.6**	**1.6**	**155.8**

13. Property, plant and equipment and intangible assets

For the year ended 31 March 2024 **(₹ in million)**

Particulars	Gross Block				Depreciation and amortisation				Net block
	As at 1 April 2023	Additions	Deductions/ adjustments	As at 31 March 2024	As at 1 April 2023	Deductions/ adjustments	For the year	As at 31 March 2024	As at 31 March 2024
Property, plant and equipment									
Buildings									
- Own use [(a)]	23.9	-	-	23.9	4.5		0.4	4.8	19.1
- Right-of-use - Buildings	820.2	145.3	50.2	915.3	418.5	21.6	140.3	537.2	378.1
Computers	251.6	105.0	49.7	306.9	121.4	25.9	57.4	152.9	154.0
Furniture and Fixtures	129.9	10.6	1.7	138.8	54.0	2.8	17.5	68.7	70.1
Lease hold improvement	142.3	4.3	5.7	140.9	102.4	4.4	19.2	117.2	23.7
Vehicles	190.4	133.7	37.8	286.3	46.1	17.3	44.4	73.2	213.1
Office equipment	148.2	2.9	7.5	143.6	110.4	5.2	21.5	126.7	16.9
Total (i)	**1,706.5**	**401.8**	**152.6**	**1,955.7**	**857.3**	**77.2**	**300.7**	**1,080.7**	**875.0**
Intangible assets									
Computer Software	434.7	168.2	-	602.9	154.0	-	95.3	249.3	353.6
Total (ii)	**434.7**	**168.2**	**-**	**602.9**	**154.0**	**-**	**95.3**	**249.3**	**353.6**
Total (i+ii)	**2,141.2**	**570.0**	**152.6**	**2,558.6**	**1,011.3**	**77.2**	**396.0**	**1,330.0**	**1,228.6**

For the year ended 31 March 2023 **(₹ in million)**

Particulars	Gross Block				Depreciation and amortisation				Net block
	As at 1 April 2022	Additions	Deductions/ adjustments	As at 31 March 2023	As at 1 April 2022	Deductions/ adjustments	For the year	As at 31 March 2023	As at 31 March 2023
Property, plant and equipment									
Buildings									
- Own use [(a)]	23.9	-	-	23.9	4.1	-	0.4	4.5	19.4
- Right-of-use - Buildings	647.6	183.6	11.0	820.2	285.5	6.8	139.8	418.5	401.7
Computers	229.0	70.3	47.7	251.6	89.2	18.6	50.8	121.4	130.2
Furniture and Fixtures	117.4	20.6	8.1	129.9	51.0	7.2	10.2	54.0	75.9
Lease hold improvement	131.2	11.1	-	142.3	82.0	-	20.4	102.4	39.9
Vehicles	113.7	97.0	20.3	190.4	31.3	4.3	19.1	46.1	144.3
Office equipment	145.3	4.4	1.5	148.2	84.1	1.1	27.4	110.4	37.8
Total (i)	**1,408.1**	**387.0**	**88.6**	**1,706.5**	**627.2**	**38.0**	**268.1**	**857.3**	**849.2**
Intangible assets									
Computer Software	279.1	155.6	-	434.7	88.0	(0.1)	65.9	154.0	280.7
Total (ii)	**279.1**	**155.6**	**-**	**434.7**	**88.0**	**(0.1)**	**65.9**	**154.0**	**280.7**
Total (i+ii)	**1,687.2**	**542.6**	**88.6**	**2,141.2**	**715.2**	**37.9**	**334.0**	**1,011.3**	**1,129.9**

For the year ended 31 March 2022 **(₹ in million)**

Particulars	Gross Block				Depreciation and amortisation				Net block
	As at 1 April 2021	Additions	Deductions/ adjustments	As at 31 March 2022	As at 1 April 2021	Deductions/ adjustments	For the year	As at 31 March 2022	As at 31 March 2022
Property, plant and equipment									
Buildings									
- Own use [(a)]	23.9	-	-	23.9	3.8	-	0.3	4.1	19.8
- Right-of-use - Buildings	458.2	192.4	3.0	647.6	176.0	-	109.5	285.5	362.1
Computers	147.0	109.3	27.3	229.0	71.5	16.8	34.5	89.2	139.8
Furniture and Fixtures	108.1	9.4	0.1	117.4	42.4	0.1	8.7	51.0	66.4
Lease hold improvement	127.8	6.7	3.3	131.2	61.1	3.1	24.0	82.0	49.2
Vehicles	84.4	47.9	18.6	113.7	27.8	7.9	11.4	31.3	82.4
Office equipment	135.4	10.8	0.9	145.3	59.0	0.6	25.7	84.1	61.2
Total (i)	**1,084.8**	**376.5**	**53.2**	**1,408.1**	**441.6**	**28.5**	**214.1**	**627.2**	**780.9**
Intangible assets									
Computer Software	190.2	88.9	-	279.1	44.5	-	43.5	88.0	191.1
Total (ii)	**190.2**	**88.9**	**-**	**279.1**	**44.5**	**-**	**43.5**	**88.0**	**191.1**
Total (i+ii)	**1,275.0**	**465.4**	**53.2**	**1,687.2**	**486.1**	**28.5**	**257.6**	**715.2**	**972.0**

13. Property, plant and equipment and intangible assets (Contd.)

Notes

(a) Title deeds of immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of lessee) are held in the name of the Company.

b) Useful life as used by the Company and as indicated in Schedule II are listed below:

Nature of assets	Useful life as per Schedule II	Useful life adopted by the Company
Building	60 years	60 years
Computers		
End user machines	3 years	4 years
Servers and Networks	6 years	6 years
Office equipment	5 years	5 years
Furniture and fixtures		
Chairs	10 years	4 years+
Other Furniture and fixtures	10 years	10 years
Vehicles	8 years	6 years+

- +The Company changed useful life of vehicles and chairs from 8 years to 6 years and from 10 years to 4 years respectively during the financial year ended 31 March 2024
- Based on internal assessment, the Management believes that the useful lives adopted by the Company best represent the period over which Management expects to use these assets.

13.A Intangible assets under development

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	Year ended 31 March 2022
Opening balance	3.1	14.6	6.2
Additions during the year	170.2	107.2	41.1
Deductions/Adjustments	(164.6)	(118.7)	(32.7)
Closing balance	**8.7**	**3.1**	**14.6**

13.B Aging for Intangible assets under development (₹ in million)

Particulars	As at	Period				Total
		Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	31-Mar-24	8.7	-	-	-	**8.7**
Projects in progress	31-Mar-23	3.1	-	-	-	**3.1**
Projects in progress	31-Mar-22	14.6	-	-	-	**14.6**

The Company does not have any project temporary suspended or any Intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence Intangible asset under development completion schedule is not applicable.

14. Other non-financial assets

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Capital advances	-	0.3	9.8
Advances to suppliers and others*	89.1	79.1	94.6
Total	**89.1**	**79.4**	**104.4**

* - includes excess CSR spent of ₹ 11.3 million as at 31 March 2024, ₹ 6.4 million as at 31 March 2023, Nil as at 31 March 2022.
- Impairment allowance recognised on advances to suppliers of ₹ 0.1 million as at 31 March 2024, ₹ 0.1 million as at 31 March 2023, ₹ 3.7 million as at 31 March 2022

15. Payables

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Trade payables			
Total outstanding dues of micro enterprises and small enterprises(As at 31 March 2023 - ₹ 24,480)#	-		1.8
Total outstanding dues of creditors other than micro enterprises and small enterprises	576.1	459.3	362.3
Total	**576.1**	**459.3**	**364.1**
Other payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	827.5	730.4	381.7
Total	**827.5**	**730.4**	**381.7**

#Based on and to the extent of the 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, the relevant particulars as at the year-end are furnished below:

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Principal amount due to suppliers under MSMED Act, as at the year end (As at 31 March 2023 - ₹ 24,480) (since paid)	-		1.8
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	7.1	34.6	46.2
Interest paid to suppliers under MSMED Act (Section 16)	0.1	0.9	0.3
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-	-

Trade Payable aging schedule as at 31 March 2024 (₹ in million)

Particulars	Not due	Unbilled	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	570.5	5.6	-	-	-	576.1
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Trade Payable aging schedule as at 31 March 2023 (₹ in million)

Particulars	Not due	Unbilled	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME (₹ 24,480)	-	-		-	-	-	-
(ii) Others	-	428.9	29.7	0.5	0.2	-	459.3
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Trade Payable aging schedule as at 31 March 2022 (₹ in million)

Particulars	Not due	Unbilled	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	1.8	-	-	-	1.8
(ii) Others	-	325.2	36.7	0.2	0.1	0.1	362.3
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

16. Debt securities

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
At amortised cost			
Secured and fully paid			
Privately placed redeemable non-convertible debentures*	227,259.4	184,763.9	117,306.7
	227,259.4	184,763.9	117,306.7
Unsecured			
Borrowings by issue of commercial paper	26,502.9	4,234.9	39,972.3
Privately placed partly paid redeemable non-convertible debentures	12,691.0	10,150.4	7,612.5
	39,193.9	14,385.3	47,584.8
Total	**266,453.3**	**199,149.2**	**164,891.5**
Out of above			
In India	266,453.3	199,149.2	164,891.5
Outside India	-	-	-
Total	**266,453.3**	**199,149.2**	**164,891.5**

*All the Privately placed secured redeemable non-convertible debentures of the Company including those issued during the year ended 31 March 2024, 31 March 2023 and 31 March 2022 are fully secured by first pari passu charge by mortgage of the Company's immovable property at Chennai and/or by hypothecation of book debts/loan receivables to the extent as stated in the respective information memorandum. Further, the Company has, at all times, for the non-convertible debentures, maintained asset cover as stated in the respective information memorandum which is sufficient to discharge the principal amount, interest accrued thereon and such other sums as mentioned therein.

The quarterly statements or returns of assets filed by the Company with banks, financials institutions and debenture trustees are in agreement with books of accounts. The amount reported in quarterly statements is adjusted for net stage 3 loan balances, interest accrued but not due and loans to related parties as required by banks, financial institutions and debenture trustees.

The Company has no pending charges or satisfaction which are required to be registered with ROC.

As a part of Interest rate risk management, the Company has entered into INR interest rate swaps of a notional amount of ₹ 17,500 million as at 31 March 2024, ₹ 1000 million as at 31 March 2023, Nil as at 31 March 2022. The total outstanding is ₹ 18,500 million as on 31 March 2024, ₹ 1,000 million as on 31 March 2023, Nil as on 31 March 2022.

Terms of repayment of non convertible debenture as at 31 March 2024 (₹ in million)

Original maturity (In no. of years)	Due within 1 year	Due in 1 to 2 Years	Due in 2 to 3 Years	More than 3 years	Total
Redeemable at par (at face value)					
Up to 2 years	12,500.0	10,000.0	-	-	22,500.0
2 to 3 years	-	46,750.0	10,000.0	-	56,750.0
3 to 4 years	31,350.0	23,950.0	15,000.0	-	70,300.0
More than 4 years	-	-	-	82,770.0	82,770.0
Redeemable at premium					
Over 3-4 years	-	-	-	-	-
Interest accrued	8,215.8	-	-		8,215.8
Fair value gain/ loss on NCD hedged through interest rate swap					(130.9)
Impact of EIR (including premium and Discount on NCD)					(454.5)
Total					**239,950.4**

Interest rate ranges from 5.00 % p.a. to 8.00 % p.a. as at 31 March 2024.

Amount to be called and paid is ₹ 1,050 million in Jan 2025 and ₹ 1,200 million in Jan 2026.

Amount to be called and paid is ₹1,470 million in Mar 2025 and ₹1,680 million in Mar 2026.

Terms of repayment of non convertible debenture as at 31 March 2023 (₹ in million)

Original maturity (In no. of years)	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 years	Total
Redeemable at par (at face value)					
Up to 2 years	32,250.0	12,500.0	-	-	44,750.0
2 to 3 years	10,750.0	9,850.0	43,500.0	-	64,100.0
3 to 4 years	-	21,500.0	7,200.0	-	28,700.0
More than 4 years	-	-	-	51,750.0	51,750.0
Redeemable at premium					
3-4 years	-	-	-	-	-
Interest accrued	6,138.7	133.3	-	-	6,272.0
Fair value gain/ loss on NCD hedged through interest rate swap					13.9
Impact of EIR (including premium and Discount on NCD)					(671.6)
Total					**194,914.3**

Interest rate ranges from 5.00 % p.a. to 8.04 % p.a. as at 31 March 2023.

Amount to be called and paid is ₹1050 million each in Jan 2024, Jan 2025 and ₹1200 million in Jan 2026.

Amount to be called and paid is ₹1470 million each Mar 2024, Mar 2025 and ₹1680 million in Mar 2026.

16. Debt securities (Contd.)

Terms of repayment of non convertible debenture (NCDs) as at 31 March 2022 **(₹ in million)**

Original maturity (In no. of years)	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 years	Total
Redeemable at par (at face value)					
Up to 2 years	9,000.0	32,250.0	-	-	41,250.0
2 to 3 years	1,650.0	10,750.0	9,850.0	-	22,250.0
3 to 4 years	9,900.0		21,500.0	3,300.0	34,700.0
More than 4 years	-	-	-	13,270.0	13,270.0
Redeemable at premium					
3-4 years	8,008.0	-	-	-	8,008.0
Interest accrued	5,442.5	-	63.3		5,505.8
Impact of EIR (including premium and Discount on NCD)					(64.6)
Total					**124,919.2**

Interest rate ranges from 4.85 % p.a. to 9.21 % p.a. as at 31 March 2022.

Amount to be called and paid is ₹1,050.0 million each in Jan 2023, Jan 2024, Jan 2025 and ₹1,200.0 million in Jan 2026.

Amount to be called and paid is ₹1,470.0 million each in Mar 2023, Mar 2024 and ₹1680.0 million in Mar 2025.

Terms of repayment of commercial paper **(₹ in million)**

Original maturity (In no. of years)	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Issued at discount and redeemable at par			
Up to 1 years	26,051.4	4,235.3	39,981.3
Impact of EIR	451.5	(0.4)	(9.0)
Total	**26,502.9**	**4,234.9**	**39,972.3**

-Interest rate ranges from 7.48% to 8.03% p.a as at 31 March 2024 ,31 March 2023 : 5.00% to 6.00% p.a, 31 March 2022 :3.91% to 5.15% p.a.

- Face value of commercial paper is ₹ 27,500.0 million as at 31 March 2024,, ₹ 4,250.0 million as at 31 March 2023 , ₹ 40,750.0 million as at 31 March 2022

17. Borrowings (other than debt securities)

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
At amortised cost			
Secured			
Term loans from banks*	345,427.5	314,952.2	244,931.7
Loans repayable on demand from banks*			
Cash credit / Overdraft facility	569.5	1,417.6	-
Working capital demand loan	8,624.4	177.2	-
Term loans from others			
National Housing Bank$	68,375.9	20,000.0	-
Total	**422,997.3**	**336,547.0**	**244,931.7**
Out of above:			
In India	422,997.3	336,547.0	244,931.7
Outside India	-	-	-
Total	**422,997.3**	**336,547.0**	**244,931.7**

The Company has not been declared a Wilful Defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

***Nature of security for term loans taken from Banks.**

Secured against hypothecation of book debts, loan receivables and other receivables.

The quarterly statements or returns of assets filed by the Company with banks, financials institutions and debenture trustees are in agreement with books of accounts. The amount reported in quarterly statements is adjusted for net stage 3 loan balances, interest accrued but not due and loans to related parties as required by banks, financial institutions and debenture trustees.

$Nature of security for term loans taken from NHB.

(i) All the outstanding refinancing from NHB are secured by hypothecation of specific loans/ book debts to the extent of 1.10 times and 1.05 times of outstanding amount as per respective sanctioned terms.

(ii) The Company has availed refinance facility from NHB of ₹ 54,993.8 million during the year ended 31 March 2024, ₹ 20,000 million during the year ended 31 March 2023, Nil during the year ended 31 March 2022 against eligible individual Housing loans under various refinance schemes including Affordable Housing Scheme.

The Company has no pending charges or satisfaction which are required to be registered with ROC.

17. Borrowings (other than debt securities) (Contd.)

Terms of repayment of term loan from banks as at 31 March 2024

Original maturity of loan (as per Sanction) (In no. of years)	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 years		Total	
	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million
Quarterly Principal Payment										
3-4 years	2	2,000.0	-	-	-	-	-	-	2	2,000.0
More than 4 years	121	26,015.3	104	20,734.2	92	22,285.4	161	32,466.8	478	101,501.7
Half yearly Principal Payment										
3-4 years	2	1,428.6	-	-	-	-	-	-	2	1,428.6
More than 4 years	64	21,075.1	70	28,640.1	78	35,870.10	182	71,937.9	394	157,523.2
Yearly Principal Payment										
3-4 years	1	3,750.0	-	-	-	-	-	-	1	3,750.0
More than 4 years	12	8,683.3	8	6,733.3	9	11,633.30	29	20,166.7	58	47,216.6
Bullet Payment on maturity										
3-4 years	1	5,000.0	-	-	-	-	-	-	1	5,000.0
More than 4 years	-	-	-	-	1	5,000.00	2	22,000.0	3	27,000.0
Interest accrued										32.3
Impact of EIR										(24.9)
Total									**939**	**345,427.5**

Interest rate ranges from 5.05 % p.a. to 9.15 % p.a. as at 31 March 2024.

Terms of repayment of term loan from NHB as at 31 March 2024

Original maturity of loan (as per Sanction) (In no. of years)	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 years		Total	
	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million
Quarterly Principal Payment										
More than 4 years	78	6,474.7	104.0	8,632.9	104.0	8,632.9	545.0	44,635.4	831.0	68,375.9
Interest accrued										-
Impact of EIR										-
Total									**831.0**	**68,375.9**

Interest rate ranges from 5.25 % p.a. to 8.25 % p.a. as at 31 March 2024.

Terms of repayment of working capital demand loan as at 31 March 2024 **(₹ in million)**

Original maturity of loan (In no. of years)	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 years	Total
On maturity (Bullet)					
Up to 1 year	8,622.4	-	-	-	8,622.4
Interest accrued and impact of EIR					2.0
Total					**8,624.4**

Terms of repayment of term loans from banks as at 31 March 2023

Original maturity of loan (as per Sanction) (In no. of years)	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 years		Total	
	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million
Quarterly Principal Payment										
2-3 years	2	312.5							2	312.5
Over 3-4 years			2	2,000.0					2	2,000.0
More than 4 years	129	24,968.6	103	21,541.6	80	15,843.6	150	35,270.0	462	97,623.8
Half yearly Principal Payment										
3-4 years	2	1,428.6	2	1,428.6					4	2,857.2
More than 4 years	43	16,889.4	48	16,081.1	46	20,521.0	123	59,778.2	260	113,269.7
Yearly Principal Payment										
3-4 years	2	4,362.5	1	3,750.0					3	8,112.5
More than 4 years	15	9,583.4	11	8,383.3	7	6,433.3	18	25,400.0	51	49,800.0
Bullet Payment on maturity										
2-3 years			1	2,500.0					1	2,500.0
3-4 years			1	5,000.0					1	5,000.0
More than 4 years	3	6,500.0					3	27,000.0	6	33,500.0
Interest accrued										29.3
Impact of EIR										(52.8)
Total									**792**	**314,952.2**

Interest rate ranges from 5.05 % p.a. to 9.02 % p.a. as at 31 March 2023.

17. Borrowings (other than debt securities) (Contd.)

Terms of repayment of term loan from NHB as at 31 March 2023

Original maturity of loan (as per Sanction) (In no. of years)	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 years		Total	
	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million
Quarterly Principal Payment										
More than 4 years	21	1,809.8	28	2,413.1	28	2,413.1	172	13,364.0	249	20,000.0
Interest accrued										-
Impact of EIR										-
Total									**249**	**20,000.0**

Interest rate ranges from 5.52 % p.a. to 7.55 % p.a. as at 31 March 2023.

Terms of repayment of working capital demand loan as at 31 March 2023 **(₹ in million)**

Original maturity of loan (In no. of years)	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 years	Total
On maturity (Bullet)					
Up to 1 year	177.2	-	-	-	177.2
Interest accrued and impact of EIR					-
Total					**177.2**

Terms of repayment of term loans from banks as at 31 March 2022

Original maturity of loan (as per Sanction) (In no. of years)	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 years		Total	
	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million	Total No. of instalments	₹ in million
Quarterly Principal Payment										
Up to 2 years	1	3,000.0							1	3,000.0
2-3 years	4	625.0	2	312.5					6	937.5
Over 3-4 years	12	5,983.3			2	2,000.0			14	7,983.3
More than 4 years	110	20,325.8	99	20,825.8	63	14,398.7	72	23,952.9	344	79,503.2
Half yearly Principal Payment										
Up to 2 years									-	-
2-3 years									-	-
3-4 years	2	1,428.6	2	1,428.6	2	1,428.6			6	4,285.8
More than 4 years	27	12,509.4	38	15,293.0	34	12,418.0	78	32,058.8	177	72,279.2
Yearly Principal Payment										
Up to 2 years									-	-
2-3 years									-	-
3-4 years	1	1,500.0	1	2,250.0	1	3,750.0			3	7,500.0
More than 4 years	13	7,250.0	12	6,250.0	8	5,050.0	6	5,500.0	39	24,050.0
Bullet Payment on maturity										
Up to 2 years	5	21,750.0							5	21,750.0
2-3 years	4	500.0			1	2,500.0			5	3,000.0
3-4 years	1	2,112.5	1	2,112.5	1	5,000.0			3	9,225.0
More than 4 years			3	6,500.0			1	5,000.0	4	11,500.0
Interest accrued										10.3
Impact of EIR										(92.6)
Total									**607**	**244,931.7**

Interest rate ranges from 5.05 % p.a. to 7.12 % p.a. as at 31 March 2022.

18. Deposits

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Unsecured			
At Amortised Cost			
From Others (Inter corporate deposit)	1,842.6	1,757.7	5,100.0
Total	**1,842.6**	**1,757.7**	**5,100.0**

Terms of repayment of Deposits as at 31 March 2024 (₹ in million)

Original maturity (In no. of years)	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 years	Total
On maturity (Bullet)					
Up to 1 year	108.3	-	-	-	108.3
Over 1 to 2 years	1,653.4	-	-	-	1,653.4
More than 3 years	-	12.0	-	-	12.0
Interest accrued	68.9	-	-	-	68.9
Total					**1,842.6**

Interest rate ranges from 7.28 % p.a. to 7.80 % p.a.

Terms of repayment of Deposits as at 31 March 2023 (₹ in million)

Original maturity (In no. of years)	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 years	Total
On maturity (Bullet)					
Up to 1 year	27.8	-	-	-	27.8
Over 1 to 2 years	-	1,653.4	-	-	1,653.4
Over 2 to 3 years	-	-	12.0	-	12.0
Interest accrued	64.5				64.5
Total					**1,757.7**

Interest rate ranges from 7.28 % p.a. to 7.60 % p.a.

Terms of repayment of Deposits as at 31 March 2022 (₹ in million)

Original maturity (In no. of years)	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 years	Total
On maturity (Bullet)					
Up to 1 year	650.0	-	-	-	650.0
Over 1 to 2 years	-	4,450.0	-	-	4,450.0
Interest accrued					-
Total					**5,100.0**

Interest rate ranges from 4.00 % p.a. to 4.10 % p.a.

19. Other financial liabilities

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Security deposits	0.8	0.8	0.8
Lease Liability⁺	415.4	443.3	402.9
Amount payable on swaps and other derivatives	17.3	-	-
Others*	1,907.9	1,672.1	1,340.5
Total	**2,341.4**	**2,116.2**	**1,744.2**

* Includes amount for employee care fund of ₹ 9.2 million for March 2024, ₹ 10.3 million for March 2023, ₹ 6.9 million for March 2022.
- Includes amount payable to assignment partners and insurance partners.

⁺Disclosures as required by Ind AS 116 - 'Leases' are stated below

The Company has taken various office premises under lease. The period of lease agreements are ranging for a period 36 to 108 months. Lease liabilities are recognised in Balance Sheet at initital application basis incremental borrowing rate of similar tenure ranging from 5.26% to 8.20%.

a. Lease Liability Movement

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Opening Balance / Transition adjustment	443.3	402.9	319.6
Add :			
Addition during the year	145.3	183.6	192.4
Interest on Lease Liability	29.0	27.7	24.6
Lease modification/ adjustments	-	-	-
Less :			
Deletion during the year	34.7	4.9	3.7
Lease rental payments	167.5	166.0	130.0
Balance at the end of the year	**415.4**	**443.3**	**402.9**

b. Lease rentals of ₹ 11.0 million for March 2024, ₹ 7.5 million for March 2023, ₹ 8.9 million for March 2022 pertaining to short-term leases, low value assets and GST disallowance on lease rentals have been charged to statement of profit and loss.

c. Future Lease Cash Outflow for all leased assets :

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
-Not later than one year	147.5	162.5	154.5
-Later than one year but not later than five years	327.7	344.5	302.5
-Later than five years	0.4	0.9	17.9

19. Other financial liabilities (Contd.)

d. Maturity Analysis of Lease Liability:

(₹ in million)

Particulars	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	Within 12 months	After 12 months	Within 12 months	After 12 months	Within 12 months	After 12 months
Lease Liability	121.2	294.2	135.5	307.8	115.7	287.2

e. Amount recognised in statement of profit and loss

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities	29.0	27.7	24.6
Depreciation charge for the year	140.3	139.8	109.5
(Gain)/loss on pre-mature lease closure	(6.1)	(0.7)	(0.7)
Total	**163.2**	**166.8**	**133.4**

20. Provisions

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits			
Gratuity	35.2	-	10.3
Compensated absences	16.3	13.4	13.7
Other long term service benefits	32.5	19.7	16.5
Others provisions			
Impairment allowance on undrawn loan commitments	272.4	123.2	-
Total	**356.4**	**156.3**	**40.5**

21. Other non-financial liabilities

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Statutory Dues	264.2	128.7	150.8
Others	9.5	20.3	52.1
Total	**273.7**	**149.0**	**202.9**

22. Equity share capital

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Authorised			
8,00,00,00,000 equity shares of ₹ 10 each (8,00,00,00,000 as at 31 March 2023) (8,00,00,00,000 as at 31 March 2022)	80,000.0	80,000.0	80,000.0
Issued			
6,712,155,564 equity shares as at 31 March 2024 , 6,712,155,564 equity shares as at 31 March 2023 , 4,883,333,329 equity shares as at 31 March 2022 of ₹ 10 each	67,121.6	67,121.6	48,833.3
Subscribed and fully paid up			
6,712,155,564 equity shares as at 31 March 2024 , 6,712,155,564 equity shares as at 31 March 2023 , 4,883,333,329 equity shares as at 31 March 2022 of ₹ 10 each	67,121.6	67,121.6	48,833.3
Total	**67,121.6**	**67,121.6**	**48,833.3**

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity share capital issued, subscribed and fully paid up	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	Nos.	₹ in million	Nos.	₹ in million	Nos.	₹ in million
Outstanding at the beginning of the year	6,712,155,564	67,121.6	4,883,333,329	48,833.3	4,883,333,329	48,833.3
Add: Issue of equity shares on right basis	-	-	1,828,822,235	18,288.3	-	-
Outstanding at the end of the year	**6,712,155,564**	**67,121.6**	**6,712,155,564**	**67,121.6**	**4,883,333,329**	**48,833.3**

b. Terms/rights/restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company (face value ₹10 per share)

Particulars	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	Nos.	₹ in million	Nos.	₹ in million	Nos.	₹ in million
Bajaj Finance Limited*	6,712,155,564	67,121.6	6,712,155,564	67,121.6	4,883,333,329	48,833.3

* A subsidiary of Bajaj Finserv Ltd.

d. Details of shareholders holding more than 5% shares in the Company (face value ₹10 per share)

Particulars	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	Nos.	% Holding	Nos.	% Holding	Nos.	% Holding
Bajaj Finance Limited (Holding Company)	6,712,155,564	100%	6,712,155,564	100%	4,883,333,329	100%

e. Details of shareholding of promoters

Shares held by promoters at the year ended 31 March 2024				
S.N.	**Promoter name**	**No. of Shares**	**% of total shares**	**% Changes during the year**
1	Bajaj Finance Limited	6,712,155,564	100%	0.00%

Shares held by promoters at the year ended 31 March 2023				
S.N.	**Promoter name**	**No. of Shares**	**% of total shares**	**% Changes during the year**
1	Bajaj Finance Limited	6,712,155,564	100%	0.00%

Shares held by promoters at the year ended 31 March 2022				
S.N.	**Promoter name**	**No. of Shares**	**% of total shares**	**% Changes during the year**
1	Bajaj Finance Limited	4,883,333,329	100%	0.00%

23. Other equity

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(i) Securities premium			
Balance as at the beginning of the year	8,377.2	1,666.7	1,666.7
Add: Received during the year			
On right issue of shares	-	6,710.5	-
Balance as at the end of the year	**8,377.2**	**8,377.2**	**1,666.7**
(ii) Statutory reserve in terms of Section 29C of the NHB Act, 1987			
Balance as at the beginning of the year			
a) Statutory Reserve u/s 29C of the NHB Act, 1987	3,044.5	2,088.9	1,269.6
b) Additional statutory Reserve u/s 29C of the NHB Act, 1987	226.6	226.6	226.6
c) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	2,904.0	1,344.0	744.0
Total	**6,175.1**	**3,659.5**	**2,240.2**
Addition / appropriation /			
Add:			
a) Amount transferred u/s 29C of the NHB Act, 1987	1,112.5	955.6	819.3
b) Additional amount transferred u/s 29C of the NHB Act, 1987	-	-	-
c) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	2,350.0	1,560.0	600.0
Less:			
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-	-
b) Additional amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-	-
c) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-	-
Balance as at the end of the year			
a) Statutory Reserve u/s 29C of the NHB Act, 1987	4,157.0	3,044.5	2,088.9
b) Additional statutory Reserve u/s 29C of the NHB Act, 1987	226.6	226.6	226.6
c) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	5,254.0	2,904.0	1,344.0
Balance as at the end of the year	**9,637.6**	**6,175.1**	**3,659.5**
(iii) Retained earnings			
Balance as at the beginning of the year	**23,358.0**	**13,254.1**	**7,582.0**
Profit for the year	17,312.2	12,578.0	7,096.2
Item of other comprehensive income recognised directly in retained earnings			
on defined benefit plan	(14.4)	41.5	(4.8)
	40,655.8	**25,873.6**	**14,673.4**
Less: Appropriations:			
Transfer to statutory reserve in terms of Section 29C of the NHB	1,112.5	955.6	819.3
Transfer to additional statutory reserve in terms of Section 29C of the NHB Act, 1987	-	-	-
Transfer to special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987	2,350.0	1,560.0	600.0
Total appropriations	**3,462.5**	**2,515.6**	**1,419.3**
Balance as at the end of the year	**37,193.3**	**23,358.0**	**13,254.1**
(iv) Other Comprehensive Income			
Debt Instrument			
Balance at the beginning of the year	-	-	-
Addition during the year	5.3	-	-
Balance at the end of the year (iv)	**5.3**	**-**	**-**
Total (i) to (iv)	**55,213.4**	**37,910.3**	**18,580.3**

Nature and purpose of other equity:

i. Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

ii. Statutory Reserve in terms of Section 29C of the National Housing Bank Act, 1987

Reserve Fund is created as per the Section 29C of the National Housing Bank Act, 1987, which requires every housing finance company to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The Company has transferred twenty percent of it's net profit during the previous year to the reserve fund. This includes Special Reserve created to avail the deduction as per the provisions of Section 36(1)(viii) of the Income Tax Act, 1961 on profits derived from the business of providing long-term finance for construction or purchase of houses in India for residential purposes.

iii. Retained earnings

Retained earnings represents the surplus in profit and loss account after appropriation.
The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:
(a) actuarial gains and losses; and
(b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset).

iv. Other comprehensive income

a) On loans

The Company recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Company transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning of the year	-	-	-
Fair value changes	(414.0)	288.7	563.7
Impairment loss allowances transferred to profit or loss	414.0	(288.7)	(563.7)
Balance as at the end of the year	-	-	-

b) Investment measured at FVOCI

The Company recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Company transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.

24. Interest income

(₹ in million)

Particulars	Year ended 31 March 2024				Year ended 31 March 2023				Year ended 31 March 2022			
	On financial assets measured at				On financial assets measured at				On financial assets measured at			
	Amortised Cost*	FVOCI*	FVTPL	Total	Amortised Cost*	FVOCI*	FVTPL	Total	Amortised Cost*	FVOCI*	FVTPL	Total
On loans#	20,461.6	50,395.1	-	70,856.7	15,065.4	37,036.1	-	52,101.5	10,315.8	24,320.6	-	34,636.4
On investments	13.2	108.9	995.7	1,117.8	-	-	574.0	574.0	-	-	71.5	71.5
On deposits with Banks	49.1	-	-	49.1	16.9	-	-	16.9	109.6	-	-	109.6
Total	**20,523.9**	**50,504.0**	**995.7**	**72,023.6**	**15,082.3**	**37,036.1**	**574.0**	**52,692.4**	**10,425.4**	**24,320.6**	**71.5**	**34,817.5**

*As per effective interest rate (EIR). Refer note no. 4.1(i)

#Net of interest on credit impaired assets amounting to ₹ 185.3 million for year ended 31 March 2024 , ₹ 266.9 million for year ended 31 March 2023 ,₹ 285.2 million for year ended 31 March 2022 .

25. Fees and commission income

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Distribution income	784.9	398.1	332.3
Fees on value added services and products	-	-	76.3
Service and administration charges	375.7	348.9	306.9
Foreclosure income	221.7	115.2	103.0
Total	**1,382.3**	**862.2**	**818.5**

26. Net gain on fair value changes

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Net gain/ (loss) on financial instruments measured at fair value through profit or loss on trading portfolio			
Realised gain/(loss) on investments at FVTPL	1,345.5	1,118.0	602.1
Unrealised gain/(loss) on investments at FVTPL	(13.5)	2.4	(12.4)
Total	**1,332.0**	**1,120.4**	**589.7**

27. Sale of services

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Service charges	153.7	278.0	294.9
Service fees for management of assigned portfolio of loans	371.1	224.9	1,125.3
Total	**524.8**	**502.9**	**1,420.2**

28. Income on derecognised (assigned) loans

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Income on derecognised (assigned) loans	530.8	1,348.0	-
Total	**530.8**	**1,348.0**	**-**

29. Other operating income

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Bad debt recoveries	159.6	102.9	14.4
Digital Adverstisment Charges	185.0	-	-
Miscellaneous charges and receipts	35.0	18.5	6.8
Total	**379.6**	**121.4**	**21.2**

30. Other income

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Rent Income	2.2	2.0	1.9
Interest on income tax refund	-	3.0	1.0
Miscellaneous income	1.8	2.1	1.3
Total	**4.0**	**7.1**	**4.2**

31. Finance costs

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
On financial liabilities measured at amortised cost:			
On debt securities	17,257.8	11,125.2	7,452.0
On borrowings other than debt securities	29,512.2	20,746.4	14,001.3
On Deposits	127.1	213.9	75.2
On lease liability	29.0	27.7	24.6
Total	**46,926.1**	**32,113.2**	**21,553.1**

32. Fees and commission expenses

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Commission and incentives	-	2.8	1.1
Loan portfolio management service charges	117.1	137.5	45.7
Total	**117.1**	**140.3**	**46.8**

33. Impairment on financial instruments

(₹ in million)

Particulars	Year ended 31 March 2024			Year ended 31 March 2023			Year ended 31 March 2022		
	At Amortised Cost	At FVOCI	Total	At Amortised Cost	At FVOCI	Total	At Amortised Cost	At FVOCI	Total
On loans#	589.6	5.5	595.1	547.0	681.1	1,228.1	501.1	1,309.6	1,810.7
On Others	13.7	-	13.7	6.9	-	6.9	-	-	-
Total	**603.3**	**5.5**	**608.8**	**553.9**	**681.1**	**1,235.0**	**501.1**	**1,309.6**	**1,810.7**

#Net of interest on credit impaired assets amounting to for year ended ₹ 185.3 million 31 March 2024 , ₹ 266.9 million 31 March 2023 , ₹ 285.2 million 31 March 2022 .

34. Employee benefits expenses

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Employees emoluments	4,092.4	3,828.8	3,047.2
Contribution to provident fund and other funds	183.4	182.0	156.8
Share based payments to employees	306.4	268.3	192.3
Staff welfare expenses	74.1	72.3	93.1
Total	**4,656.3**	**4,351.4**	**3,489.4**

35. Other expenses

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Travelling expenses	280.1	273.2	180.1
Information technology expenses	302.6	237.6	139.7
Repairs, maintenance and office expenses	150.6	151.7	115.6
Employee training, recruitment and management cost	99.6	109.2	21.7
Outsourcing / back office expenses	386.7	127.8	94.4
Advertisement, branding and promotion	36.5	97.8	51.6
Communication expenses	103.0	93.8	73.1
Rent, taxes and energy cost	74.0	61.2	44.3
Legal and professional charges	53.7	43.0	32.7
Bank charges	21.0	19.8	19.3
Customer experience	19.4	19.7	1.1
Printing and stationery	19.5	19.3	14.3
Director’s fees, commission & expenses	29.1	11.4	5.0
Net loss on disposal of property, plant and equipment	7.7	7.0	4.8
Auditor’s fees and expenses*	5.9	5.7	5.2
Insurance	3.0	2.9	1.9
Expenditure towards Corporate Social Responsibility activities **	206.7	126.8	76.7
Miscellaneous expenses	60.5	72.0	33.6
Total	**1,859.6**	**1,479.9**	**915.1**

*** Auditor's fees and expenses**

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
As auditor			
Audit fee	3.0	3.0	3.0
Tax audit fee	0.4	0.4	
Limited review fee	0.9	0.9	0.4
In other capacity			
Other services	0.4	0.4	1.2
Reimbursement of expenses	0.7	0.6	0.2
Total	**5.4**	**5.3**	**4.8**
Total including GST disallowance	**5.9**	**5.7**	**5.2**

**** Corporate Social Responsibility expenditure**

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
(a) Gross amount required to be spent by the Company during the year	206.7	126.8	76.7
(b) Amount spent during the year on:			
(i) Construction/acquisition of any asset	-	-	73.8
(ii) On purposes other than (i) above	211.6	133.2	2.9
(c) Shortfall at the end of the year	-	-	-
(d) Total of previous years shortfall	-	-	-
(e) Reason for shortfall	NA	NA	NA
(f) Nature of CSR activities (activities as per Schedule VII)	Activities mentioned in i, ii, iii	Activities mentioned in i, ii, iii, x	Activities mentioned in i and ii
(g) Details of related party transactions	-	-	-
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation	-	-	-

Excess amount spent as per Section 135 (5) of the Companies Act, 2013

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	6.4	-	-
Amount spent during the year	211.6	133.2	76.7
	218.0	**133.2**	**76.7**
Amount required to be spent during the year	206.7	126.8	76.7
Closing balance	**11.3**	**6.4**	**-**

36. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Net profit attributable to equity shareholders (₹ in million) (A)	17,312.2	12,578.0	7,096.2
Weighted average number of equity shares for basic earnings per share (B)	6,712,155,564	6,682,092,733	4,883,333,329
Weighted average number of equity shares for diluted earnings per share (C)	6,712,155,564	6,682,092,733	4,883,333,329
Earning Per Share (basic) (₹) (A/B)	**2.6**	**1.9**	**1.5**
Earning Per Share (diluted) (₹) (A/C)	**2.6**	**1.9**	**1.5**

The Company has allotted 1,107,419,709 equity shares having face value of ₹ 10/- each under right issue to its Holding Company (Bajaj Finance Ltd) on 3rd April 2024 at a premium of ₹ 8.06/- per share involving aggregate amount of ₹ 19,999,999,944.54. These shares would be considered for computing 'Earnings per share' from the quarter ending 30 June 2024 onwards.

37. Segment information

The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment. The Company operates in a single geographical segment i.e. domestic. No single customer represents 10% or more of the total revenue for the year ended 31 March 2024, 31 March 2023 and 31 March 2022.

38. Transfer of financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

39(a.) Revenue from contract with customers

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Type of Services			
i) Fees and Service income			
Distribution income	784.9	398.1	332.3
Fees on value added services and products	-	-	76.3
Service and administration charges	375.7	348.9	306.9
Foreclosure income	221.7	115.2	103.0
ii) Other Services			
Digital Adverstisment Charges	185.0	-	-
Total	**1,567.3**	**862.2**	**818.5**
Geographical markets			
India	1,567.3	862.2	818.5
Outside India	-	-	-
Total	**1,567.3**	**862.2**	**818.5**
Timing of revenue recognition			
Services transferred at a point in time	1,567.3	862.2	818.5
Services transferred over time	-	-	-
Total	**1,567.3**	**862.2**	**818.5**

Contract balances (₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Fees, commission and other receivables	134.1	16.0	13.4

-Impairment allowance recognised for contract balances ₹ 0.5 million for the year ended 31 March 2024, ₹ 0.1 million for year ended 31 March 2023 , Nil for year ended 31 March 2022)

39(b.) Details of segment wise income from insurance partners as required by Insurance Regulatory and Development Authority of India (IRDAI) are as below

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Income From Insurance intermediation			
Commission Income- Life Insurance	137.8	-	-
Commission Income- General Insurance	4.7	-	-
Total	**142.5**	**-**	**-**

The Company received Corporate Agency (CA) license from the Insurance Regulatory and Development Authority of India (IRDAI) on 22 December 2023. The Company entered into agreements with various Insurance partners as a Corporate Agent and received Commission Income during the year as disclosed above.

40. Employee benefits plan

(I) Defined benefit plans

A) Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, an employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age.

S. No	Type of Risk	Description of risk
(i)	Changes in discount rate	The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to government bonds' yields at the end of the reporting period. A decrease/(increase) in discount rate will increase/(decrease) present values of plan liabilities and plan investment asset.
(ii)	Salary escalation risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants calculated by applying estimated salary escalation rate. Any deviation in actual salary escalation can have impact on plan liability.
(iii)	Attrition rate risk	If the actual employee withdrawal rate in the future turns out to be more or less than expected then it may result in increase/decrease in the liability.
(iv)	Mortality rate 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/decrease in the life expectancy of the plan participants can have impact on plan liability.

(i) Movement in defined benefit obligations **(₹ in million)**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Defined benefit obligation as at the beginning of the year	**319.9**	255.8	212.5
Current service cost	51.7	50.1	39.1
Interest on defined benefit obligation	23.0	18.0	14.4
Remeasurement (gain)/ loss:			
Actuarial (gain)/ loss arising from change in financial assumptions	8.6	(5.8)	(7.2)
Actuarial (gain)/ loss arising from change in demographic assumptions	-	-	-
Actuarial (gain)/ loss arising on account of experience changes	16.4	(53.3)	10.8
Benefits paid	(15.0)	(19.2)	(13.7)
Liabilities assumed / (settled)*	(1.7)	74.3	-
Defined benefit obligation as at the end of the year	**402.9**	**319.9**	**255.8**

* On account of business combination within the group

(ii) Movement in plan assets **(₹ in million)**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Fair value of plan asset as at the beginning of the year	343.5	245.5	226.6
Employer contributions	10.0	28.9	19.5
Interest on plan assets	25.2	17.7	15.9
Remeasurements due to:			
Actual return on plan assets less interest on plan assets	5.7	(3.7)	(2.8)
Benefits paid	(15.0)	(19.2)	(13.7)
Assets acquired / (settled)*	(1.7)	74.3	-
Fair value of plan asset as at the end of the year	**367.7**	**343.5**	**245.5**

* On account of business combination within the group

(iii) Reconciliation of net liability/ (asset) **(₹ in million)**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Net defined benefit liability/ (asset) as at the beginning of the year	**(23.6)**	10.3	(14.1)
Expense charged to statement of profit & loss	49.5	50.4	37.6
Amount recognised in other comprehensive income	19.3	(55.4)	6.4
Employers contribution	(10.0)	(28.9)	(19.5)
Net defined benefit liability/ (asset) as at the end of the year	**35.2**	**(23.6)**	**10.3**

(iv) Expenses charged to the statement of profit and loss **(₹ in million)**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	51.7	50.1	39.1
Interest cost	(2.2)	0.3	(1.5)
Total	**49.5**	**50.4**	**37.6**

(v) Remeasurement (gains)/losses in other comprehensive income **(₹ in million)**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Opening amount recognised in other comprehensive income	**(15.0)**	40.4	34.1
Changes in financial assumptions	8.6	(5.8)	(7.2)
Changes in demographic assumptions	-	-	-
Experience adjustments	16.4	(53.3)	10.8
Actual return on plan assets less interest on plan assets	(5.7)	3.7	2.8
Closing amount recognized in other comprehensive income	**4.3**	**(15.0)**	**40.4**

40. Employee benefits plan (Contd.)

(vi) Amount recognised in Balance Sheet (₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	Year ended 31 March 2022
Present value of funded defined benefit obligation	402.9	319.9	255.8
Fair value of plan assets	367.7	343.5	245.5
Net defined benefit liability recognised in balance sheet	**35.2**	**(23.6)**	**10.3**

(vii) Key actuarial assumptions (₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	Year ended 31 March 2022
Discount rate (p.a)	7.20%	7.45%	7.25%
Salary escalation rate (p.a.)	11.00%	11.00%	11.00%
Category of plan assets			
Insurer managed funds	100.00%	100.00%	100.00%

(viii) Sensitivity analysis for significant assumptions is as shown below:

Particulars	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	Discount rate	Salary Escalation Rate	Discount rate	Salary Escalation Rate	Discount rate	Salary Escalation Rate
Impact of increase in 50 bps on defined benefit obligation	(4.22%)	4.33%	(4.31%)	4.44%	(4.46%)	4.59%
Impact of decrease in 50 bps on defined benefit obligation	4.51%	(4.10%)	4.61%	(4.19%)	4.78%	(4.33%)

(ix) Projected plan cash flow (₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Maturity Profile			
Expected benefits for year 1	29.3	22.7	16.4
Expected benefits for year 2	29.7	24.1	18.4
Expected benefits for year 3	31.8	24.6	19.4
Expected benefits for year 4	32.3	26.1	19.9
Expected benefits for year 5	32.5	26.1	20.7
Expected benefits for year 6	35.5	25.9	20.7
Expected benefits for year 7	33.1	28.6	20.6
Expected benefits for year 8	72.0	26.7	22.8
Expected benefits for year 9	49.5	59.8	21.1
Expected benefits for year 10 and above	508.0	445.4	389.2

(x) Expected contribution to fund in the next year (₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Expected contribution to fund in the next year	10.0	10.0	30.0

B) Long-term service benefit liability

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Present value of unfunded obligations	32.5	19.7	16.5
Expense recognised in the statement of profit and loss	18.0	5.2	2.9
Discount rate (p.a.)	7.20%	7.45%	7.25%

C) Defined Contribution fund

A defined contribution plan is the post employment benefit under which the company pays fixed contributions and where there is no legal or constructive obligation to pay further contribution in case of shortfall in the plan asset. Contribution made by the Company under defined contribution plan is given below-

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Provident fund & Pension Scheme of EPFO	116.2	114.1	102.4
National Pension Scheme	8.9	7.8	7.3

41. Contingent liabilities and commitments

(a) Contingent liabilities not provided for in respect of : (₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Disputed claims against the company not acknowledged as debts	47.3	34.9	42.3

The Company does not expect any reimbursement in respect of the above contingent liabilities.

(b) Capital and other commitments (₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(i) Capital commitments (Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances))			
- Tangible	0.5	28.1	16.4
- Intangible	0.6	13.6	1.3
(ii) Other commitments (towards partially disbursed / sanctioned but not disbursed)	52,099.2	61,785.7	44,798.4

42. (a) Changes in capital and asset structure arising from Financing Activities & Investing activity

The Company does not have any financing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.

(b) Changes in liability arising from Financing Activities

For the year ended 31 March 2024 **(₹ In million)**

Particulars	As at 1 April 2023	Cash flows	Change in Fair value	Other*	As at 31 March 2024
Debt Securities	199,149.2	64,888.4	130.9	2,284.8	266,453.3
Borrowing other than Debt Securities	336,547.0	86,417.4	-	32.9	422,997.3
Deposits	1,757.7	80.5	-	4.4	1,842.6
Lease Liability	443.3	(138.5)	-	110.6	415.4
Total	**537,897.2**	**151,247.8**	**130.9**	**2,432.7**	**691,708.6**

For the year ended 31 March 2023 **(₹ In million)**

Particulars	As at 1 April 2022	Cash flows	Change in Fair value	Other*	As at 31 March 2023
Debt Securities	164,891.5	33,290.3	13.9	953.5	199,149.2
Borrowing other than Debt Securities	244,931.7	91,556.6	-	58.7	336,547.0
Deposits	5,100.0	(3,406.8)	-	64.5	1,757.7
Lease Liability	402.9	(138.3)	-	178.7	443.3
Total	**415,326.1**	**121,301.8**	**13.9**	**1,255.4**	**537,897.2**

For the year ended 31 March 2022 **(₹ In million)**

Particulars	As at 1 April 2021	Cash flows	Change in Fair value	Other*	As at 31 March 2022
Debt Securities	113,320.8	55,072.0	-	(3,501.3)	164,891.5
Borrowing other than Debt Securities	202,685.2	42,218.0	-	28.5	244,931.7
Deposits	-	5,100.0	-	-	5,100.0
Lease Liability	319.6	(105.4)	-	188.7	402.9
Total	316,325.6	102,284.6	-	(3,284.1)	415,326.1

* Other includes Interest accrued and EIR adjustments

43. Disclosure of transactions with related parties as required by Ind AS 24 **(₹ in million)**

Name of the related party and nature of relationship	Nature of Transactions	Year ended 31 March 2024		Year ended 31 March 2023		Year ended 31 March 2022	
		Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
A. Ultimate Holding Company							
Bajaj Finserv Ltd.	Secured non-convertible debentures issued	-	(4,000.0)	-	(5,500.0)	-	(3,500.0)
	Secured non-convertible debentures repaid	1,500.0	-	-	-	-	-
	Interest paid on non-convertible debentures	361.2	-	208.1	-	90.0	-
	Business Support Charges Paid	13.2	-	36.3	-	-	-
	Amount paid under ESOP recharge arrangements	6.5	-	6.0	(7.1)	-	-
B. Holding Company							
Bajaj Finance Ltd.	Contribution to Equity Shares (6,71,21,55,564 shares at face value of ₹10 each)	-	(67,121.6)	-	(67,121.6)	-	(48,833.3)
	Equity Contribution received (including Premium)	-	-	25,000.0	-	-	-
	Amount paid under ESOP recharge arrangements	299.3	-	261.7	-	192.3	-
	Loan portfolio assigned out	67,581.5	-	17,899.0	-	15,036.9	-
	Purchase of property, plant and equipment	5.5	-	7.9	(1.0)	2.7	-
	Sale of property, plant and equipment	5.3	-	4.8	3.5	3.8	-
	Security deposit received for leased premises	-	(0.8)	-	(0.8)	-	(0.8)
	Business support charges and servicing paid	148.5	-	168.3	(23.2)	78.6	-
	Business support charges received	10.1	-	8.1	-	11.4	-
	Rent income	2.2	-	2.0	-	1.9	-
	Fees, commission and servicing fee received	507.7	-	663.0	0.2	446.4	-
	Loan portfolio assigned in	-	-	-	-	7,387.9	-
	Investment in inter-corporate deposits	-	-	-	-	49,000.0	-
	Investment repayment received	-	-	-	-	49,000.0	-
	interest income on investments in inter-corporate deposits	-	-	-	-	38.2	-
	Short term loan taken	-	-	-	-	7,500.0	-
	Short term loan repaid	-	-	-	-	7,500.0	-
C. Fellow Subsidiaries							
1 Bajaj Financial Securities Ltd. (Fellow Subsidiary)	Company's contribution towards NPS	9.0	-	4.5	-	-	-
2 Bajaj Finserv Direct Ltd. (Subsidiary of Ultimate Holding Company)	Purchase of property, plant and equipment	-	-	0.9	-	-	-
	Sale of property, plant and equipment (TV for FY 2022-23 ₹ 33,647)	0.1	-		-	-	-
	Business support fees and commission paid	21.2	-	6.6	-	10.5	(9.1)
3 Bajaj Finserv Health Ltd. (Subsidiary of Ultimate Holding Company)	Fees and commission received	96.0	18.7	-	-	-	-
4 Bajaj Finserv Venture Ltd. (Subsidiary of Ultimate Holding Company)	Sale of property, plant and equipment (TV for FY 2023-24 ₹ 33,406)		-	-	-	-	-
5 Bajaj Allianz General Insurance Company Ltd. (Subsidiary of Ultimate Holding Company)	Secured non-convertible debentures issued	-	(2,500.0)	-	(1,500.0)	-	(1,000.0)
	Secured non-convertible debentures repaid	-	-	1,000.0	-	500.0	-
	Interest paid on non-convertible debentures	115.5	-	71.0	-	105.7	-
	Advance towards insurance	-	48.7	-	-	-	-
	Insurance expenses	45.7	-	44.2	6.3	37.9	45.4
	Purchase of property, plant and equipment	-	-	-	-	0.1	-
	Fees and commission received	4.7	1.2	-	-	-	-
6 Bajaj Allianz Life Insurance Company Ltd. (Subsidiary of Ultimate Holding Company)	Unsecured non-convertible debentures issued	2,170.0	(10,850.0)	2,170.0	(8,680.0)	2,170.0	(6,510.0)
	Interest paid on non-convertible debentures	678.4	-	509.4	-	339.9	-
	Advance towards insurance	-	4.3	-	-	-	-
	Insurance expense	11.2	-	91.0	6.5	116.1	3.0
	Fees and commission received	35.6	21.0	-	-	-	-
D. Associates of Holding Company							
1 Snapwork Technologies Pvt. Ltd. (w.e.f. 25 November 2022)	Information technology design and development charges	15.9	-	6.3	-	-	-
	Support charges	4.8	-	-	-	-	-
2 Pennant Technologies Pvt. Ltd. (w.e.f. 19 January 2024)	Information technology design and development charges	12.4	-	-	-	-	-
	Support charges	4.2	-	-	-	-	-

43. Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

Name of the related party and nature of relationship	Nature of Transactions	Year ended 31 March 2024		Year ended 31 March 2023		Year ended 31 March 2022	
		Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
E. Key Management Personnel (KMP) and close members of KMP							
1 Sanjiv Bajaj (Chairman)	Short term benefits - Sitting Fees	1.3	-	1.4	-	1.7	-
	Short term benefits - Commission	2.6	(2.3)	0.7	(0.6)	-	-
2 Rajeev Jain (Vice Chairman w.e.f. 1 May 2022, Managing Director till 30 April 2022)	Short term benefits - Sitting Fees	2.1	-	1.5	-	-	-
	Short term benefits - Commission	4.2	(3.8)	1.1	(0.9)	-	-
3 Atul Jain (Managing Director w.e.f. 1 May 2022, Chief Executive Officer till 30 April 2022)	Short term employee benefits	140.8	(19.8)	102.9	(0.4)	81.4	(11.4)
	Share based payment	95.6	-	80.6	-	44.6	-
4 Lila Poonawala (Director till 21 Jan 2023)	Short term benefits - Sitting Fees	-	-	1.6	-	1.7	-
	Short term benefits - Commission	-	-	0.8	(0.7)	-	-
5 Anami N Roy (Director)	Short term benefits - Sitting Fees	1.8	-	1.6	-	1.1	-
	Short term benefits - Commission	3.6	(3.2)	0.9	(0.8)	-	-
6 Dr. Arindam K Bhattacharya (Director w.e.f. 1 May 2022)	Short term benefits - Sitting Fees	2.0	-	0.7	-	-	-
	Short term benefits - Commission	4.0	(3.6)	0.5	(0.5)	-	-
7 Jasmine Arish Chaney (Director w.e.f 1 April 2023)	Short term benefits - Sitting Fees	1.7	-	-	-	-	-
	Short term benefits - Commission	3.4	(3.1)	-	-	-	-
8 Dr, Omkar Goswami (Non executive Director till 9 July 2021)	Short term employee benefits	-	-	-	-	0.1	-
9 Gaurav Kalani (Chief Financial Officer)*	Short term employee benefits	25.2	(7.7)	22.3	(7.7)	16.4	(6.3)
	Share based payment	8.2	-	8.0	-	6.4	-
10 Atul Patni (Company Secretary w.e.f. 1 May 2022)*	Short term employee benefits	4.7	(0.7)	4.8	-	-	-
	Share based payment	0.8	-	-	-	-	-
F. Entities in which KMP and their close members have significant influence							
1 Bajaj Auto Ltd.	Security deposit paid for leased premises	-	0.3	-	0.3	-	0.3
	Business Support Charges Paid	19.7	-	12.7	-	-	-
	Rent expense	0.6	-	0.6	-	0.6	-
2 Bajaj Holdings and Investment Ltd.	Business Support Charges Paid	18.3	-	15.1	-	-	-
	Secured non-convertible debentures repaid	-	-	-	-	1,500.0	-
	Interest paid on non-convertible debentures	-	-	-	-	104.1	-
3 Maharashtra Scooters Ltd.	Secured non-convertible debentures issued	-	(250.0)	-	(500.0)	-	(500.0)
	Secured non-convertible debentures repaid	250.0	-	-	-	-	-
	Interest paid on non-convertible debentures	28.8	-	29.0	-	15.0	-
4 Hind Musafir Agency Ltd.	Services received	38.9	-	40.6	-	12.5	(1.8)
5 Poddar Housing and Development Limited	Interest Income	-	-	-	-	10.7	-
	Loan repayment received	-	-	-	-	130.0	-
6 Ashwin Vijaykumar Jain	Loan repayment received	-	-	-	-	1.5	-
7 Bajaj Allianz Staffing Solutions Ltd.	Outsourcing manpower supply services	764.5	-	127.9	-	-	-
G. Post employment benefit entity							
1 Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	10.9	-	30.2	-	20.0	-

*Key managerial personnel as per section 2(51) of the Companies Act, 2013. Disclosure of transactions made in compliance with RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and RBI Circular for Disclosures in financial information- Notes to Accounts of NBFC dated 19 April 2022.

Notes: -

- Transactions value (TV) are excluding taxes and duties.
- Amount in bracket denotes credit balance.
- Transactions where Company act as intermediary and passed through Company's books of accounts are not in the nature of related party transaction and hence are not disclosed.
- Insurance claims received by the Company on insurance cover taken by it on its assets are not in the nature of related party transaction, hence not disclosed.
- The above disclosures have been made for related parties identified as such only to be in conformity with the Indian Accounting Standard (Ind AS) 24.
- Name of the related parties and nature of their relationships where control exists have been disclosed irrespective of whether or not there have been transactions with the Company. In other cases, disclosure has been made only when there have been transactions with those parties.
- Related parties as defined under clause 9 of the Indian Accounting Standard - 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business and on arms' length basis. All outstanding balances are to be settled in cash and are unsecured except secured non-convertible debentures issued to related parties which are disclosed appropriately.
- Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.
- Non convertible debentures (NCDs) transaction includes only issuance from primary market, and outstanding balance is balances of NCDs held by related parties as on reporting dates.

The Company has a committed line of credit of ₹ 25,000 million from Bajaj Finance Ltd.

44 Relationship with Struck off Companies

For the year ended 31 March 2024 (₹ in million)

Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company	Balance outstanding as at 31 March 2024
CSE Computer Solutions East Pvt Ltd	Loan Given	No	3.4

For the year ended 31 March 2023 (₹ in million)

Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company	Balance outstanding as at 31 March 2023
CSE Computer Solutions East Pvt Ltd	Loan Given	No	3.6

For the year ended 31 March 2022 (₹ in million)

Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company	Balance outstanding as at 31 March 2022
Gayathri Technocrats Private Limited*	Loan Given	No	1.5
CSE Computer Solutions East Pvt Ltd	Loan Given	No	3.7

*Company has repaid all outstanding loan amount during the year ended 31 March 2023.

45. Capital

The Company actively manages its capital base to cover risks inherent to its business and meets the capital adequacy requirements of the regulator, the Reserve Bank of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by the RBI.

(i) Capital management

Objective

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support its growth strategy and the risks inherent to its business. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and interest rate.

The Company monitors its capital adequacy ratio (CRAR) on a monthly basis through its assets liability management committee (ALCO).

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital (₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Tier I capital	118,572.4	101,847.4	64,690.1
Tier II capital	3,484.5	3,596.6	2,599.5
Total capital	**122,056.9**	**105,444.0**	**67,289.6**
Total risk weighted assets	**573,518.3**	**459,017.5**	**341,261.5**
Tier I CRAR	20.67%	22.19%	18.95%
Tier II CRAR	0.61%	0.78%	0.76%
Total CRAR	**21.28%**	**22.97%**	**19.71%**

46. Analytical Ratios

Ratio	As at 31 March 2024 Numerator (₹ in million)	Denominator (₹ in million)	%	As at 31 March 2023 Numerator (₹ in million)	Denominator (₹ in million)	%	As at 31 March 2022 Numerator (₹ in million)	Denominator (₹ in million)	%
Capital to risk-weighted assets ratio (CRAR)	122,056.9	573,518.3	**21.28%**	105,444.0	459,017.5	**22.97%**	67,289.6	341,261.5	**19.71%**
Tier I CRAR	118,572.4	573,518.3	**20.67%**	101,847.4	459,017.5	**22.19%**	64,690.1	341,261.5	**18.95%**
Tier II CRAR	3,484.5	573,518.3	**0.61%**	3,596.6	459,017.5	**0.78%**	2,599.5	341,261.5	**0.76%**
Debt Equity Ratio	691,293.2	122,335.0	**5.7**	537,453.9	105,031.9	**5.1**	414,923.2	67,413.6	**6.2**
Liquidity Coverage Ratio	20,017.3	10,408.9	**192.31%**	15,163.0	10,127.3	**149.72%**	10,744.8	8,189.5	**131.20%**

47. Events after reporting date

There have been no events after the reporting date that require adjustment in these financial information.

The Company has allotted 1,10,74,19,709 equity shares having face value of ₹ 10 each under right issue to its Holding Company (Bajaj Finance Limited) on 3 April 2024 at a premium of ₹ 8.06 per share involving aggregate amount of ₹ 19,99,99,99,944.54.

48. Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

Valuation framework

The Company has an internal fair value assessment team which assesses the fair values for assets qualifying for fair valuation.
The Company's valuation framework includes:
• Benchmarking prices against observable market prices or other independent sources;
• Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions including risk, treasury and finance functions. Finance function is responsible for establishing procedures, governing valuation and ensuring fair values are in compliance with accounting standards.

Valuation methodologies adopted

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:
• Fair values of investments held for trading under FVTPL have been determined under level 1 (refer note 49) using quoted market prices of the underlying instruments;

• Fair value of loans held for a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. The fair value of these loans have been determined under level 3.

The Company has determined that the carrying values of cash and cash equivalents, trade receivables, short term loans, floating rate loans, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

49. Fair value hierarchy

The Company determines fair values of financial instruments according to the following hierarchy:

Level 1 - valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2 - valuation using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 - valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on recurring basis as at 31 March 2024:

(₹ in million)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading designated under FVTPL	31 March 2024	14,181.9	-	-	14,181.9
Investments-held under FVOCI	31 March 2024	5,203.8	-	-	5,203.8
Loans designated under FVOCI	31 March 2024	-	577,099.2	-	577,099.2
Derivative financial instrument (at FVTPL)	31 March 2024	-	108.3	-	108.3

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on recurring basis as at 31 March 2023:

(₹ in million)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading designated under FVTPL	31 March 2023	20,009.1	-	-	20,009.1
Loans designated under FVOCI	31 March 2023	-	471,136.7	-	471,136.7
Derivative financial instrument (at FVTPL)	31 March 2023	-	13.7	-	13.7

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on recurring basis as at 31 March 2022:

(₹ in million)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading designated under FVTPL	31 March 2022	12,482.7	-	-	12,482.7
Loans designated under FVOCI	31 March 2022	-	350,448.4	-	350,448.4

- The Company does not carry any financial asset and liability which is fair valued on a non recurring basis.
- During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

49. Fair value hierarchy (Contd.)

Fair value of financial instruments not measured at fair value as at 31 March 2024: **(₹ in million)**

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	638.6	638.6	-	-	638.6
Bank balances other than cash and cash equivalents	1.5	1.5	-	-	1.5
Trade receivables	133.6	-	-	133.6	133.6
Loans at amortised cost*	215,908.3	-	-	215,908.3	215,908.3
Other financial assets	2,840.7	-	-	2,840.7	2,840.7
Total financial assets	**219,522.7**	**640.1**	**-**	**218,882.6**	**219,522.7**
Financial liabilities					
Trade payables	576.1	-	-	576.1	576.1
Other payables	827.5	-	-	827.5	827.5
Debt securities	266,453.3	-	266,366.5	-	266,366.5
Borrowings (other than debt securities)	422,997.3	-	-	422,997.3	422,997.3
Deposits	1,842.6	-	-	1,842.6	1,842.6
Other financial liabilities	2,341.4	-	-	2,341.4	2,341.4
Total financial liabilities	**695,038.2**	**-**	**266,366.5**	**428,584.9**	**694,951.4**

Fair value of financial instruments not measured at fair value as at 31 March 2023: **(₹ in million)**

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	938.8	938.8	-	-	938.8
Bank balances other than cash and cash equivalents	149.9	149.9	-	-	149.9
Trade receivables	15.9	-	-	15.9	15.9
Other receivables	3.6	-	-	3.6	3.6
Loans at amortised cost*	150,002.2	-	-	150,002.2	150,002.2
Other financial assets	3,019.4	-	-	3,019.4	3,019.4
Total financial assets	**154,129.8**	**1,088.7**	**-**	**153,041.1**	**154,129.8**
Financial liabilities					
Trade payables	459.3	-	-	459.3	459.3
Other payables	730.4	-	-	730.4	730.4
Debt Securities	199,149.2	-	198,441.5	-	198,441.5
Borrowings (other than debt securities)	336,547.0	-	-	336,547.0	336,547.0
Deposits	1,757.7	-	-	1,757.7	1,757.7
Other financial liabilities	2,116.2	-	-	2,116.2	2,116.2
Total financial liabilities	**540,759.8**	**-**	**198,441.5**	**341,610.6**	**540,052.1**

Fair value of financial instruments not measured at fair value as at 31 March 2022: **(₹ in million)**

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	4,070.3	4,070.3	-	-	4,070.3
Bank balances other than cash and cash equivalents	1.4	1.4	-	-	1.4
Trade receivables	18.7	-	-	18.7	18.7
Other receivables	0.1	-	-	0.1	0.1
Loans at amortised cost*	114,372.3	-	-	114,372.3	114,372.3
Other financial assets	2,539.3	-	-	2,539.3	2,539.3
Total financial assets	**121,002.1**	**4,071.7**	**-**	**116,930.4**	**121,002.1**
Financial liabilities					
Trade payables	364.1	-	-	364.1	364.1
Other payables	381.7	-	-	381.7	381.7
Debt Securities	164,891.5	-	165,453.5	-	165,453.5
Borrowings (other than debt securities)	244,931.7	-	-	244,931.7	244,931.7
Deposits	5,100.0	-	-	5,100.0	5,100.0
Other financial liabilities	1,744.2	-	-	1,744.2	1,744.2
Total financial liabilities	**417,413.2**	**-**	**165,453.5**	**252,521.7**	**417,975.2**

*Substantial portion of loans are at floating rate of interest, hence does not have material impact on fair valuation.

50. Risk management objectives and policies

A summary of the major risks faced by the Company, its measurement, monitoring and management are described as under:

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity and funding risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises from: • inability to raise incremental borrowings and deposits to fund business requirement or repayment obligations • when long term assets cannot be funded at the expected term resulting in cashflow mismatches; • Amidst volatile market conditions impacting sourcing of funds from banks and money markets	Board appointed Risk Management Committee (RMC) and Asset Liability Committee (ALCO)	Liquidity and funding risk is: • measured by -identification of gaps in the structural and dynamic liquidity. - assessment of incremental borrowings required for meeting the repayment obligation, the Company's business plan and prevailing market conditions. - liquidity coverage ratio (LCR) in accordance with guidelines issued by RBI and board approved liquidity risk framework. • monitored by - assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory framework for HFCs. - a constant calibration of sources of funds in line with emerging market conditions in banking and money markets. - periodic reviews by ALCO of liquidity position, LCR and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company. • managed by the Company's treasury team under liquidity risk management framework through various means like HQLA, liquidity buffers, sourcing of long-term funds, positive asset liability mismatch, keeping strong pipeline of sanctions from banks, assignment of loans and Contingency Funding Plan (CFP) to counter extreme liquidity situation under the guidance of ALCO and Board.
Market risk	Market risk arises from fluctuation in the fair value of future cash flow of financial instruments due to changes in the market variables such as interest rates, foreign exchange rates and equity prices.	Board appointed RMC and ALCO	Market risk for the Company encompasses exposures to interest rate risks on investment portfolios as well as the floating rate assets and liabilities with differing maturity profiles. • measured by using changes in prices, and parameters like Value at Risk ('VaR'), PV01 (price value of a basis point), modified duration and other measures to determine movements in the portfolios and impact on net interest income. • monitored by assessment of key parameters like fluctuation in the equity and bond price, interest rate sensitivities and Market Value of Equity (MVE) analysis for probable interest rate movements on both fixed and floating assets and liabilities. The Company has a market risk management module which is integrated with it's treasury system. ; and • managed by the Company's treasury team under the guidance of ALCO and Investment Committee and in accordance with Board approved Investment and Market Risk policy

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Credit Risk	Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Company.	Board appointed RMC and Chief Risk Officer (CRO)	Credit risk is: • measured as the amount at risk due to repayment default by customers or counterparties to the Company. Various metrics such as instalment default rate, overdue position, restructuring, resolution plans, debt management efficiency, credit bureau information, contribution of stage 2 and stage 3 assets etc. are used as leading indicators to assess credit risk. • monitored by RMC and CRO through review of level of credit exposure, portfolio monitoring, contribution of repeat customers, bureau data, concentration risk of geography, customer and portfolio; and assessment of any major change in the business environment including economic, political as well as natural calamity / pandemic. • managed by a robust control framework by the risk and debt management unit. This is achieved by continuously aligning credit and debt management policies and resourcing, obtaining external data from credit bureaus and review of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, debt management and risk containment along with business. The same is periodically reviewed by the Board appointed RMC.
Operational risk	Operational risk is the risk arising from inadequate or failed internal processes or controls, its people and system and also from external events.	Board appointed RMC / Senior Management and Audit Committee (AC)	Operational risk is: • measured by KPI's set for each of the processes/ functions, system and control failures and instances of fraud. • monitored by deviations identified in each of the set KPI's for the processes/controls, periodical review of technology platforms and review of control processes as part of internal control framework. • managed by in house compliance units established across different businesses and functions, operations and internal audit function under the guidance of RMC and AC.

50. Risk management objectives and policies (Contd.)

(a) Liquidity and funding risk

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Company maintains a judicious mix of borrowings from banks, money markets and continues to diversify its sources of borrowings with an emphasis on longer tenor borrowings. This strategy of balancing varied sources of funds and long tenor borrowings along with liquidity buffer framework has helped the Company maintain a healthy asset liability position and cost of borrowing during the financial year ended 31 March 2024, 31 March 2023 and 31 March 2022. For the financial year ended 31 March 2024 weighted daily average cost of borrowing was 7.71% versus 6.88% for financial year ended 31 March 2023 versus 6.18% for financial year ended 31 March 2022 despite highly uncertain market conditions. The overall borrowings including debt securities stood at ₹ 691,293 million as of 31 March 2024, ₹ 537,454 million as of 31 March 2023, ₹ 414,923 million as of 31 March 2022.

The Company continuously monitors liquidity in the market; and as a part of its ALM strategy maintains a liquidity buffer through an active investment desk to reduce this risk. The Company endeavours to maintain liquidity buffer in the range of 5% to 7% of its overall borrowings in normal market scenario. The average liquidity buffer was ₹ 36,240 million for 31 March 2024, ₹ 30,820 million for 31 March 2023, ₹ 22,760 million for 31 March 2022. Liquidity buffer was at ₹ 20,019 million as on 31 March 2024,₹ 21,089 million as on 31 March 2023,₹ 16,549 million as on 31 March 2022

RBI vide Circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 has issued guidelines on liquidity risk framework for NBFCs. It covers various aspects of Liquidity risk management such as granular level classification of buckets in structural liquidity statement, tolerance limits thereupon, and liquidity risk management tools and principles. The Company has a Liquidity Risk Management Framework which covers liquidity risk management policy, strategies and practices, liquidity coverage ratio (LCR), stress testing, contingency funding plan, maturity profiling, liquidity risk measurement – stock approach, currency risk, interest rate risk and liquidity risk monitoring framework.

The Company exceeds the regulatory requirement of LCR which mandate maintaining prescribed coverage of expected net cash outflows for a stressed scenario in the form of high quality liquid assets (HQLA). As of 31 March 2024, the Company maintained a LCR of 192.31% well in excess of the RBI's stipulated norm of 85% for March 2024. For 31 March 2023 it was 149.72% against the norm of 70%. For 31 March 2022 131.20% against norm of 50%. LCR requirement will move to 100% by December 2024.

The Company has a Board approved Contingency Funding Plan (CFP) to respond quickly to any anticipated or actual stressed market conditions. The primary goal of the Contingency Funding Plan (CFP) is to provide a framework of action plan for contingency funding when the company experiences a reduction to its liquidity position, either from causes unique to the Company or systemic events limiting its ability to maintain normal operations and service to customers. The CFP defines the framework to assess, measure, monitor, and respond to potential contingency funding needs. CFP also clearly lays down the Specific contingency funding sources, conditions related to the use of these sources and when they would be used. Roles and responsibilities of the Crisis Management Group constituted under the CFP have been identified to facilitate the effective execution of CFP in a contingency event.

The table below summarises the maturity profile of the undiscounted cashflow of the Company's financial liabilities :

(₹ in million)

Particulars	As at 31 March 2024			As at 31 March 2023			As at 31 March 2022		
	Within 12 months	*After 12 months*	*Total*	*Within 12 months*	*After 12 months*	*Total*	*Within 12 months*	*After 12 months*	*Total*
Debt securities	113,824.3	408,100.8	521,925.1	60,103.6	186,757.9	246,861.5	79,635.3	112,677.7	192,313.0
Borrowings (other than debt securities)	88,593.2	239,595.8	328,189.0	90,178.8	322,485.0	412,663.8	63,699.0	217,509.5	281,208.5
Deposits	1,891.2	12.9	1,904.1	152.9	1,796.5	1,949.4	850.3	4,565.5	5,415.8
Trade payables	576.1	-	576.1	459.3	-	459.3	364.1	-	364.1
Other payables	827.5	-	827.5	730.4	-	730.4	381.7	-	381.7
Other financial liabilities	2,072.7	328.8	2,401.5	1,834.6	346.2	2,180.8	1,495.0	321.2	1,816.2
Total	**207,785.0**	**648,038.3**	**855,823.3**	**153,459.6**	**511,385.6**	**664,845.2**	**146,425.4**	**335,073.9**	**481,499.3**

The table below shows contractual maturity profile of carrying value of assets and liabilities:

(₹ in million)

Particulars	As at 31 March 2024			As at 31 March 2023			As at 31 March 2022		
	Within 12 months	*After 12 months*	*Total*	*Within 12 months*	*After 12 months*	*Total*	*Within 12 months*	*After 12 months*	*Total*
Assets									
Financial assets									
Cash and cash equivalents	638.6	-	638.6	938.8	-	938.8	4,070.3	-	4,070.3
Bank balances other than cash and cash equivalents	1.2	0.3	1.5	0.3	149.6	149.9	0.1	1.3	1.4
Derivative Financial Instrument	-	116.6	116.6	-	13.7	13.7			
Trade receivables	133.6		133.6	15.9	-	15.9	18.7		18.7
Other receivables	-		-	3.6		3.6	0.1		0.1
Loans	30,152.2	762,855.3	793,007.5	21,476.9	599,662.0	621,138.9	26,604.3	438,216.4	464,820.7
Investments	14,345.8	5,039.9	19,385.7	20,009.1	-	20,009.1	12,482.7	-	12,482.7
Other financial assets	660.9	2,179.8	2,840.7	741.7	2,277.7	3,019.4	667.1	1,872.2	2,539.3
Non-financial assets	-								
Current tax assets (net)	-	310.9	310.9	-	39.7	39.7	-	90.8	90.8
Deferred tax assets (net)	-	509.4	509.4	-	-	-	-	155.8	155.8
Property, plant and equipment	-	875.0	875.0	-	849.2	849.2	-	780.9	780.9
Intangible assets under development	-	8.7	8.7	-	3.1	3.1	-	14.6	14.6
Other intangible assets	-	353.6	353.6	-	280.7	280.7	-	191.1	191.1
Other non-financial assets	89.1	-	89.1	79.4	-	79.4	104.4	-	104.4
Total assets	**46,021.4**	**772,249.5**	**818,270.9**	**43,265.7**	**603,275.7**	**646,541.4**	**43,947.7**	**441,323.1**	**485,270.8**
LIABILITIES			`						
Financial liabilities									
Derivative Financial Instrument	-	8.3	8.3	-	-	-			
Trade payables	576.1	-	576.1	459.3	-	459.3	364.1	-	364.1
Other payables	827.5	-	827.5	730.4	-	730.4	381.7	-	381.7
Debt securities	78,330.1	188,123.2	266,453.3	53,358.9	145,790.3	199,149.2	74,232.7	90,658.8	164,891.5
Borrowings (other than debt securities)	83,636.4	339,360.9	422,997.3	67,468.9	269,078.1	336,547.0	49,502.6	195,429.1	244,931.7
Deposits	1,830.6	12.0	1,842.6	92.3	1,665.4	1,757.7	650.0	4,450.0	5,100.0
Other financial liabilities	2,046.4	295.0	2,341.4	1,807.6	308.6	2,116.2	1,456.2	288.0	1,744.2
Non-financial liabilities	-	-	-	-	-	-	-	-	-
Current tax liabilities (net)	259.3	-	259.3	161.7	-	161.7	200.6	-	200.6
Provisions	29.0	327.4	356.4	18.7	137.6	156.3	14.4	26.1	40.5
Deferred tax liabilities (net)	-	-	-	-	282.7	282.7	-	-	-
Other non-financial liabilities	273.7	-	273.7	149.0	-	149.0	202.9	-	202.9
Total Liabilities	**167,809.1**	**528,126.8**	**695,935.9**	**124,246.8**	**417,262.7**	**541,509.5**	**127,005.2**	**290,852.0**	**417,857.2**

50. Risk management objectives and policies (Contd.)

(b) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices.

Interest rate risk

On Investments

The Company manages the duration of its investment portfolio with an objective to optimise the return with minimal possible fair value change impact. The interest rate risk on the investment portfolio and corresponding fair value change impact is monitored using VaR, PV01 and Modified Duration and other parameters as defined in its Investment and Market risk policy.

Sensitivity analysis as at 31 March 2024 : **(₹ in million)**

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1 % increase	1 % decrease
Investment at FVTPL	14,181.9	14,181.9	(70.2)	70.2
Investment at FVOCI	5,203.8	5,203.8	(173.9)	173.9

Sensitivity analysis as at 31 March 2023 : **(₹ in million)**

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1 % increase	1 % decrease
Investment at FVTPL	20,009.1	20,009.1	(77.5)	77.5

Sensitivity analysis as at 31 March 2022 : **(₹ in million)**

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1 % increase	1 % decrease
Investment at FVTPL	12,482.7	12,482.7	(23.5)	23.5

On assets and liabilities

Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis. The same is monitored monthly by ALCO.

Sensitivity analysis as at 31 March 2024 : **(₹ in million)**

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1 % increase	1 % decrease
Loans	793,007.5	793,007.5	-	-
Debt Securities	266,453.3	266,366.5	(5,843.1)	6,200.8
Borrowings (other than debt securities)	422,997.3	422,997.3	-	-

Sensitivity analysis as at 31 March 2023 : **(₹ in million)**

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1 % increase	1 % decrease
Loans	621,138.9	621,138.9	-	-
Debt Securities	199,149.2	198,441.5	(4,731.5)	5,025.0
Borrowings (other than debt securities)	336,547.0	336,547.0	-	-

Sensitivity analysis as at 31 March 2022 : **(₹ in million)**

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1 % increase	1 % decrease
Loans	464,820.7	464,820.7	-	-
Debt Securities	164,891.5	165,453.5	(2,487.7)	2,633.8
Borrowings (other than debt securities)	244,931.7	244,931.7	-	-

(c) Credit Risk

Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Company. The Company has a diversified lending model and focuses on five broad categories viz: (i) home loans, (ii) loan against property (iii) lease rental discounting, (iv) developer loans, and (v) unsecured loans. The Company assesses the credit quality of all financial instruments that are subject to credit risk.

Classification of financial assets under various stages

The Company classifies its financial assets in three stages having the following characteristics:

• stage 1: unimpaired and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised;

• stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised; and

• stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Treatment and classification methodology of different stages of financial assets is detailed in note no. 4.4 (i)

Computation of impairment on financial instruments

The Company calculates impairment on financial instruments as per ECL approach prescribed under Ind AS 109 'Financial instrument'. ECL uses three main components: PD (Probability of Default), LGD (loss given default) and EAD (exposure at default) along with an adjustment considering forward macro economic conditions. For further details of computation of ECL please refer to significant accounting policies note no 4.4 (i).

The Company recalibrates components of its ECL model periodically by; (1) using the available incremental and recent information, except where such information do not represent the future outcome, and (2) assessing changes to its statistical techniques for a granular estimation of ECL. Accordingly, during the year, the Company has redeveloped its ECL model and implemented the same with the approval of Audit Committee and the Board.

The Company follows simplified ECL approach under Ind AS 109 'Financial instruments' for trade receivables, and other financial assets.

50. Risk management objectives and policies (Contd.)

(c) Credit Risk (Contd.)

The table below summarises the approach adopted by the Company for various components of ECL viz. PD, EAD and LGD across product lines using empirical data where relevant:

Lending verticals	PD			EAD	LGD
	Stage 1	Stage 2	Stage 3		
Home loans Loan against property Lease rental discounting Developer loans Other loans	Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers, and also basis DPD bucket approach. for retail loans and management evaluation/judgement for wholesale loans.		100%	Ascertained based on past trends of proportion of outstanding at time of default to the opening outstanding of the analysis period, except Stage 3 where EAD is 100%.	LGD is ascertained using past trends of recoveries for each set of portfolios and discounted using a reasonable approximation of the original effective rates of interest.

The table below summarises the gross carrying values and the associated allowance for expected credit loss (ECL) stage wise for loan portfolio:

As at 31 March 2024 **(₹ in million)**

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	773,025.4	2,793.2	1,994.2	20,167.7	106.8	161.9
Allowance for ECL	3,094.6	639.8	1,250.2	96.9	36.0	124.2
ECL Coverage ratio	0.40%	22.91%	62.69%	0.48%	33.71%	76.71%

As at 31 March 2023 **(₹ in million)**

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	600,591.3	3,475.3	1,282.9	20,828.9	123.8	90.4
Allowance for ECL	3,419.4	749.7	809.9	177.2	34.0	63.5
ECL Coverage ratio	0.57%	21.57%	63.13%	0.85%	27.46%	70.24%

As at 31 March 2022 **(₹ in million)**

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	443,068.7	5,810.1	1,396.1	18,927.4	226.8	67.5
Allowance for ECL	2,443.9	1,223.9	748.9	155.6	57.8	45.8
ECL Coverage ratio	0.55%	21.07%	53.64%	0.82%	25.49%	67.85%

Collateral valuation

The Company offers loans to customers across various lending verticals as articulated above. These loans includes both unsecured loans and loans secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Company's credit risk.

The main types of collateral across various products obtained are as follows: -

Product Group	Nature of securities
Home loans	Equitable mortgage of residential properties.
Loan against property Lease rental discounting Developer loans	Equitable mortgage of residential and commercial properties.

The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Company exercises its right of repossession across all secured products. It also resorts to invoking its right under the SARFAESI Act and other judicial remedies available against its mortgages and commercial lending business. The repossessed assets are either sold through auction or released to delinquent customers in case they come forward to settle their dues. The Company does not record repossessed assets on its Balance Sheet as non–current assets held for sale.

Analysis of Concentration Risk

The Company focuses on granulisation of loans portfolios by expanding its geographic reach to reduce geographic concentrations while continually calibrating its product mix across its five categories of lending mentioned above.

ECL sensitivity analysis to forward economic conditions and management overlay

Allowance for impairment on financial instruments recognised in the financial information reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis, based on the economic scenarios described below. The recognition and measurement of expected credit losses ('ECL') involves the use of estimation. It is necessary to formulate multiple forward-looking economic forecasts and its impact as an integral part of ECL model.

The ECL model and its input variables are recalibrated periodically using available incremental and recent information. It is possible that internal estimates of PD and LGD rates used in the ECL model may not always capture all the characteristics of the market and the external environment as at the reporting date. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Methodology

The Company has adopted the use of three scenarios, representative of its view of forecast economic conditions, required to calculate unbiased estimation of forward looking economic adjustment to its ECL. They represent a most likely outcome i.e. central scenario and two less likely outer scenarios referred to as the Upside and Downside scenarios. The Company has assigned a 10% probability to the two outer scenarios, while the Central scenario has been assigned an 80% probability. These weights are deemed appropriate for the unbiased estimation of impact of macro factors on ECL. The key scenario assumptions are used keeping in mind external forecasts and management estimates which ensure that the scenarios are unbiased.

The Company uses multiple economic factors and test their correlations with past loss trends witnessed for building its forward economic guidance (FEG) model. During the current year, the Company evaluated various macro factors GDP growth rates, growth of bank credit, wholesale price index (WPI), consumer price index (CPI), industrial production index, unemployment rate, crude oil prices and policy interest rates.

Based on past correlation trends, CPI (inflation) and GDP growth rates reflected acceptable correlation with past loss trends and were considered appropriate by the Management. GDP has a direct relation with the income levels whereas Inflation and inflationary expectations affect the disposable income of people. Accordingly, both these macro-variables directly and indirectly impact the economy. These factors were assigned appropriate weights to measure ECL in forecast economic conditions.

50. Risk management objectives and policies (Contd.)

(c) Credit Risk (Contd.)

For GDP growth rate data, the Company has considered data published by Ministry of Statistics & Programme Implementation, Government of India.

- While formulating the Central Scenario, the Company has considered moving average data of last 2 years and used Exponential Smoothing (ETS) algorithm for forecasting purpose.

- For the downside scenario, the Company believes that the downside risks might have passed, however, the downside nominal GDP growth rate might reach 0%. However, as per mean reversion approach, the downside scenario assumes it to recover from the peak and normalise to around 8% within next three years.

- For the upside scenario, the Company acknowledges various surveys and studies indicating improving economic situation and estimates nominal GDP growth rate might reach to 19%. Subsequently, as per mean reversion approach, the upside scenario assumes it to normalize from the peak and normalise to around 8% within next three years.

The Reserve Bank of India (RBI) projected CPI inflation for year FY 24–25 at 4.5%, with Q1 at 4.9%, Q2 at 3.8%, Q3 at 4.6%, and Q4 at 4.5%.

- The Central Scenario assumed by the Company considered inflation of around 5.5 - 6% on conservative basis average inflation trend of last three years.

-For the downside scenario, the company considers that the inflation risk may continue due to various uncertainties (geopolitical conflict, elections etc), and therefore assumes the inflation to touch a peak of around 9% and subsequently normalise to around 6% within next three years.

-For the upside scenario, we believe that there would be certain factors which might come into play viz, base effect, higher food grain production, continuously falling WPI, better supply chain management etc, and, therefore, inflation may see easing to a base of around 3% before averaging back 6% within next three years.

Additionally, the ECL model and its input variables are recalibrated periodically using available incremental and recent information. It is possible that internal estimates of PD and LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial information. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

ECL sensitivity to future economic conditions

(₹ in million)

ECL coverage of financial instruments under forecast economic conditions	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**
Gross carrying amount of loans	798,249.2	626,392.6	469,496.6
Reported ECL on loans	5,241.7	5,253.7	4,675.9
Reported ECL coverage	0.66%	0.84%	1.00%
Base ECL without macro and management overlay	4,301.7	2,883.7	2,565.9
Add : Management overlay	600.0	2,050.0	1,770.0
ECL before adjustment for macro economic factors	4,901.7	4,933.7	4,335.9
ECL amounts for alternate scenario			
Central Scenario (80%)	5,275.5	5,181.2	4,594.9
Downside scenario (10%)	5,765.0	7,131.7	6,064.9
Upside scenario (10%)	4,447.9	3,955.0	3,934.9
Reported ECL	5,241.7	5,253.7	4,675.9
Management and Macro Economic overlay			
-Management overlay	600.0	2,050.0	1,770.0
-Overlay for macro economic factors	340.0	320.0	340.0
ECL coverage ratios by scenario			
Central scenario (80%)	0.66%	0.83%	0.98%
Downside scenario (10%)	0.72%	1.14%	1.29%
Upside scenario (10%)	0.56%	0.63%	0.84%

(d) Operational risk

Operational risk is the risk arising from inadequate or failed internal processes, people or systems, or from external events. Operational risk is inherent in the Company's business activities, as well as in the related support functions. BHFL has in place an internal Operational Risk Management (ORM) Framework to manage operational risk in an effective and efficient manner. This framework aims at assessing and measuring the magnitude of risks, its monitoring and mitigation. The key objective is to enable the Company to ascertain an increased likelihood of an operational risk event occurring in a timely manner to take steps to mitigate the same. It starts with identifying and defining KRI's/KPIs through process analysis and ending with formulation of action plans in response to the observed trends in the identified metrics. This is achieved through determining key process areas, converting them to measurable and quantifiable metrics, setting tolerance thresholds for the same and monitoring and reporting on breaches of the tolerance thresholds in respect of these metrics. Corrective actions are initiated to bring back the breached metrics within their acceptable threshold limits by conducting the root cause analysis to identify the failure of underlying process, people, systems, or external events.

Further, the Company has a comprehensive internal control systems and procedures laid down around various key activities viz. loan acquisition, customer service, IT operations, finance function etc. Internal Audit also conducts a detailed review of all the functions at least once a year which helps to identify process gaps on timely basis. Information Technology and Operations functions have a dedicated compliance and control units who on continuous basis review internal processes. This enables the Management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis.

The Company has a robust Disaster Recovery (DR) plan and Business Continuity Plan (BCP) to ensure continuity of its operations including services to customers in situations such as natural disasters, technological outage, etc. Robust periodic testing is carried, and results are analysed to address any gaps in the framework. DR and BCP audits are conducted on a periodical basis to provide assurance regarding its effectiveness.

51 Employee stock option plan

The Nomination and Remuneration Committee of the holding Company has approved the following grants to select senior level executives of the Company in accordance with the Stock Option Scheme. Details of grants are given as under:

As on 31 March 2024

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
A) From Bajaj Finance Limited (Holding Company) (BFL)							
16-May-19	3,002.75	137,550	61,178	-	61,281	15,091	61,178
19-May-20	1,938.60	255,000	88,866	52,235	82,073	31,826	141,101
27-Apr-21	4,736.55	115,446	37,763	50,576	15,389	11,718	88,339
26-Apr-22	7,005.50	117,897	24,018	87,833	1,834	4,212	111,851
26-Apr-23	6,075.25	177,250	-	174,256	-	2,994	174,256
B) From Bajaj Finserv Limited (Ultimate Holding Company) (BFS)							
28-Apr-22	1,482.64	47,340	-	47,340	-	-	47,340
Total		**850,483**	**211,825**	**412,240**	**160,577**	**65,841**	**624,065**

As on 31 March 2023

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
A) From Bajaj Finance Limited (Holding Company) (BFL)							
16-May-19	3,002.75	137,550	56,488	27,457	38,514	15,091	83,945
19-May-20	1,938.60	255,000	58,514	107,452	58,708	30,326	165,966
27-Apr-21	4,736.55	115,446	19,014	78,078	8,111	10,243	97,092
26-Apr-22	7,005.50	117,897	-	116,409	-	1,488	116,409
B) From Bajaj Finserv Limited (Ultimate Holding Company) (BFS)							
28-Apr-22	1,482.64	47,340	-	47,340	-	-	47,340
Total		**673,233**	**134,016**	**376,736**	**105,333**	**57,148**	**510,752**

As on 31 March 2022

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
16-May-19	3,002.75	137,550	38,592	57,516	26,152	15,290	96,108
19-May-20	1,938.60	255,000	36,044	167,900	24,305	26,751	203,944
27-Apr-21	4,736.55	115,446	-	107,352	-	8,094	107,352
Total		**507,996**	**74,636**	**332,768**	**50,457**	**50,135**	**407,404**

Weighted average fair value of stock options granted during the year is as follows:

	For the Year ended 31 March			
Particulars	**2024**	**2023**	**2023**	**2022**
	BFL	**BFL**	**BFS**	**BFL**
Grant date	26-Apr-23	26-Apr-22	28-Apr-22	27-Apr-21
No. of options granted	177,250	117,897	47,340	115,446
Weighted average fair value (₹)	2,756.16	3,240.10	689.20	2,108.92

Following table depicts range of exercise prices and weighted average remaining contractual life:

As on 31 March 2024

Total for all grants BFL	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	463,412	1938.60-7005.50	3,990.38	5.38
Granted during the year	177,250	6,075.25	6,075.25	-
Cancelled during the year	8,693	1938.60-7005.50	5,425.81	-
Exercised during the year	55,244	1938.60-7005.50	2,913.98	-
Outstanding at the end of the year	576,725	1938.60-7005.50	4,712.62	5.13
Exercisable at the end of the year	211,825	1938.60-7005.50	3,319.26	3.32

The weighted average market price of equity shares for options exercised during 31 March 2024 is ₹ 7,139.49

As on 31 March 2024

Total for all grants BFS	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	47,340	1,482.64	1,482.64	9.08
Granted during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	47,340	1,482.64	1,482.64	8.08
Exercisable at the end of the year	-	-	-	-

As on 31 March 2023

Total for all grants BFL	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	407,404	1938.60-4736.55	2,926.90	5.77
Granted during the year	117,897	7,005.50	7,005.50	-
Cancelled during the year	7,013	1938.60-7005.50	3,840.86	-
Exercised during the year	54,876	1938.60-4736.55	2,591.88	-
Outstanding at the end of the year	463,412	1938.60-7005.50	3,990.38	5.38
Exercisable at the end of the year	134,016	1938.60-7005.50	2,784.11	3.55

The weighted average market price of equity shares for options exercised during 31 March 2023 is ₹ 6,427.00.

51 **Employee stock option plan (Contd.)**

As on 31 March 2023

Total for all grants BFS	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	47,340	1,482.64	1,482.64	-
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	47,340	1,482.64	1,482.64	9.08
Exercisable at the end of the year	-	-	-	-

As on 31 March 2022

Total for all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise	Weighted average remaining
Outstanding at the beginning of the year	367,506	1938.60-3002.75	2,292.03	4.51
Granted during the year	115,446	4,736.55	4,736.55	-
Cancelled during the year	35,521	1938.60-4736.55	2,882.51	-
Exercised during the year	40,027	1938.60-3002.75	2,356.58	-
Outstanding at the end of the year	407,404	1938.60-4736.55	2,926.90	5.77
Exercisable at the end of the year	74,636	1938.60-3002.75	2,488.84	3.89

The weighted average market price of equity shares for options exercised during 31 March 2022 is ₹ 6158.33

Method used for accounting for share based payment plan:

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Risk Free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (₹)*
A) For ESOP granted by BFL					
16-May-19	7.09%	3.5 - 6.5 years	34.03%	0.13%	3,002.75
19-May-20	5.07%	3.5 - 6.5 years	42.95%	0.83%	1,938.60
27-Apr-21	5.65%	3.5 - 6.5 years	42.51%	0.21%	4,736.55
26-Apr-22	6.56%	3.5 - 6.5 years	41.87%	0.29%	7,005.50
26-Apr-23	6.94%	5 years	41.44%	0.33%	6,075.25
B) For ESOP granted by BFS					
28-Apr-22	6.75%	3.5 - 6.5 years	34.19%	0.02%	1,482.64

For the year ended 31 March 2024, the Company has accounted expense of ₹ 306.4 million as employee benefit expenses (note no.34) on the aforesaid employee stock option plan for 31 March 2023 ₹ 268.3 million and for 31 March 2022 ₹ 192.3 million.

52. **Utilisation of Borrowed funds**

Details of transaction where the Company has received fund from entities (Funding Party) with the understanding that the Company shall directly or indirectly lend or invest in other entities.

For the year ended 31 March 2024 (₹ in million)

Name of Funding Party	Date of fund received	Amount of fund received	Name of other intermediaries' or ultimate beneficiaries	Date of fund loaned	Amount of fund loaned
Chayadeep Properties Pvt Ltd (B/f prev. year) Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 PAN: AACCC3489Q CIN: U45203KA2003PTC094179	22-Sep-22 23-Sep-23	83.3 108.3	Karuna Business Solutions LLP Address: 6th Cross Off, Madras Road Bhuvaneshwari Layout, Banglore, Karnataka, 560036 PAN: AAOFK7620G LLP IN: AAD-0057	31-Aug-23 22-Sep-23 27-Sep-23	50.00 30.00 17.60

For the year ended 31 March 2023 (₹ in million)

Name of Funding Party	Date of fund received	Amount of fund received	Name of other intermediaries' or ultimate beneficiaries	Date of fund loaned	Amount of fund loaned
J.V.N Exports Pvt Ltd Address: No B05, 5th Floor, Solus Jain Heights, J C Road, 1st Cross Road, Bangalore - 560027, Karnataka PAN: AAACJ4483F CIN: U07010KA1993PTC014766	29-Aug-22 14-Sep-22 18-Nov-22 18-Jan-23	60.0 3.0 3.0 5.0	Radiant Equity Management Pvt Ltd Address: No 255-B, Bommasandra Industrial Area, Bommasandra Village Anekal T K, Bangalore - 560099, Karnataka PAN: AABCR3645N CIN: U63090KA1994PTC143382	31-Aug-22 17-Sep-22 19-Nov-22 19-Jan-23	60.0 3.0 3.0 5.0
Chayadeep Properties Pvt Ltd Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 PAN: AACCC3489Q CIN: U45203KA2003PTC094179	14-Sep-22 15-Sep-22 19-Sep-22 21-Sep-22 22-Sep-22	264.5 385.8 297.6 407.8 297.6	Karuna Ventures Pvt Ltd Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 PAN: AADCK7179G CIN: U74110KA2009PTC050575	22-Sep-22	1,570.0

52. Utilisation of Borrowed funds (Contd.)

For the year ended 31 March 2022 (₹ in million)

Name of Funding Party	Date of fund received	Amount of fund received	Name of other intermediaries' or ultimate beneficiaries	Date of fund loaned	Amount of fund loaned
Karuna Ventures Pvt Ltd **Address:** Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 **PAN:** AADCK7179G **CIN:** U74110KA2009PTC050575	7-Dec-21	650.0	Tenshi Kaizen Private Limited **Address**: Plot no. 46, Higher pharmatech pvt. Ltd., 1st phase, KIADB industrial area, Harohalli, Ramanagar, Karnataka, 562112 **PAN:** AABCH8821J **CIN:** U24230KA2007PTC042337	9-Dec-21	615.0
Premsagar Infra Realty Private Limited **Address:** 191/A/2A/1/2, Tower E, Tech Park One, Next to Don Bosco School, Off Airport Road, Yerwada, Pune 411006 **PAN**: AAACP5702B **CIN:** U55701PN1991PTC134103	18-Nov-21	4450.0	A2Z Online Services Private Limited **Address:** Third floor Tower E Tech Park One, Next to Don Bosco School, Yerwada, Pune-411006 **PAN:** AACCA5376J **CIN:** U74140PN2000PTC139217	29-Nov-21	4200.0

The Company does not have relationship in terms of Companies Act 2013 and Ind AS 24 with the funding parties and beneficiaries companies.

In respect of above transactions, relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003)

53.2.5 Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as at 31 March 2024 **(₹ in million)**

Particulars	1 day to 7days	8 to 14 days	15 days to 30/31 days	Over one month up to 2 months	Over 2 month & up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 Years	Total
Liabilities											
Borrowings from bank	2,673.7	2,500.6	2,195.5	6,076.6	10,707.8	16,452.8	36,554.8	130,888.7	115,218.3	31,352.6	354,621.4
ICD	-	-	-	-	-	1,830.4	0.2	12.0	-	-	1,842.6
NHB Refinance	-	-	-	-	-	2,158.1	4,316.5	17,265.9	17,265.9	27,369.5	68,375.9
Market borrowing	-	748.5	545.2	12,386.7	28,875.7	17,185.4	18,588.6	105,443.7	36,958.7	45,720.8	266,453.3
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	
Advances	7,180.6	8,269.3	6,767.4	16,783.1	16,144.9	47,080.5	79,897.5	227,560.1	137,300.9	246,023.2	793,007.5
Investments*	6.7	58.7	105.3	988.6	0.1	5,872.4	7,315.2	0.3	5,039.9	-	19,387.2
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of advances have been shown based on behavioural pattern.

*Investments includes fixed deposits of ₹ 1.5 million shown under Note 5 - cash and cash equivalents and Note 6 - Bank balances other than cash and cash equivalents to the financial informations.

Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as at 31 March 2023 **(₹ in million)**

Particulars	1 day to 7days	8 to 14 days	15 days to 30/31 days	Over one month up to 2 months	Over 2 month & up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 Years	Total
Liabilities											
Borrowings from bank	177.2	-	595.5	1,103.1	13,159.0	13,735.3	36,889.0	103,442.0	119,430.0	28,015.9	316,547.0
ICD	-	-	-	-	-	64.2	28.1	1,665.4	-	-	1,757.7
NHB Refinance	-	-	-	-	-	603.3	1,206.5	4,826.1	4,826.2	8,537.9	20,000.0
Market borrowing	-	-	4,414.2	888.8	1,097.2	17,263.9	29,694.8	94,229.0	18,356.4	33,204.9	199,149.2
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Advances	7,136.3	4,132.6	6,465.4	13,579.2	13,041.3	37,149.3	64,776.0	178,195.9	103,400.4	193,262.5	621,138.9
Investments*	3,634.9	2,150.0	248.8	993.6	-	6,991.5	5,990.6	149.6	-	-	20,159.0
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of advances have been shown based on behavioural pattern.

*Investments includes fixed deposits of ₹ 149.9 million shown under Note 5 - cash and cash equivalents & Note 6 - Bank balances other than cash and cash equivalents to the financial informations.

Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as at 31 March 2022 **(₹ in million)**

Particulars	1 day to 7days	8 to 14 days	15 days to 30/31 days	Over one month up to 2 months	Over 2 month & up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 Years	Total
Liabilities											
Borrowings from bank	-	-	747.9	1,269.6	11,064.7	9,085.5	27,334.9	128,923.8	56,267.2	10,238.1	244,931.7
Deposits	-	-	-	-	-	-	650.0	4,450.0	-	-	5,100.0
NHB Refinance	-	-	-	-	-	-	-	-	-	-	-
Market borrowing	7,661.6	4,993.0	99.8	8,187.2	7,255.4	19,974.6	26,061.1	74,157.7	3,297.5	13,203.6	164,891.5
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	
Advances	4,671.1	3,247.1	4,190.5	9,320.2	8,912.6	26,531.0	44,693.9	128,506.8	81,456.6	153,290.9	464,820.7
Investments*	5,307.8	4,506.8	-	-	-	5,175.0	-	1.3	-	-	14,990.9
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of advances have been shown based on behavioural pattern.

*Investments includes fixed deposits of ₹ 2508.2 million shown under Note 5 - cash and cash equivalents & Note 6 - Bank balances other than cash and cash equivalents to the financial informations.

53.2.6 Exposure

53.2.6.1 Exposure to Real Estate Sector

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
a) Direct Exposure			
(i) Residential mortgages -			
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	534,099.0	446,790.7	334,709.0
(ii) Commercial Real Estate -			
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).	260,236.4	195,877.8	99,500.8
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -			
a) Residential	-	-	-
b) Commercial Real Estate	-	-	-
b) Indirect Exposure			
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-	-
Total Exposure to Real Estate Sector*	**794,335.4**	**642,668.5**	**434,209.8**

* Exposure includes non-fund based (NFB) limits and undrawn loan commitment towards partially disbursed / sanctioned but not disbursed.

In addition to above, the Company has loan exposure amounting ₹ 38,043.6 million as on 31 March 2024, ₹ 27,379.1 million as on 31 March 2023, ₹ 30,286.9 million as on 31 March 2022 pertaining to commercial properties not required to be classified as commercial real estate exposure and on properties used for dual purpose of commercial and residential usage.

53.2.6.2 Exposure to Capital Market

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-	-
(ix) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds*	-	-	-
x) Financing to stockbrokers for margin trading*	-	-	-
xi) All exposures to Alternative Investment Funds:*			
i. Category I	-	-	-
ii. Category II	-	-	-
iii. Category III	-	-	-
Total Exposure to Capital Market	**-**	**-**	**-**

* Disclosure pursuant to RBI Circular - RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022 - Disclosures in financial informations- Notes to Accounts of NBFCs

53.2.6.3 Details of financing of parent company products

The Company does not have any financing of Parent Company products in last three financial years.

53.2.6.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

The Company has not exceeded the prudential exposure limits in last three financial years.

53.2.6.5 Unsecured Advances

The Company has unsecured advances net of ECL of ₹ 20,179.3 million as at 31 March 2024, ₹ 20,768.4 million as at 31 March 2023, ₹ 18,962.5 million as at 31 March 2022 which includes advances net of ECL of ₹ 2,711.9 million as at 31 March 2024, ₹ 3,015.1 million as at 31 March 2023, ₹ 2,927.7 million as at 31 March 2022 secured against intangible assets.

53.2.6.6 Exposure to group companies engaged in real estate business

The Company does not have any exposure to group companies engaged in real estate business in last three financial year.

53.3 Miscellaneous

53.3.1 Registration obtained from other financial sector regulators

The Company has obtained registration from Financial Intelligence Units, India vide Registration No. FIHFC00119

The Company has obtained registration from Insurance Regulatory and Development Authority vide Registration No. CA0885

53.3.2 Disclosure of penalties imposed by NHB/RBI and other regulators

During the financial year 2023-24, penalty of ₹ 0.5 million was imposed by RBI. No penalty was imposed by NHB or any other regulators for financial year 2022-23, financial year 2021-22.

53.3.3 Related party Transactions

Refer Note no. 43 Disclosure of transactions with related parties as required by Ind AS 24

53.3.4 Group Structure

Diagrammatic representation of group structure given below:

Bajaj Holdings & Investment Limited
- 39.06% → **Bajaj Finserv Limited**
  - 74% → Bajaj Allianz General Insurance Company Limited
  - 74% → Bajaj Allianz Life Insurance Company Limited
  - 50% → Bajaj Allianz Financial Distributors Limited
    - 100% → Bajaj Allianz Staffing Solutions Limited
  - 80.13% → Bajaj Finserv Direct Limited
  - 100% → Bajaj Finserv Health Limited
  - 100% → Bajaj Finserv Mutual Fund Trustee Limited
  - 100% → Bajaj Finserv Asset Management Limited
  - 100% → Bajaj Finserv Ventures Limited
  - 51.34% → Bajaj Finance Limited (Holding Company)
    - 100% → Bajaj Housing Finance Limited
    - 100% → Bajaj Financial Securities Limited
    - 26.53% → Pennant Technologies Private Limited
    - 41.50% → Snapwork Technologies Private Limited
- 34.22% → Bajaj Auto Limited
- 51.00% → Maharashtra Scooters Limited

Above shareholding is as of 31 March 2024

Bajaj Holdings & Investment Limited
- 39.12% → **Bajaj Finserv Limited**
  - 74% → Bajaj Allianz General Insurance Company Limited
  - 74% → Bajaj Allianz Life Insurance Company Limited
  - 80.10% → Bajaj Finserv Direct Limited
  - 100% → Bajaj Finserv Health Limited
  - 100% → Bajaj Finserv Mutual Fund Trustee Limited
  - 100% → Bajaj Finserv Asset Management Limited
  - 100% → Bajaj Finserv Ventures Limited
  - 52.49% → Bajaj Finance Limited (Holding Company)
    - 100% → Bajaj Housing Finance Limited
    - 100% → Bajaj Financial Securities Limited
- 36.64% → Bajaj Auto Limited (Entities in which KMP and their relatives have significant influence)

Above shareholding is as of 31 March 2023

Bajaj Holdings & Investment Limited
- 39.16% → **Bajaj Finserv Limited (BHIL holds 39.06%) (Ultimate Holding Company)**
  - 74% → Bajaj Allianz General Insurance Company Limited
  - 74% → Bajaj Allianz Life Insurance Company Limited
  - 80.13% → Bajaj Finserv Direct Limited
  - 100% → Bajaj Finserv Health Limited
  - 100% → Bajaj Finserv Mutual Fund Trustee Limited
  - 100% → Bajaj Finserv Asset Management Limited
  - 100% → Bajaj Finserv Ventures Limited
  - 52.49% → Bajaj Finance Limited (Holding Company)
    - 100% → Bajaj Housing Finance Limited
    - 100% → Bajaj Financial Securities Limited
- 33.43% → Bajaj Auto Limited (Entities in which KMP and their relatives have significant influence)

Above shareholding is as of 31 March 2022

Group structure above is basis disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17 February 2021 (as amended) issued by Reserve Bank of India.

53.3.5 Rating assigned by Credit Rating Agencies and migration of rating during the year

(₹ in million)

Rating Agency	**Instruments**	**Rating assigned**	**Migration in ratings during the year**	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**
India Ratings	Non-Convertible Debenture & Subordinated debt	IND AAA/Stable	NIL	100,000.0 -	70,000.0 -	40,000.0 -
	Long-Term Bank Rating/Short-Term Bank Rating	IND AAA(Stable) / IND A1+	NIL	500,000.0 -	400,000.0 -	310,000.0 -
	Commercial Paper	IND A1+	NIL	75,000.0	60,000.0	60,000.0
CRISIL	Non-Convertible Debenture	CRISIL AAA/Stable	NIL	427,178.0	277,178.0	229,697.0
	Subordinated debt	CRISIL AAA/Stable	NIL	10,000.0	10,000.0	10,000.0
	Long-Term / Short-Term Bank Rating	CRISIL AAA/(Stable) / CRISIL A1+	NIL	160,000.0 -	160,000.0 -	110,000.0 -
	Commercial Paper	CRISIL A1+	NIL	75,000.0	60,000.0	60,000.0

53.3.6 Remuneration of Non executive Directors

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
1. Sanjiv Bajaj	3.9	2.1	1.7
2. Rajeev Jain	6.3	2.6	-
3. Lila Poonawala	-	2.4	1.7
4. Anami N Roy	5.4	2.5	1.1
5. Dr. Arindam Bhattacharya	6.0	1.2	-
6.Jasmine Chaney	5.1	-	-
7. Dr. Omkar Goswami	-	-	0.1

53.4 Additional Disclosures

53.4.1 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account (₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
1. Provisions for depreciation on Investment	-	-	-
2. Provision made towards Income tax/deferred tax and tax adjustments of earlier years	4,301.0	4,422.6	2,502.4
3. Provision towards NPA / impairment loss allowance on stage 3 assets	501.0	78.7	342.7
4. Provision for Standard Assets / impairment loss allowance on stage 1&2 *	(513.0)	499.1	775.6
5. Provision for employee benefits	74.5	(31.0)	3.5
6. Other Provision and Contingencies	162.9	130.1	-

*** Breakup of provision for Standard Assets / impairment loss allowance on stage 1&2**			
Commercial Real Estate	213.4	355.6	77.3
Commercial Real Estate-Residential Housing	177.0	207.7	71.2
Others	(903.4)	(64.2)	627.1
Total	**(513.0)**	**##### ####**	**775.6**

Break up of Loan & Advances and Provisions thereon (₹ in million)

Particulars	Housing			Non-Housing		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Standard Assets						
a) Total Outstanding Amount	501,875.6	377,185.9	271,502.5	294,217.5	247,833.4	196,530.5
b) Provisions made	1,866.0	2,339.8	2,050.7	2,001.3	2,040.5	1,830.5
Sub-Standard Assets	-	-	-	-	-	-
a) Total Outstanding Amount	886.6	462.2	572.0	700.8	553.6	578.0
b) Provisions made	520.5	249.1	324.4	412.6	317.0	322.2
Doubtful Assets – Category-I	-	-	-	-	-	-
a) Total Outstanding Amount	204.2	148.7	96.0	201.9	131.6	212.9
b) Provisions made	147.5	134.5	56.5	171.6	122.3	86.9
Doubtful Assets – Category-II	-	-	-	-	-	-
a) Total Outstanding Amount	75.7	19.1	3.4	84.7	58.1	1.3
b) Provisions made	64.6	19.2	3.4	55.4	31.3	1.3
Doubtful Assets – Category-III	-	-	-	-	-	-
a) Total Outstanding Amount	1.5	-	-	0.7	-	-
b) Provisions made	1.5	-	-	0.7	-	-
Loss Assets	-	-	-	-	-	-
a) Total Outstanding Amount	-	-	-	-	-	-
b) Provisions made	-	-	-	-	-	-
Total						
a) Total Outstanding Amount	503,043.6	377,815.9	272,173.9	295,205.6	248,576.7	197,322.7
b) Provisions made	2,600.1	2,742.6	2,435.0	2,641.6	2,511.1	2,240.9

53.4.2 Draw Down from Statutory Reserve created u/s 29C of the National Housing Bank Act, 1987

The Company has not drawn any amount from Statutory Reserve created u/s 29C of the National Housing Bank Act, 1987 in last three financial years.

53.4.3 Concentration of Public Deposits, Advances, Exposures and NPAs

53.4.3.1 Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

The Company is non public deposit taking housing finance company.

53.4.3.2 Concentration of Loans & Advances

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Total Loans & Advances to twenty largest borrowers	67,961.8	56,132.3	39,802.9
	8.51%	8.96%	8.48%

53.4.3.3 Concentration of all Exposure (including off-balance sheet exposure)

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Total Exposure to twenty largest borrowers / customers	85,396.5	61,404.9	41,865.6
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	10.04%	8.92%	8.14%

53.4.3.4 Concentration of NPAs

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Total Exposure to top ten NPA accounts	346.2	152.9	160.2

53.4.3.5 Sector-wise NPAs

Sector	As at 31 March 2024			As at 31 March 2023			As at 31 March 2022		
	Total Advances in the sector	Gross NPAs	Gross NPAs% to total advances in the sector	Total Advances in the sector	Gross NPAs	Gross NPAs% to total advances in the sector	Total Advances in the sector	Gross NPAs	Gross NPAs% to total advances in the sector
Housing Loans:									
Individuals	421,421.6	1,026.8	0.24%	328,835.8	629.7	0.19%	248,018.3	660.7	0.27%
Builders/Project Loans	81,622.0	141.2	0.17%	48,980.1	0.3	0.00%	24,155.6	10.7	0.04%
Non-Housing Loans:	-	-		-	-		-	-	
Individuals	148,970.5	866.3	0.58%	135,901.1	699.5	0.51%	129,064.6	711.2	0.55%
Builders/Project Loans	35,035.5	-	-	26,571.5	-	-	19,334.6	37.0	0.19%
Corporates	111,199.6	121.8	0.11%	86,104.1	43.8	0.05%	48,923.5	44.0	0.09%

53.4.4 Movement of NPAs

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(I) Net NPAs to Net Advances (%)	0.10%	0.08%	0.14%
(II) Movement of NPAs (Gross)			
a) Opening balance	1,373.3	1,463.6	1,191.3
b) Additions during the year	1,698.4	1,359.1	1,532.6
c) Reductions during the year	915.6	1,449.4	1,260.3
d) Closing balance	2,156.1	1,373.3	1,463.6
(III) Movement of Net NPAs			
a) Opening balance	499.9	668.9	739.3
b) Additions during the year	752.3	357.3	468.1
c) Reductions during the year	470.5	526.3	538.5
d) Closing balance	781.7	499.9	668.9
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)			
a) Opening balance	873.4	794.7	452.0
b) Provisions made during the year	946.1	1,001.8	1,064.5
c) Write-off/write-back of excess provisions	445.1	923.1	721.8
d) Closing balance	1,374.4	873.4	794.7

53.4.5 Overseas Assets

The Company has not held any overseas assets as on reporting date of last three financial years

53.4.6 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

The Company does not have any SPVs sponsored in last three financial years which were required to be consolidated as per accounting Norms.

53.4.7 Disclosure of Complaints

Customers Complaints*

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
a) No. of complaints pending at the beginning of the year	-	-	-
b) No. of complaints received during the year	308	417	505
c) No. of complaints redressed during the year	308	417	505
d) No. of complaints pending at the end of the year	-	-	-

*includes complaints reported through NHB - GRIDS Portal is 207 for 31 March 2024, 111 for 31 March 2023, 415 for 31 March 2022

54. Disclosure pursuant to RBI Notification RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22 October 2021 - Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs and Circular - RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022 (as amended) - Disclosures in financial informations- Notes to Accounts

54.1 Exposure to real estate sector and capital market (Refer Note no. 53.2.6.1 and 53.2.6.2)

54.2 Sectoral exposure

Sector	Type of Loan	As at 31 March 2024			As at 31 March 2023			As at 31 March 2022		
		Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ million)	Gross NPAs (₹ million)	Percentage of Gross NPAs to total exposure in that sector *	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ million)	Gross NPAs (₹ million)	Percentage of Gross NPAs to total exposure in that sector *	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ million)	Gross NPAs (₹ million)	Percentage of Gross NPAs to total exposure in that sector *
Agriculture and allied activities										
	Loan against property	156.6	0.2	0.13%	236.3	-	0.00%	203.5	-	0.00%
Industries										
	Loan against property	17,852.6	89.3	0.50%	12,199.7	44.1	0.36%	9,400.3	69.3	0.74%
Services										
	Commercial Real estate (including CRE-RH	258,474.9	141.2	0.05%	192,084.9	0.3	0.00%	99,646.7	47.7	0.05%
	Loan against property-professionals	7,934.3	43.7	0.55%	8,079.7	26.8	0.33%	8,112.6	17.2	0.21%
	Loan against property-others	28,534.5	358.9	1.26%	25,960.8	331.9	1.28%	33,360.6	347.5	1.04%
Personal loans										
	Housing loans (including Top-up)	506,251.5	1,313.7	0.26%	420,161.0	823.8	0.20%	332,724.4	869.9	0.26%
	Loan against property	13,165.7	47.2	0.36%	11,325.1	56.3	0.50%	14,414.9	44.5	0.31%
Others										
	Unsecured loans	17,978.3	161.9	0.90%	18,130.8	90.1	0.50%	16,432.0	67.5	0.41%
Total		**850,348.4**	**2,156.1**	**0.25%**	**688,178.3**	**1,373.3**	**0.20%**	**514,295.0**	**1,463.6**	**0.28%**

*Aforementioned Gross NPA ratio is computed on the total exposure (includes on-balance sheet and off-balance sheet exposure) i.e Percentage of Gross NPAs to total exposure of respective sectors. However, actual Gross NPA ratio of the Company is computed on the basis of on-balance sheet exposure and accordingly both are not comparable.

54.3 Intra-group exposures

The Company does not have any Intra-group exposures during last three financial year

54.4 Unhedged foreign currency exposure

The Company does not have unhedged foreign currency exposure during the last three financial year

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17 February 2021 (as amended)

53.1 Principal Business Criteria

Criteria	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Percentage of total assets towards housing finance	61.43%	58.30%	55.90%
Percentage of total assets towards housing finance for individuals	51.49%	50.74%	50.93%

Minimum regulatory percentage to be complied for housing loans and housing loans to individuals as at 31 March 2024 is 60% and 50% respectively, as at 31 March 2023 was 55% and 45% respectively, as at 31 March 2022 was 50% and 40% respectively,

53.2 Disclosures:

53.2.1 Capital

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(i) CRAR (%)	21.28%	22.97%	19.71%
(ii) CRAR Tier I capital (%)	20.67%	22.19%	18.95%
(iii) CRAR Tier II capital (%)	0.61%	0.78%	0.76%
(iv) Amount of subordinated debt raised as Tier- II Capital	-	-	-
(v) Amount raised by issue of Perpetual Debt instruments	-	-	-

53.2.2 Reserve Fund u/s 29C of NHB Act, 1987

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year:			
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	3,044.5	2,088.9	1,269.6
b) Additional statutory Reserve u/s 29C of the NHB Act, 1987	226.6	226.6	226.6
c) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the	2,904.0	1,344.0	744.0
purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-	-
Total	**6,175.1**	**3,659.5**	**2,240.2**
Addition / Appropriation / Withdrawal during the year	-	-	-
Add:	-	-	-
a) Amount transferred u/s 29C of the NHB Act, 1987	1,112.5	955.6	819.3
b) Additional statutory Reserve u/s 29C of the NHB Act, 1987	-	-	-
c Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the	2,350.0	1,560.0	600.0
purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-	-
Less:	-	-	-
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-	-
b) Additional amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-	-
c) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into	-	-	-
account which has been taken into account for the purpose of provision u/s 29C of the NHB Act,	-	-	-
1987	-	-	-
Balance at the end of the year	-	-	-
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	4,157.0	3,044.5	2,088.9
b) Additional statutory Reserve u/s 29C of the NHB Act, 1987	226.6	226.6	226.6
c) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the	5,254.0	2,904.0	1,344.0
purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-	-
Total	**9,637.6**	**6,175.1**	**3,659.5**

53.2.3 Investments

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Value of investments			
(i) Gross value of investments			
(a) In India	19,382.1	19,998.8	12,475.2
(b) Outside India	-	-	-
(ii) Provisions for (depreciation) / appreciation*			
(a) In India	3.6	10.3	7.5
(b) Outside India	-	-	-
(iii) Net value of investments			
(a) In India	19,385.7	20,009.1	12,482.7
(b) Outside India	-	-	-
Movement of provisions held towards (depreciation) / appreciation on investments	-	-	-
(i) Opening balance	10.3	7.5	19.8
(ii) Add: Provisions made during the year (Net of appreciation)	-	-	-
(iii) Less: Write-off / Written-back of excess provisions during the year	6.7	(2.8)	12.3
(iv) Closing balance	**3.6**	**10.3**	**7.5**

* Represents unrealised gain due to fair value change

53.2.4 Derivatives

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS) **(₹ in million)**

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(i) The notional principal of swap agreements *	18,500.0	1,000.0	NA
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	116.6	13.7	NA
(iii) Collateral required upon entering into swaps	NA	NA	NA
(iv) Concentration of credit risk arising from the swaps **	NA	NA	NA
(v) The fair value of the swap book	116.6	13.7	NA

* As a part of Interest rate risk management, the Company has entered into INR interest rate swaps of a notional amount of ₹ 17,500 million during the year ended 31 March 2024, ₹ 1,000 million during the year ended 31 march 2023, Nil during the year ended 31 march 2022 . The total outstanding is ₹ 18,500 million as at 31 March 2024 , ₹ 1,000 million as at 31 March 2023, ₹ Nil as at 31 March 2022).

** Concentration arising from SWAP is with Banks

Exchange Traded Interest Rate (IR) Derivative

The Company has not entered into any exchange traded derivative.

Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

Financial Risk Management

The Company has to manage various risks associated with the lending business. These risks include liquidity risk, interest rate risk and counterparty risk.

The Investment and market risk policy, ALM Policy and currency and interest rate risk hedging policy as approved by the Board sets limits for exposures on various parameters. The Company manages its interest rate in accordance with the guidelines prescribed therein.

Liquidity risk and Interest rate risks, arising out of maturity mismatch of assets and liabilities, are managed through regular monitoring of maturity profiles. As a part of Asset Liability Management, the Company has also entered into interest rate swaps wherein it has converted a portion of its fixed rate rupee liabilities into floating rate liability. Counter party risk is reviewed periodically to ensure that exposure to various counter parties is well diversified and is within the limits specified by policy.

Constituents of Hedge Management Framework

Financial Risk Management of the Company constitutes the Audit & Governance Committee, Asset Liability Committee (ALCO), Investment Committee and the Risk Management Committee.

The Company periodically monitors various counter party risk and market risk limits, within the risk architecture and processes of the Company.

53.2.4 Derivatives (Contd.)

Hedging Policy

The Company has a Interest rate risk and currency risk hedging approved by the Board of Directors. For derivative contracts designated as hedges, the Company documents at inception, the relationship between the hedging instrument and hedged item. Hedge effectiveness is ascertained periodically on a forward looking basis and is reviewed by the Investment Committee/ALCO at each reporting period. Hedge effectiveness is measured by the degree to which changes in the fair value or cashflows of the hedged item that are attributed to the hedged risk are offset by changes in the fair value or cashflows of the hedging instrument.

Measurement and Accounting

All derivative contracts are recognised on the balance sheet and measured at fair value. Hedge accounting is applied to all the derivative instruments as per IND AS 109. Gain/loss arising on account of fair value changes are recognised in the Statement of Profit and Loss to the extent of ineffective portion of hedge instruments and hedged items. The gains/losses of effective portion of hedge instrument are offset against gain/losses of hedged items in P&L or in Other Comprehensive Income depending on the type of hedge.

The Company has entered into fair value hedges like interest rate swaps on fixed rate rupee liabilities as a part of the Interest rate risk management whereby a portion of the fixed rate liabilities are converted to floating rate. The Company has a mark to market gain of ₹ 108.3 million as at 31 march 2024, ₹ 13.7 million as at 31 march 2023, Nil as at 31 march 2022 on outstanding fair value hedges.

B. Quantitative Disclosure - Interest Rate Derivatives **(₹ in million)**

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(i) Derivatives (Notional Principal Amount)	18,500.0	1,000.0	-
(ii) Market to Market Positions	-	-	-
(a) Assets (+)	116.6	13.7	-
(b) Liability (-)	8.3	-	-
(iii) Credit Exposure	116.6	13.7	-
(iv) Unhedged Exposures	-	-	-

Bajaj Housing Finance Limited

Notes to Restated financial information (Contd.)

54.5 Related Party Disclosure

(₹ in million)

Related Party	Parent			Fellow Subsidiary			Directors			Key Management Personnel (KMP)			Relatives of KMP			Others			Total		
Items	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Balance Sheet																					
Borrowings																					
Outstanding at the year end	(4,000.0)	(5,500.0)	(3,500.0)	(13,350.0)	(10,180.0)	(7,510.0)	-	-	-	-	-	-	-	-	-	(250.0)	(500.0)	(500.0)	(17,600.0)	(16,180.0)	(11,510.0)
Maximum during the	(5,500.0)	(5,500.0)	(3,500.0)	(13,350.0)	(11,180.0)	(8,010.0)	-	-	-	-	-	-	-	-	-	(500.0)	(500.0)	(2,000.0)	(19,350.0)	(17,180.0)	(13,510.0)
Deposits																					
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Maximum during the	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Advances																					
Outstanding at the year end	-	-	-	53.0	-	-	-	-	-	-	-	-	-	-	-	-	-		53.0	-	-
Maximum during the	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Investments																					
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Maximum during the	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Contribution to Equity Share Capital	(67,121.6)	(67,121.6)	(48,833.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		(67,121.6)	(67,121.6)	(48,833.3)
Other Payables	(0.8)	(32.1)	(0.8)	-	-	(9.1)	(35.8)	(4.0)	(11.4)	(8.4)	(7.7)	(6.3)	-	-	-	-	-	(1.8)	(45.0)	(43.8)	(29.4)
Other Receivables	-	3.7	-	40.9	12.8	48.4	-	-	-	-	-	-	-	-	-	0.3	0.3	0.3	41.2	16.8	48.7
Transactions during the year																					
Purchase of fixed assets	5.5	7.9	2.7	-	0.9	0.1	-	-	-	-	-	-	-	-	-	-	-		5.5	8.8	2.8
Purchase of other assets (loan portfolio)	-	-	7,387.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	7,387.9
Sale of fixed assets	5.3	4.8	3.8	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-		5.4	4.8	3.8
Purchase of investments	-	-	49,000.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	49,000.0
Sale of investments	-	-	49,000.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	49,000.0
Borrowings	1,500.0	-	7,500.0	2,170.0	2,170.0	2,170.0	-	-	-	-	-	-	-	-	-	-	-		3,670.0	2,170.0	9,670.0
Borrowings repaid	-	-	7,500.0	-	1,000.0	500.0	-	-	-	-	-	-	-	-	-	250.0	-	1,500.0	250.0	1,000.0	9,500.0
Loan repayment received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.5	-	-	130.0	-	-	131.5
Interest paid	361.2	208.1	90.0	793.9	580.4	445.6	-	-	-	-	-	-	-	-	-	28.8	29.0	119.1	1,183.9	817.5	654.7
Interest received	-	-	38.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.7	-	-	48.9

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Notes to Restated financial information (Contd.)

54.5 Related Party Disclosure

(₹ in million)

Related Party	**Parent**			**Fellow Subsidiary**			**Directors**			**Key Management Personnel (KMP)**			**Relatives of KMP**			**Others**			**Total**		
Items	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**
Others																					
Business Support Charges Paid	161.7	204.6	78.6	-	-	-	-	-	-	-	-	-	-	-	-	38.0	27.8	-	199.7	232.4	78.6
Business support charges received	10.1	8.1	11.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-		10.1	8.1	11.4
Fees and commission received	-	-	-	40.3	-	-	-	-	-	-	-	-	-	-	-	-	-		40.3	-	-
Equity Contribution received (including Premium)	-	25,000.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	25,000.0	-
Direct assignment of loan portfolio	67,581.5	17,899.0	15,036.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-		67,581.5	17,899.0	15,036.9
ESOP recharge	305.8	267.7	192.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-		305.8	267.7	192.3
Rent income	2.2	2.0	1.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-		2.2	2.0	1.9
Insurance expense	-	-	-	56.9	135.2	154.0	-	-	-	-	-	-	-	-	-	-	-		56.9	135.2	154.0
Sitting Fees	-	-	-	-	-	-	8.9	6.8	4.6	-	-	-	-	-	-	-	-		8.9	6.8	4.6
Commission	-	-	-	-	-	-	17.8	4.0	-	-	-	-	-	-	-	-	-		17.8	4.0	-
Short term employee benefit	-	-	-	-	-	-	140.8	102.9	81.4	29.9	27.1	16.4	-	-	-	-	-		170.7	130.0	97.8
Share based payment	-	-	-	-	-	-	95.6	80.6	44.6	9.0	8.0	6.4	-	-	-	-	-		104.6	88.6	51.0
Rent expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6	0.6	0.6	0.6	0.6	0.6
Services received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	76.2	46.9	12.5	76.2	46.9	12.5
Manpower supply services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	764.5	127.9		764.5	127.9	-
Company's contribution towards NPS	-	-	-	9.0	4.5	-	-	-	-	-	-	-	-	-	-	-	-		9.0	4.5	-
Servicing fees Received	507.7	663.0	446.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-		507.7	663.0	446.4
Commission Received	-	-	-	96.0	-	-	-	-	-	-	-	-	-	-	-	-	-		96.0	-	-
Fees and commission paid	-	-	-	21.2	6.6	10.5	-	-	-	-	-	-	-	-	-	-	-		21.2	6.6	10.5
Employees' gratuity contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.9	30.2	20.0	10.9	30.2	20.0

Amount in bracket denotes credit balance.

'- Disclosure of transactions made in compliance with RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and RBI Circular for Disclosures in financial informations- Notes to Accounts of NBFC dated 19 April 2022 which includes Key managerial personnel as per section 2(51) of the Companies Act, 2013.

54.6 Disclosure of complaints

54.6.1 Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
	Complaints received by the NBFC from its customers			
(a)	Number of complaints pending at beginning of the year	-	-	-
(b)	Number of complaints received during the year	308	417	505
(c)	Number of complaints disposed during the year	308	417	505
	(i) of which, number of complaints rejected by the NBFC	-	-	-
(d)	Number of complaints pending at the end of the year	-	-	-

Disclosure on complaints received from Office of Ombudsman and Awards unimplemented not given as the Company, being a HFC, is not included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

54.6.2 Top five grounds of complaints received by the NBFCs from customer

For the year ended 31 March 2024

	Grounds of complaints	Number of complaints pending as at 1 April 2023	Number of complaints received during the year	% increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending as at 31 March 2024	Number of complaints pending beyond 30 days as at 31 March 2024
1	Foreclosure and ROI related	-	55	(25%)	-	-
2	Insurance/VAS related	-	51	(15%)	-	-
3	Levy of charges related	-	35	21%	-	-
4	Wrong / incorrect linking of loan account	-	29	(37%)	-	-
5	Collection Related	-	26	24%	-	-
6	Other	-	112	(40%)	-	-
		-	**308**		**-**	**-**

For the year ended 31 March 2023

	Grounds of complaints	Number of complaints pending as at 1 April 2022	Number of complaints received during the year	% increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending as at 31 March 2023	Number of complaints pending beyond 30 days as at 31 March 2023
1	Part payment related	-	104	(30%)	-	-
2	Foreclosure of loan related	-	119	40%	-	-
3	EMI/Loan related	-	52	(40%)	-	-
4	Value added services related	-	60	(37%)	-	-
5	Levy of charges related	-	29	(40%)	-	-
6	Others	-	53	29%	-	-
		-	**417**		**-**	**-**

For the year ended 31 March 2022

	Grounds of complaints	Number of complaints pending as at 1 April 2021	Number of complaints received during the year	% increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending as at 31 March 2022	Number of complaints pending beyond 30 days as at 31 March 2022
1	Part payment related	-	149	NA	-	-
2	Foreclosure of loan related	-	87	NA	-	-
3	EMI/Loan related	-	95	NA	-	-
4	Value added services related	-	85	NA	-	-
5	Levy of charges related	-	48	NA	-	-
6	Others	-	41	NA	-	-
		-	**505**		**-**	**-**

54.7 There were no breach of covenant of loan availed or debt securities issued in last three financial years.

54.8 No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory inspection for the year ended 31 March 2022 and for the year ended 31 March 2021 as per the requirement of the circular no. RBI/2022-23/26 DOR.ACC.REC.No 20/21.04.018 /2022-23 dated 19 April 2022.

54.9 Loans and contracts awarded to Directors, Senior Officers and relatives of Directors (₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Directors and their relatives	-	-	N.A.
Entities associated with directors and their relatives	-	-	N.A.
Senior Officers*	160.5	26.1	N.A.

The circular on Loans and Advances-Regulatory Restrictions-NBFC is effective from 1 October 2022. The above disclosure is provided for loans/ contracts entered on or after 1 October 2022.

* The above amount represents loans/contracts sanctioned in respective financial year.

55. Disclosure of Frauds as per NHB (ND)/DRS/Policy Circular No.92/2018-19 dated 05 February, 2019

Frauds as reported to NHB during the financial year ended 31 March 2024 ₹ 6.3 million, for the year ended 31 March 2023 ₹ 3.5 million and no frauds for the year ended 31 March 2022

56. The Company has not granted any loans against collateral of gold jewellery in last three financial years.

57. Disclosures in respect of Liquidity Risk Management Framework as referred in para 3.1.1 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Annex II referred in para 15A of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

57.1 Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
i) Number of Significant Counterparties*	22	19	25
ii) Amount(in ₹ million)	551,375.5	419,789.9	355,839.1
iii) Percentage of funding concentration to total deposits#	NA	NA	NA
iv) Percentage of funding concentration to total liabilities	79.23%	77.52%	85.16%

* Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies. Funding concentration based on significant counterparty has been computed using Latest Beneficiary Position instead of original subscribers.

Total public deposits

Total liabilities are excluding Equity share capital and Other equity.

57.2 Disclosures on Top 20 large deposits is not applicable being non deposit taking NBFC

57.3 Top 10 borrowings (₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
i) Total amount of top 10 borrowings	440,081.6	348,981.0	263,332.6
ii) Percentage of amount of top 10 borrowings to total borrowings	63.66%	64.93%	63.47%

Funding concentration based on significant counterparty has been computed using Latest Beneficiary Position instead of original subscribers.

57.4 Funding Concentration based on significant instrument/product* (₹ in million)

Particulars	As at 31 March 2024	Percentage of total liabilities	As at 31 March 2023	Percentage of total liabilities	As at 31 March 2022	Percentage of total liabilities
i) Non-convertible debentures	239,950.4	34.48%	194,914.3	35.99%	124,919.2	29.90%
ii) Loans from bank	354,621.4	50.96%	316,547.0	58.46%	244,931.7	58.62%
iii) Loans from NHB	68,375.9	9.83%	20,000.0	3.69%	-	0.00%
iv) Commercial paper	26,502.9	3.81%	4,234.9	0.78%	39,972.3	9.57%
v) Deposits (Inter Corporate Deposits)	1,842.6	0.26%	1,757.7	0.32%	5,100.0	1.22%

* Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

Total liabilities are excluding Equity share capital and Other equity.

57.5 Stock ratio

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(i) Commercial paper as a percentage of total public funds*	3.83%	0.79%	9.63%
(ii) Commercial paper as a percentage of total liabilities	3.81%	0.78%	9.57%
(iii) Commercial paper as a percentage of total assets	3.24%	0.66%	8.24%
(iv) Non convertible debentures (original maturity of less than 1 year) as a percentage of total public funds*	NA	NA	NA
(v) Non convertible debentures (original maturity of less than 1 year) as a percentage of total liabilities	NA	NA	NA
(vi) Non convertible debentures (original maturity of less than 1 year) as a percentage of total assets	NA	NA	NA
(vii) Other short term liabilities as a percentage of total public funds*#	20.44%	22.33%	20.98%
(viii) Other short term liabilities as a percentage of total liabilities#	20.30%	22.16%	20.83%
(ix) Other short term liabilities as a percentage of total assets#	17.27%	18.56%	17.93%

Total liabilities are excluding equity share capital and other equity.

* Public funds are considered as total of borrowings from NCD, CP, Bank Loans and ICDs.

\# Other short term liabilities are residual maturities with in 12 months of Bank loan, NCDs and other liabilities(excl. CPs).

57.6 Institutional set-up for liquidity risk management

The Company manages its Liquidity Risk Management Framework through various means like liquidity buffers, sourcing of long term funds, positive asset liability mismatch, keeping strong pipeline of sanctions and approvals from banks and assignment of loans under the guidance of ALCO and Board. For qualitative disclosure on liquidity risk management, refer note no. 50.

58. Disclosures in respect of Guidelines on Maintenance of Liquidity Coverage Ratio (LCR) as referred in para 3.1.2 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Annex II referred in para 15A of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Quarter on quarter LCR for the year ended 31 March 2024

Particulars	Q1 FY24		Q2 FY24		Q3 FY24		Q4 FY24	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High Quality Liquid Assets								
1. **Total High Quality Liquid Assets (HQLA)	**15,407.4**	**15,407.4**	**14,763.4**	**14,763.4**	**17,676.2**	**17,676.2**	**20,157.9**	**20,157.9**
Cash Outflows								
2. Deposits (for deposit taking companies)							-	-
3. Unsecured wholesale funding	1,133.3	1,289.0	3,500.9	4,026.0	7,446.2	8,563.2	5,231.5	6,016.2
4. Secured wholesale funding	12,656.5	14,555.0	16,525.7	19,004.5	15,160.6	17,434.7	21,832.2	25,107.0
5. Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative	-	-	-	-	-	-	-	-
exposures and other collateral	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding	-	-	-	-	-	-	-	-
on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6. Other contractual funding obligations#	27,644.6	31,793.0	28,181.9	32,409.2	18,594.8	21,384.0	22,099.0	25,413.9
7. Other contingent funding obligations	-	-	-	-	-	-	-	-
8. TOTAL CASH OUTFLOWS	**41,434.4**	**47,637.0**	**48,208.5**	**55,439.7**	**41,201.6**	**47,381.9**	**49,162.7**	**56,537.1**
Cash Inflows	-	-	-	-	-	-	-	-
9. Secured lending	-	-	-	-	-	-	-	-
10. Inflows from fully performing exposures	6,665.2	4,998.9	7,200.0	5,400.0	7,275.6	7,590.3	5,692.8	5,692.8
	-	-	-	-	-	-	-	-
11. Other cash inflows*	62,903.0	47,177.2	58,620.9	43,965.7	53,310.7	63,582.4	47,686.8	47,688.2
12. TOTAL CASH INFLOWS	**69,568.2**	**52,176.1**	**65,820.9**	**49,365.7**	**60,586.3**	**71,172.7**	**53,379.6**	**53,381.0**
		Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13. TOTAL HQLA		**15,407.4**		**14,763.4**		**17,676.2**		**20,157.9**
14. TOTAL NET CASH OUTFLOWS		**11,909.3**		**13,859.9**		**11,845.5**		**14,134.3**
15. LIQUIDITY COVERAGE RATIO (%)		**129.37%**		**106.52%**		**149.22%**		**142.62%**
16. NHB Requirement (%)		**70.00%**		**70.00%**		**85.00%**		**85.00%**
17. NHB Requirement Amount		**8,336.5**		**9,701.9**		**10,068.7**		**12,014.1**

**Components of HQLA

High Quality Liquid Assets (HQLA)	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow
1. Assets to be included as HQLA without any haircut	15,407.4	15,407.4	14,763.4	14,763.4	17,676.2	17,676.2	20,157.9	20,157.9
2. Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3. Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4. Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
Total HQLA	**15,407.4**	**15,407.4**	**14,763.4**	**14,763.4**	**17,676.2**	**17,676.2**	**20,157.9**	**20,157.9**

Quarter on quarter LCR for the year ended 31 March 2023

Particulars	Q1 FY23		Q2 FY23		Q3 FY23		Q4 FY23	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High Quality Liquid Assets								
1. **Total High Quality Liquid Assets (HQLA)	**8,521.4**	**8,521.4**	**10,693.8**	**10,693.8**	**10,358.7**	**10,358.7**	**15,196.3**	**15,196.3**
Cash Outflows								
2. Deposits (for deposit taking companies)							-	-
3. Unsecured wholesale funding	4,563.8	5,248.4	7,881.8	9,064.1	3,493.3	4,017.2	6,407.2	7,368.3
4. Secured wholesale funding	9,984.9	11,482.6	8,997.8	10,347.5	12,990.6	14,939.2	10,844.1	12,470.7
5. Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6. Other contractual funding obligations#	14,202.3	16,332.7	23,150.1	26,622.6	19,402.8	21,938.3	23,673.8	27,224.8
7. Other contingent funding obligations					-	-	-	-
8. TOTAL CASH OUTFLOWS	**28,751.0**	**33,063.7**	**40,029.7**	**46,034.2**	**35,886.7**	**40,894.7**	**40,925.1**	**47,063.8**
Cash Inflows								
9. Secured lending					-	-	-	-
10. Inflows from fully performing exposures	4,829.8	3,622.3	5,601.4	4,201.1	5,389.7	4,042.3	6,138.3	4,603.7
11. Other cash inflows*	51,482.1	38,611.6	88,713.8	66,535.4	81,269.5	60,952.1	62,687.5	47,015.6
12. TOTAL CASH INFLOWS	**56,311.9**	**42,233.9**	**94,315.2**	**70,736.5**	**86,659.2**	**64,994.4**	**68,825.8**	**51,619.3**
		Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13. TOTAL HQLA		**8,521.4**		**10,693.8**		**10,358.7**		**15,196.3**
14. TOTAL NET CASH OUTFLOWS		**8,265.9**		**11,508.6**		**10,223.7**		**11,765.9**
15. LIQUIDITY COVERAGE RATIO (%)		**103.09%**		**92.92%**		**101.32%**		**129.15%**
16. NHB Requirement (%)		**50.00%**		**60.00%**		**70.00%**		**70.00%**
17. NHB Requirement Amount		**4,133.0**		**5,754.3**		**5,111.8**		**5,883.0**

**Components of HQLA

High Quality Liquid Assets (HQLA)	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow
1. Assets to be included as HQLA without any haircut	8,521.4	8,521.4	10,693.8	10,693.8	10,358.7	10,358.7	15,196.3	15,196.3
2. Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3. Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4. Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
Total HQLA	**8,521.4**	**8,521.4**	**10,693.8**	**10,693.8**	**10,358.7**	**10,358.7**	**15,196.3**	**15,196.3**

Appendix I as on 31st March 2022

Particulars	Q3 FY22 Total unweighted value (average)	Q3 FY22 Total weighted value (average)	Q4 FY22 Total unweighted value (average)	Q4 FY22 Total weighted value (average)
High Quality Liquid Assets				
1. **Total High Quality Liquid Assets (HQLA)	**5,711.5**	**5,711.5**	**8,966.5**	**8,966.5**
Cash Outflows				
2. Deposits (for deposit taking companies)			-	-
3. Unsecured wholesale funding	5,000.0	5,750.0	9,324.7	10,723.4
4. Secured wholesale funding	4,098.5	4,713.4	6,742.0	7,753.3
5. Additional requirements, of which	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-
(iii) Credit and liquidity facilities				
6. Other contractual funding obligations#	11,650.4	13,397.9	12,716.8	14,624.3
7. Other contingent funding obligations	-	-	-	-
8. TOTAL CASH OUTFLOWS	**20,748.9**	**23,861.3**	**28,783.5**	**33,101.0**
Cash Inflows				
9. Secured lending	-	-	-	-
10. Inflows from fully performing exposures	4,152.2	3,114.1	4,780.3	3,585.2
11. Other cash inflows*	57,112.6	42,834.4	44,211.8	33,158.9
12. TOTAL CASH INFLOWS	**61,264.8**	**45,948.5**	**48,992.1**	**36,744.1**
	Total Adjusted Value		**Total Adjusted Value**	
13. TOTAL HQLA		**5,711.5**		**8,966.5**
14. TOTAL NET CASH OUTFLOWS		**5,965.3**		**8,275.2**
15. LIQUIDITY COVERAGE RATIO (%)		**95.74%**		**108.35%**
16. NHB Requirement w.e.f. Dec 21 (%)		**50.00%**		**50.00%**
17. NHB Requirement Amount		**2,982.7**		**4,137.6**

****Components of HQLA**

High Quality Liquid Assets (HQLA)	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow
1. Assets to be included as HQLA without any haircut	5,711.5	5,711.5	8,966.5	8,966.5
2. Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-
3. Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-
4. Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-
Total HQLA	**5,711.5**	**5,711.5**	**8,966.5**	**8,966.5**

Other contractual funding obligations includes outflows from sanctioned but not disbursed and partially disbursed cases in next 30 Days as per ALM.

* Other cash inflows includes undrawn sanctioned term loan and CC lines from banks and other parties.

58. Disclosures in respect of Guidelines on Maintenance of Liquidity Coverage Ratio (LCR) as referred in para 3.1.2 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Annex II referred in para 15A of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. (Contd.)

The Liquidity Coverage Ratio (LCR) is one of the key parameters closely monitored by RBI to enable a more resilient financial sector. The objective of the LCR is to promote an environment wherein balance sheet carry a strong liquidity for short term cash flow requirements. To ensure strong liquidity HFCs are required to maintain adequate pool of unencumbered high-quality liquid assets (HQLA) which can be easily converted into cash to meet their stressed liquidity needs for 30 calendar days. The LCR is expected to improve the ability of financial sector to absorb the shocks arising from financial and/or economic stress, thus reducing the risk of spill over from financial sector to real economy.

The Liquidity Risk Management of the Company is managed by the Asset Liability Committee (ALCO) under the governance of Board approved Liquidity Risk Framework and Asset Liability Management policy. The LCR levels for the balance sheet date is derived by arriving the stressed expected cash inflow and outflow for the next 30 calendar days. To compute stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 15%. Similarly, inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%.

Company for purpose of computing outflows, has considered: (1) all the contractual debt repayments, (2) expected outflows from credit facilities contracted with customers, and (3) other expected or contracted cash outflows. Inflows comprise of: (1) expected receipt from all performing loans and other receivables, (2) liquid investment which are unencumbered and have not been considered as part of HQLA and (3) CC/OD/Committed credit line from Banks and parent company.

For the purpose of HQLA the Company considers: (1) Unencumbered government securities, (2) Cash and Bank balances.
The LCR is computed by dividing the stock of HQLA by its total net stressed cash outflows over next 30 days. LCR guidelines have become effective from 1 December 2021, requiring HFCs to maintain minimum LCR of 50%, LCR is gradually required to be increased to 100% by 1 December 2025. HFCs are required to maintain LCR of 60% as on 31 March 2023 and 85% as on 31 March 2024.

59. Disclosure pursuant to RBI Notification - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dated 13 March 2020 - A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

59.1 Policy for sales out of amortised cost business model portfolios

Refer Note No. 4.3(i)(a)

59.2 A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

As at 31 March 2024 (₹ in million)

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) – (4)	(6)	(7) = (4) – (6)
(a) Performing Assets						
Standard	Stage 1	793,193.1	3,191.5	790,001.6	3,898.1	(706.6)
	Stage 2	2,900.0	675.8	2,224.2	64.5	611.3
Subtotal (a)		**796,093.1**	**3,867.3**	**792,225.8**	**3,962.6**	**(95.3)**
(b) Non-Performing Assets (NPA)						
(i) Substandard	Stage 3	1,587.4	933.1	654.3	239.1	694.0
(ii) Doubtful up to:						
1 year	Stage 3	406.1	319.1	87.0	137.3	181.8
1 to 3 years	Stage 3	160.4	120.0	40.4	70.1	49.9
More than 3 years	Stage 3	2.2	2.2	-	2.2	-
Subtotal (ii)		568.7	441.3	127.4	209.6	231.7
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		**2,156.1**	**1,374.4**	**781.7**	**448.7**	**925.7**
(c) Other items						
Others including	Stage 1	52,099.2	272.4	51,826.8	-	272.4
Loan commitments	Stage 2	-	-	-	-	-
and derivatives	Stage 3	-	-	-	-	-
	Subtotal	**52,099.2**	**272.4**	**51,826.8**	**-**	**272.4**
Total (a+b+c)	Stage 1	845,292.3	3,463.9	841,828.4	3,898.1	(434.2)
	Stage 2	2,900.0	675.8	2,224.2	64.5	611.3
	Stage 3	2,156.1	1,374.4	781.7	448.7	925.7
	Total	**850,348.4**	**5,514.1**	**844,834.3**	**4,411.3**	**1,102.8**

* Computed on the value as per the IRACP norms

As at 31 March 2023 (₹ in million)

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) – (4)	(6)	(7) = (4) – (6)
(a) Performing Assets						
Standard	Stage 1	621,420.2	3,596.6	617,823.6	3,121.6	475.0
	Stage 2	3,599.1	783.7	2,815.4	153.3	630.4
Subtotal (a)		**625,019.3**	**4,380.3**	**620,639.0**	**3,274.9**	**1,105.4**
(b) Non-Performing Assets (NPA)						
(i) Substandard	Stage 3	1,015.8	566.1	449.7	158.4	407.7
(ii) Doubtful up to:						
1 year	Stage 3	280.3	256.8	23.5	86.0	170.8
1 to 3 years	Stage 3	77.2	50.5	26.7	33.1	17.4
More than 3 years	Stage 3	-	-	-	-	-
Subtotal (ii)		357.5	307.3	50.2	119.1	188.2
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		**1,373.3**	**873.4**	**499.9**	**277.5**	**595.9**
(c) Other items						
Others including	Stage 1	52,469.8	123.2	52,346.6	0.1	123.1
Loan commitments	Stage 2	-	-	-	-	-
and derivatives	Stage 3	-	-	-	-	-
	Subtotal	**52,469.8**	**123.2**	**52,346.6**	**0.1**	**123.1**
Total (a+b+c)	Stage 1	673,890.0	3,719.8	670,170.2	3,121.7	598.1
	Stage 2	3,599.1	783.7	2,815.4	153.3	630.4
	Stage 3	1,373.3	873.4	499.9	277.5	595.9
	Total	**678,862.4**	**5,376.9**	**673,485.5**	**3,552.5**	**1,824.4**

* Computed on the value as per the IRACP norms

As at 31 March 2022 (₹ In million)

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) – (4)	(6)	(7) = (4) – (6)
(a) Performing Assets						
Standard	Stage 1	461,996.1	2,599.5	459,396.6	2,103.2	496.3
	Stage 2	6,036.9	1,281.7	4,755.2	432.8	848.9
Subtotal (a)		**468,033.0**	**3,881.2**	**464,151.8**	**2,536.0**	**1,345.2**
(b) Non-Performing Assets (NPA)						
(i) Substandard	Stage 3	1,149.9	646.6	503.3	184.8	461.8
(ii) Doubtful up to:						
1 year	Stage 3	309.0	143.4	165.6	88.6	54.8
1 to 3 years	Stage 3	4.7	4.7	-	2.2	2.5
More than 3 years	Stage 3	-	-	-	-	-
Subtotal (ii)		313.7	148.1	165.6	90.8	57.3
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		**1,463.6**	**794.7**	**668.9**	**275.6**	**519.1**
(c) Other items	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**
Total (a+b+c)	Stage 1	461,996.1	2,599.5	459,396.6	2,103.2	496.3
	Stage 2	6,036.9	1,281.7	4,755.2	432.8	848.9
	Stage 3	1,463.6	794.7	668.9	275.6	519.1
	Total	**469,496.6**	**4,675.9**	**464,820.7**	**2,811.6**	**1,864.3**

* Computed on the value as per the IRACP norms

60. Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020
For the half year ended 30 September 2023

(₹ in million)

Type of borrower		Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 31 March 2023 (A)$		Of (A), aggregate debt that slipped into NPA during the half-year		Of (A), amount written off during the half-year#		Of (A) amount paid by the borrowers during the half-year*	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 30 September 2023
		(A)		(B)		(C)		(D)	(E)
Personal Loans	-	3,866.0	-	176.8	-	2.1	-	382.6	3,306.6
Corporate persons	-	25.3	-	-	-	-	-	8.8	16.5
Of which, MSMEs	-	12.3	-	-	-	-	-	8.5	3.8
Others	-	13.0	-	-	-	-	-	0.3	12.7
Total		**3,891.3**		**176.8**		**2.1**		**391.4**	**3,323.1**

60. Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Contd.)
For the half year ended 31 March 2024

(₹ in million)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 30 September 23 (A)$	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year#	Of (A) amount paid by the borrowers during the half-year*	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 31 March 2024
	(A)	(B)	(C)	(D)	(E)
Personal Loans	3,306.6	155.4	3.7	290.4	2,860.8
Corporate persons	16.5	-	-	0.4	16.1
of which, MS	3.8	-	-	0.1	3.7
Others	12.7	-	-	0.3	12.4
Total	**3,323.1**	**155.4**	**3.7**	**290.8**	**2,876.9**

represents debt that slipped into NPA and was written off during the half-year.

* represents receipts net of interest accruals and drawdown, if any.

$ Includes restructuring implemented pursuant to OTR 2.0 executed till 31 December 2021 for personal loans,individual business loans and small business loans.

Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020
For the half year ended 30 September 2022

(₹ in million)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 31 March 22 (A)		Of (A), aggregate debt that slipped into NPA during the half-year		Of (A), amount written off during the half-year#		Of (A) amount paid by the borrowers during the half-year*	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 30 September 2022
	(A)		(B)		(C)		(D)	(E)
Personal Loans	5,243.6	-	241.5	-	7.5	-	440.7	4,561.4
Corporate persons	38.4	-	2.8	-	-	-	0.2	35.4
Of which, MSMEs	22.9	-	2.8	-	-	-	0.3	19.8
Others	15.5	-	-	-	-	-	(0.1)	15.6
Total	**5282.0**		**244.3**		**7.5**		**440.9**	**4596.8**

For the half year ended 31 March 2023

(₹ in million)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 30 September 22 (A)$		Of (A), aggregate debt that slipped into NPA during the half-year		Of (A), amount written off during the half-year#		Of (A) amount paid by the borrowers during the half-year*	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 31 March 2023
	(A)		(B)		(C)		(D)	(E)
Personal Loans	4,561.4	-	303.1	-	3.7	-	392.3	3,866.0
Corporate persons	35.4	-	2.5	-	-	-	7.6	25.31
of which, MSMEs	19.7	-	-	-	-	-	7.4	12.30
Others	15.7	-	2.5	-	-	-	0.2	13.00
Total	**4596.8**		**305.6**		**3.7**		**399.9**	**3891.3**

represents debt that slipped into NPA and was subsequently written off during the half-year.

* represents receipts net of interest accruals and drawdown, if any and account roll back to standard during the half year.

$ Includes account restructured under OTR 2.0 up to 31 March 2023.

Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020
For the half year ended 30 September 2021

(₹ in million)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 31 March 21 (A)	Of (A), aggregate debt that slipped into NPA during the half-year		Of (A), amount written off during the half-year#	Of (A) amount paid by the borrowers during the half-year*	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 30 September 2021
	(A)	(B)		(C)	(D)	(E)
Personal Loans	5,019.0	415.9	-	102.0	315.4	4,287.7
Corporate persons	-	-	-	-		-
Of which, MSMEs	-	-	-	-		-
Others	-	-	-	-		-
Total	**5019.0**	**415.9**		**102.0**	**315.4**	**4287.7**

For the half year ended 31 March 2022

(₹ in million)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 30 September 21 (A)$	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year#	Of (A) amount paid by the borrowers during the half-year*	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 31 March 2022
	(A)	(B)	(C)	(D)	(E)
Personal Loans	5,737.8	271.6	9.2	268.1	5,198.1
Corporate persons	36.9	-	-	(1.5)	38.4
of which, MSMEs	22.2	-	-	(0.7)	22.9
Others	14.7	-	-	(0.8)	15.5
Total	**5774.7**	**271.6**	**9.2**	**266.6**	**5,236.5**

represents debt that slipped into NPA and was subsequently written off during the half-year.

* represents receipts net of interest accruals and drawdown, if any

61. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021

(a) Details of loans (not in default) transferred through assignment

Particulars	Year ended 31 March 2024		Year ended 31 March 2023		Year ended 31 March 2022	
Number of accounts assigned through Direct Assignment	5,458	358	6,257	1,964	2063	9468
Amount of loan account assigned (₹ in million)	67,581.4	3,337.8	17,898.9	4,448.1	15,036.8	13,674.1
Retention of beneficial economic interest (MRR)*	1%	10%	1%	10%	1%	5%/10%
Weighted average residual maturity (in months)	170.20	142.03	126.71	133.74	139.56	189.97
Weighted average holding period (in months)	14.32	14.78	18.15	18.24	18.45	20.57
Coverage of tangible security	100%	100%	100%	100%	100%	100%
Rating-wise distribution of rated loans	Unrated	Unrated	Unrated	Unrated	Unrated	Unrated

* Retained by the originator

(b) Details of loans (not in default) acquired through assignment

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	Year ended 31 March 2022
Number of accounts acquired through Direct Assignment	17,288	19	299	2,855
Amount of loan account acquired (₹ in million)	28,950.2	616.8	248.4	7,387.8
Beneficial economic interest acquired *	90%	80%	90%	99%
Weighted average residual maturity (in months)	206.73	205.37	192.54	184.99
Weighted average holding period (in months)	15.20	10.37	43.19	54.76
Coverage of tangible security	100%	100%	100%	100%
Rating-wise distribution of rated loans	Unrated	Unrated	Unrated	Unrated

* Acquired by the assignee

(₹ in million)

	Year ended 31 March 2024			Year ended 31 March 2023			Year ended 31 March 2022		
Details of stressed loans transferred during the year	**To ARC**	**To permitted transferees**	**To other transferees**	**To ARC**	**To permitted transferees**	**To other transferees**	**To ARC**	**To permitted transferees**	**To other transferees**
No. of accounts	-	-	-	-	-	-	797	-	-
Aggregate principal outstanding of loans transferred	-	-	-	-	-	-	1,075.6	-	-
Weighted average residual tenor of the loans transferred (in years)	-	-	-	-	-	-	6.36	-	-
Net book value of loans transferred (at the time of transfer)	-	-	-	-	-	-	706.7	-	-
Aggregate consideration	-	-	-	-	-	-	531.9	-	-
Additional consideration realized in respect of accounts transferred	-	-	-	-	-	-	-	-	-

62. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated 24 September 2021

The Company has not entered into any Securitisation transactions during last three years.

63. Amounts less than ₹ 50,000 have been shown at actual against respective line items which are statutorily required to be disclosed.

64 Reconciliation of audited financial statement with restated financial information:

Material Restatement Adjustments

The accounting policies applied in Restated Financial information as at and for each of the period ended 31 March 2024, 31 March 2023 and 31 March 2022 are consistent with those adopted in the preparation of financial statement for the period ended 31 March 2024.

These Restated Financial Information has been compiled from the historical audited financial statement and
(a) there were no changes in accounting policies during the years of these financial informations
(b) there were no material amounts which have been adjusted for in arriving at profit/ loss of the respective years; and
(c) there were no material adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Audited financial statement of the Company and the requirements of the SEBI Regulations.

Material Regroupings

No material regroupings have been made in the Restated Balance sheet, Statement of Profit and Loss and cash flows. Appropriate regroupings have been made wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the financial informations of the Company for the year ended 31 March 2024 prepared in accordance with Schedule III of the Act, requirements of Ind AS 1 - 'Presentation of financial informations' and other appliacble Ind AS principles and the requiremnets of the SEBI ICDR regulations, as amended.

Reconciliation of total equity as per audited financial statement with total equity as per restated financial information:

Summarised below are the restatement adjustments made to the total equity as per the audited financial statement of the Company for each of the period ended 31 March 2024, 31 March 2023 and 31 March 2022 and their consequential impact on the equity of the Company.

₹ in million

Particulars	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**
Total equity (as per audited financial statement)	122,335.0	105,031.9	67,413.6
Material restatement adjustments:	-	-	-
Total equity (as per restated financial information)	122,335.0	105,031.9	67,413.6

Reconciliation of total comprehensive income as per audited financial statement with total comprehensive income as per restated financial information

Summarised below are the restatement adjustments made to total comprehensive income as per the audited financial statement of the Company for each of the periods ended 31 March 2024, 31 March 2023 and 31 March 2022

₹ in million

Particulars	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**
A. Total comprehensive income as per audited financial statement	17,303.1	12,619.5	7,091.4
B. Adjustments:			
(i) Audit qualifications	-	-	-
(ii) Adjustments due to prior period items / other adjustments	-	-	-
Total Adjustments	-	-	-
C. Total comprehensive income as per Restated Financial Information (A+B)	17,303.1	12,619.5	7,091.4

Other Non-adjusting items

a. Audit qualifications for the respective years, which do not require any adjustments in the restated financial information are as follows:

There are no audit qualification in auditor's report for the period ended 31 March 2024, 31 March 2023 and 31 March 2022

b. Other Matter not requiring adjustments to the restated financial information:

There are no other matters which require any adjustment for the period ended 31 March 2024, 31 March 2023 and 31 March 2022

As per our report of even date

On behalf of the Board of Directors

For G. D. Apte & Co.
Chartered Accountants
Firm Registration No.: 100515W

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No.: 105049W

Atul Jain
Managing Director
DIN: 09561712

Sanjiv Bajaj
Chairman
DIN: 00014615

Umesh S. Abhyankar
Partner
Membership No.: 113053

Shailesh Shah
Partner
Membership No.: 033632

Gaurav Kalani
Chief Financial Officer

Rajeev Jain
Vice Chairman
DIN: 01550158

Pune: 7 June 2024

Atul Patni
Company Secretary
FCS: F10094

OTHER FINANCIAL INFORMATION

The accounting ratios derived from the Restated Financial Information as required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(All per share data in ₹, except as mentioned)

Particulars	As at and for the financial year ended March 31, 2024	As at and for the financial year ended March 31, 2023	As at and for the financial year ended March 31, 2022
Earnings per share (basic)	2.6	1.9	1.5
Earnings per share (diluted)	2.6	1.9	1.5
Return on Average Net Worth (RoNW)(%)	15.2%	14.6%	11.1%
Net Asset Value per equity share	18.2	15.6	13.8
EBITDA (*₹ million)*	68,935.3	49,447.8	31,409.3

Notes:

1. *The ratios have been computed as below:*
    1. *Basic earnings per share (₹) = Net profit after tax, as restated/ Weighted average number of Equity Shares outstanding during the year*
    2. *Diluted earnings per share (₹) = Net profit after tax, as restated/ Weighted average number of potential Equity Shares outstanding during the year*
    3. *Return on Net Worth (%) = Net profit after tax, as restated /Net worth as restated as at period end*
    4. *Net asset value per share (₹) = Net worth, as restated/ Number of Equity Shares outstanding as at period end*
2. *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)*
3. *The amounts disclosed above are based on the Restated Financial Information.*
4. *EBITDA stands for earnings before interest, taxes, depreciation and amortisation.*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company as at and for the Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022 and the reports thereon (collectively, the "**Audited Financial Statements**") are available on our website at www.bajajhousingfinance.in/financial-information.

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 and the reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a red herring prospectus, or (iii) 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 or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs 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' read with SEBI ICDR Regulations for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, and as reported in the Restated Financial Information, see *"Restated Financial Information – Note 43: Disclosure of transactions with related parties as required by Ind AS 24"* on page 314.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management's perspective on our financial condition and results of operations included in the Financial Statements.

Please read "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation" on page 18 before reading this section. This section should be read together with "Risk Factors", "Industry Overview", "Business", "Selected Statistical Information" and "Restated Financial Information" on pages 33, 133, 196, 259 and 273, respectively.

This section contains forward-looking statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. See "Forward-Looking Statements" on page 21 for a discussion of the risks and uncertainties related to those statements and "Risk Factors" on page 33 for a discussion of certain factors that may affect our business, financial condition, results of operations or cash flows.

Unless stated otherwise, all financial information in this section is based on or derived from the Restated Financial Information included on page 273 of this Draft Red Herring Prospectus. Our Company's financial year ends on March 31 of every year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Analysis of Housing Finance Market" dated June 2024 (the "**CRISIL Report**") prepared and issued by CRISIL Market Intelligence & Analytics, appointed by us pursuant to an engagement letter dated May 6, 2024 and exclusively commissioned and paid for by us in connection with the Offer. A copy of the CRISIL Report is available on the website of our Company at www.bajajhousingfinance.in/offer-documents and has also been included in "Material Contracts and Documents for Inspection" on page 460. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, 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. For more information, see "Risk Factors – Internal Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us, and paid for by us for such purpose." on page 55. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 19. CRISIL is an independent agency and is not related to the Company, its Directors, Promoters or Promoter Selling Shareholder.*

OVERVIEW

We are a non-deposit taking Housing Finance Company ("**HFC**"), registered with the National Housing Bank ("**NHB**") since September 24, 2015, and engaged in mortgage lending since Fiscal 2018. We have been identified and categorized as an "Upper Layer" NBFC ("**NBFC-UL**") in India by the RBI since September 30, 2022, as part of its "Scale Based Regulations (SBR): A Revised Regulatory Framework for NBFCs" dated October 22, 2021.

We offer financial solutions tailored to individuals and corporate entities for the purchase and renovation of homes and commercial spaces. Our mortgage product suite is comprehensive and comprises (i) home loans; (ii) loans against property ("**LAP**"); (iii) lease rental discounting; and (iv) developer financing. Furthermore, our primary emphasis is on individual retail housing loans, complemented by a diversified collection of lease rental discounting and developer loans. Consequently, our financial products cater to every customer segment, from individual homebuyers to large-scale developers.

According to CRISIL MI&A, the housing shortage in India was expected to rise to 100 million units by 2022, with an estimated demand for housing loans between ₹50 trillion to ₹60 trillion to address this issue. As of March 2023, the total overall outstanding housing loans (excluding Pradhan Mantri Awas Yojana loans) were approximately ₹28.73 trillion, highlighting the significant market potential if measures are implemented to address this shortage. Consequently, our strategic focus is on low risk and fast growing home loan customers and as at March 31, 2024, home loans contributed 57.8% of our AUM, of which 87.5% pertained to salaried customers, 4.3% self-employed professional customers and 8.2% self-employed non-professional customers. Furthermore, according to CRISIL MI&A, the income of the salaried class remained largely intact despite the economic slowdown caused by the COVID-19 pandemic and rise in inflation, thereby allaying lenders' concerns about any deterioration in asset quality. As at March 31, 2024, our assets under management ("**AUM**") were ₹913,704.0 million, reflecting a CAGR of 30.9% between Fiscals 2022 to 2024. The average ticket size of our home loans was ₹4.6 million, with an average loan-to-value ratio of 70.5%, as at March 31, 2024. As at the same date, 75.8% of our home loan AUM were from customers with a CIBIL score above 750. Further, our LAP, developer finance loans for residential as well as commercial construction and lease rental discounting against commercial properties comprised 10.5%, 10.5% and 19.3% of our AUM as at March 31, 2024, respectively.

As at March 31, 2024 (unless indicated otherwise), we were a leading HFC in India across multiple parameters, including:

- largest non-deposit taking HFC (in terms of AUM) in India within seven years of commencing mortgage operations;
- second largest HFC and eighth largest NBFC-ULs (in terms of AUM) in India with an AUM of ₹913,704.0 million;
- second most profit making HFC in India with strong return on average assets and return on average equity for Fiscal 2024;
- one of the fastest growing among other HFCs/ NBFCs-UL based on AUM CAGR from Fiscal 2022 to 2024;
- most diversified HFC in India offering full suite of mortgage lending products;
- highest salaried customer mix in home loan portfolio amongst large HFCs;
- focused on prime housing with higher average ticket size amongst large HFCs;
- lowest GNPA ratio of 0.27% and NNPA ratio of 0.10%, among large HFCs in India;
- highest possible credit ratings in India for both the long-term as well as short-term borrowings programme;
- second highest loan disbursement by HFCs in India amounting to ₹446.6 billion for Fiscal 2024; and
- second highest AUM per branch and AUM per employee amongst large HFCs in India.

(*Source: CRISIL Report*)

We are a part of the Bajaj group, which was founded in 1926 and is a diversified business group with interests across various sectors. As at March 31, 2024, we had 308,693 active customers, 81.7% of whom were home loan customers. Our overall loan disbursements were ₹446,562.4 million, ₹343,336.3 million and ₹261,752.4 million in Fiscals 2024, 2023 and 2022, respectively, which demonstrates a growth in business and market reach.

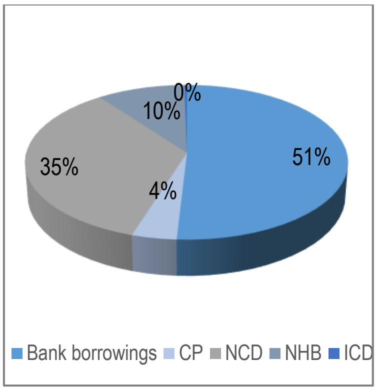
To support our offerings, we had a network of 215 branches as at March 31, 2024, spread across 174 locations in 20 states and three union territories, which are overseen by six centralized hubs for retail underwriting and seven centralized processing hubs for loan processing. Our diversified reach helps us meet the specific needs of our target customers across geographies, in urban as well as upcountry locations.

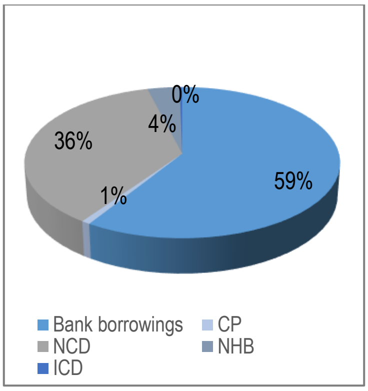
We use direct and indirect channels for origination of loans. For example, we source direct business through strategic partnerships with developers, self-sourcing by customer engagement, leveraging leads from digital ecosystem and partnership with digital players. Under indirect sourcing channels, we originate business through a distribution network of intermediaries such as channel partners, aggregators, direct selling agents, third party agents and connectors. Simultaneously, a D2C strategy empowers us to maintain control over the customer experience thereby enabling us to maintain consistency in our services while personalizing our customer experience. This hybrid model, leveraging both intermediaries and direct engagement with customers allows us to cater to various customer preferences and increase our market presence.

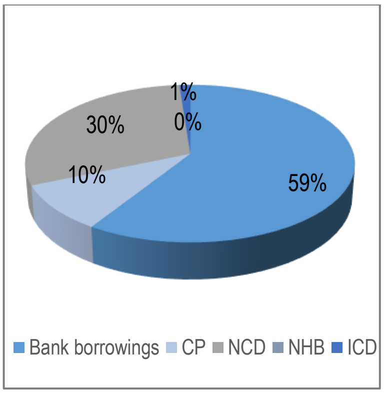
Furthermore, by focusing on sourcing of self-occupied residential properties as collateral for LAP, we maintain a lower risk profile while growing our loan portfolio. Within this segment, our lower risk customers comprising of salaried and self-employed professional customers contributed 30.9% of LAP AUM, as at March 31, 2024.

We have also developed customized credit evaluation procedures and operational workflows. Our operations comprise a tailored loan initiation system that is supported by comprehensive monitoring frameworks and mechanisms, all designed to facilitate on-boarding, maintain strong credit quality and portfolio performance. These practices are supplemented with prudent risk management strategies and as a result, even amidst the current economic climate marked by inflationary pressures and rising interest rates over the last two years, our Gross Non-Performing Assets ("**GNPA**") ratio and Net Non-Performing Assets ("**NNPA**") ratio had been at 0.27% and 0.10%, respectively, as at March 31, 2024.

We have the highest possible credit ratings in India for both the long term (CRISIL AAA/stable and IND AAA/stable) as well as short term (CRISIL A1+ and IND A1+) borrowings programme (*Source: CRISIL Report*). Our strong domestic credit ratings along with our experienced treasury management team, have enabled us to borrow funds at competitive rates from a variety of sources. Furthermore, by securing funds at these competitive rates for extended durations, we have maintained a cost-effective funding base, which allowed us to offer competitive pricing across our product suite. The details of our borrowing mix for the last three fiscal years are presented below:







As at March 31, 2024 **As at March 31, 2023** **As at March 31, 2022**

We have also partnered with multiple insurance providers to offer bundled products to our customers. We have recently, on December 22, 2023, registered ourselves as a corporate agent with the Insurance Regulatory and Development Authority of India ("**IRDAI**"), enabling us to expand our suite of insurance products to include life, general, and health insurance. This expansion caters to the comprehensive insurance needs of our customers while creating an additional stream of fee income for us.

Furthermore, digitization and innovation remain at the forefront of our evolution in the housing finance industry, and to support our growing retail lending portfolio. In Fiscal 2023 we introduced OTP-based e-agreements wherein loan agreements can be executed through AADHAR-based OTP authentication, eliminating the requirement for multiple signatures on physical agreements. We also introduced a Do-it-yourself ("**DIY**") home loan portal to streamline digital onboarding along with instant in-principle loan sanction letter via WhatsApp and our website and enhanced customer engagement with user-friendly 'Call Me Back' and 'Call to Apply' features. These initiatives reflect our commitment to simplifying the loan process and improving operational efficiency.

Our Board of Directors is comprised of a team of independent directors and qualified and experienced personnel. Our senior management team has an extensive knowledge of the housing finance and banking industries with an average of 21 years of overall experience, including 11 years specifically within the financial services sector in India. Furthermore, our Managing Director and Chief Financial Officer have been associated with the Bajaj group for over 21 years and have been the founding members of our Company.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition, results of operations and cash flows are affected by a number of factors, including the following:

General economic conditions in India

Our results of operations and financial condition, in the past, have been, and will continue to be, significantly affected by factors influencing the Indian economy, which would include any downturn in the global economy. Any slowdown in economic growth in India could adversely affect our ability to grow our asset portfolio, the quality of our assets and our ability to implement our strategies.

The Government's monetary policy is heavily influenced by the condition of the Indian economy, as the RBI responds to fluctuating levels of economic growth, liquidity concerns and inflationary pressures in the economy by adjusting monetary policy and changes in the monetary policy affect the interest rates of our advances and borrowings. While declining interest rates may lead to greater demand for additional borrowings as borrowers seek to take advantage of lower interest rates, when interest rates conversely rise, there are typically less prepayments and less demand for new loans. In a rising interest rate environment, our profit margin is primarily dependent on our ability to attract new business, either through existing customers or new customers. If we are not successful in increasing the volume of our business in such a scenario, our profit margin may deteriorate.

For a summary of the recent macroeconomic environment in India, see "*Industry Overview – Macroeconomic scenario in India*" on page 133.

Government policy and regulations

We operate in a highly regulated industry, and are required to adhere to various laws, rules and regulations. Any changes in the regulatory environment under which we operate could adversely affect our results of operations and financial condition. Our financial condition, results of operations and continued growth also depend on stable government policies and regulations. We have been identified and categorised as 'Upper Layer' NBFCs by the RBI under the "Scale Based Regulations (SBR): A Revised Regulatory Framework for NBFCs" dated October 22, 2021, since September 30, 2022, and are subject to a number of regulations mandated by the RBI. These include regulations requiring an enhanced level of provision for standard assets for certain categories of assets such as housing loans extended at teaser rates, advances to commercial real estate – residential housing ("**CRE-RH**") sector and advances to commercial real estate sector (other than CRE-RH). For further information on regulations applicable to our operations, see "*Key Regulations and Policies*" on page 216.

If regulators, including RBI and NHB, introduce any changes in the regulatory framework affecting HFCs including those requiring us to maintain certain financial ratios, accessing funds or restricting our borrower profile among others, our results of operations and prospects may be adversely affected.

Condition and performance of the real estate market in India

The primary security for our business is the underlying property. As a result, we depend on the condition and performance of the real estate sector in India and any decline in conditions of the real estate markets could have an adverse impact on our business, results of operations, cash flows and financial condition.

Deterioration in the housing and property market may result in reversing the growth of our loan accounts. In addition, as the underlying security on these loans is primarily mortgages or other form of security over the customers' other residential or commercial property, a significant portion of our loans is exposed to events affecting the real estate sector. In the event of a significant decline in property prices or a defect in the title of the property, we may not be able to realise the value of the collateral or recover the principal and interest in the event of a default. Furthermore, if any of the projects which form part of the collateral are delayed for any reason, it may affect our ability to enforce the security, thereby effectively diminishing the value of such security.

Our lease rental discounting and developer finance segments are particularly dependent on the market for commercial real estate, and any increase in vacancy rates within commercial real estate holdings of our lease rental discounting customers may lead to diminished rental incomes, directly impacting the loan servicing capabilities of our borrowers.

These factors can also adversely affect the demand for, and pricing of, our loan portfolio in the real estate sector. There can be no assurance that our real estate lending portfolio will grow, or will not decrease, in the future. Our ability to receive repayment and interest on the loans we advance is primarily dependent upon various factors, including the health of the overall economy, our borrowers' ability to repay and builders' and developers' ability to complete their projects on time and on prevailing real estate prices.

Availability of cost-effective sources of funding

The liquidity and profitability of our business depends, in large part, on our timely access to, and the costs associated with raising funds. Our funding requirements historically have been met from various long term and short-term instruments such as bank loans, issuance of secured and unsecured non-convertible debentures, commercial papers, assignment of some of our loan portfolio and NHB refinance. Our total borrowings were ₹691,293.2 million as of March 31, 2024, with bank borrowings, NCD, commercial paper, NHB refinance and inter-corporate deposit representing 51.3%, 34.7%, 3.8%, 9.9% and 0.3% of such amount, respectively. Our ability to compete effectively will depend, in part, on our ability to maintain or increase our interest margins. Our margins are affected by our ability to continue to secure cost effective funding at rates lower than the interest rates at which we lend to our borrowers. Our ability to meet demand for new loans will depend on our ability to obtain financing on acceptable terms. Factors such as our credit rating, monetary policies of the RBI, domestic and international economic and political conditions and external interventions impact our cost of interest-bearing liabilities. See "*Our Business – Strengths – Access to diversified and cost-effective borrowing sources facilitated by the highest possible credit ratings from rating agencies*" on page 202 as well as "*Risk Factors – If we are unable to secure funding on acceptable terms and at competitive rates when needed, it could have a material adverse effect on our business, results of operations, cash flows and financial condition*." on page 38.

A further source of financing for us is proceeds from loan assignments that we make. 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. The consideration we derive from the assignment of our loan portfolios in these transactions depends on a number of factors, including the term of the loans and yield of the loan portfolio assigned. As of March 31, 2024, 2023 and 2022, we assigned ₹ 70,919.2 million, ₹ 22,347.0 million and ₹ 28,710.9 million, respectively, of our loans.

Our diverse sources of funding together with our high credit ratings has resulted in an Average Cost of Borrowings of 7.6%, 6.7% and 5.9% in Fiscal 2024, 2023 and 2022, respectively .

Levels of non-performing assets

Our portfolio of products primarily consists of retail loans, which include a range of individual housing loans and loans against property. Our portfolio also includes commercial loans (developer financing and lease rental discounting). As of March 31, 2024, 2023 and 2022, 91.8%, 95.7% and 95.1% of our home loan asset were from salaried and self-employed professional customers, respectively, and 8.2%, 4.3% and 4.9%, were from self-employed non-professional customers, respectively. In particular, self-employed non-professional customers are often considered to be higher credit risk customers due to their increased vulnerability to fluctuations in cash flows from income, business failure, insolvency and exposure to adverse economic conditions generally.

Salaried customers may additionally be adversely affected by various factors such as lack of liquidity, recession in the industry, loss of employment or personal emergencies. Furthermore, we may experience higher delinquency rates due to prolonged adverse economic conditions or a sharp increase in interest rates, which could also lead to an increase in the levels of our NPAs and possible decline in the rate of loan portfolio expansion. For Fiscals 2024, 2023 and 2022, our impairment on financial instruments was ₹ 608.8 million, ₹ 1,235.0 million and ₹ 1,810.7 million, respectively, representing 0.8%, 2.2% and 4.8% of our revenue from operations, respectively. To contain our levels of NPAs, related provisions and write-offs, we have put in place a risk management framework which primarily focus on addressing credit risk, operational risk and financial risk. For details, see "*Our Business – Strengths – Well defined credit evaluation and risk management practices resulting in lowest GNPA and NNPA among our Peers in Fiscal 2024*" on page 201. Our credit and risk management policies have helped maintain our relatively low GNPA and NNPA ratios, as indicated in the table below:

S. No.	Metrics	Fiscal 2024	Fiscal 2023	Fiscal 2022
GNPA Ratio (%)				
1.	Home Loans	0.27%	0.21%	0.29%
2.	Loans against Property	0.68%	0.77%	0.80%
3.	Lease Rental Discounting	0.00%	0.00%	0.00%
4.	Developer Financing	0.15%	0.00%	0.04%
5.	Others	0.91%	0.50%	0.41%
	Total	**0.27%**	**0.22%**	**0.31%**
NNPA Ratio (%)				
1.	Home Loans	0.10%	0.07%	0.13%
2.	Loans against Property	0.26%	0.31%	0.41%
3.	Lease Rental Discounting	0.00%	0.00%	0.00%
4.	Developer Financing	0.04%	0.00%	0.00%
5.	Others	0.21%	0.15%	0.13%
	Total	**0.10%**	**0.08%**	**0.14%**

However, various factors, such as a deterioration in macro-economic factors (including a rise in unemployment, a sharp and sustained rise in interest rates, developments in the Indian economy, movements in global commodity markets and exchange rates), regulatory hurdles and competition, as well as customer specific factors, such as wilful default and mismanagement of a customer's operations, may cause a further increase in the level of Stage 3 Assets and have an adverse impact on the quality of our loan portfolio. If our Stage 3 Assets increase, we will be required to increase our ECL provisions, which would adversely impact our profitability and financial condition.

Ability to manage Operating Expenses and investments in technology

Our results of operations are affected by our ability to manage our Operating Expenses, which include fees and commission expense, employee benefit expenses, depreciation and amortisation and other expenses. As we expand our business and product offerings to our customers, we intend to continue to build a team of professionals with relevant experience, including experts in the aspects of credit evaluation, risk management, retail consumer and commercial products, treasury, finance, technology and marketing. For Fiscals 2024, 2023 and 2022, our employee benefit expenses were ₹ 4,656.3 million, ₹ 4,351.4 million and ₹ 3,489.4 million which represented 8.5%, 11.0% and 12.4% of our total expenses, respectively.

We have been and intend to continue to leverage our technology and analytics capabilities for the purposes of improving our productivity, increasing process automation and reducing our Operating Expenses. Digitization processes that we have implemented include an instant in-principle sanction letter and a self-service DIY home loan portal. To support our field sales and debt management teams, we have introduced specialized mobile applications for lead management and debt management updates. Moreover, our digital onboarding process and a dedicated partner portal for intermediaries facilitate a seamless experience. Our Operating Expenses as a percentage of our Net Interest Total Income improved from 29.2% for Fiscal 2022 to 25.7% for Fiscal 2023, and which further improved to 24.0% for Fiscal 2024.

We continue to identify and implement measures to enable us to sustain and further decrease our Operating Expenses. As our operations expand, we also expect to derive benefits from economies of scale, which we anticipate 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.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT JUDGMENTS AND ESTIMATES

Summary of material accounting policies

Revenue from operations

Interest income

The Company recognises interest income using effective interest rate (EIR) method as per Ind AS 109 'Financial Instruments' on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

Delayed Payment interest (Penal interest and the like) are levied on customers for delay in repayments/ non-payment of contractual cashflows is recognised on realisation.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

Revenue from operations other than interest income

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 - 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 - 'Revenue from contracts with customers.

Fees and commission income

The Company recognises:

- service and administration charges on completion of contracted service;
- bounce charges on realisation;
- fees on value added services and products on delivery of services and products to the customer;
- distribution income on completion of distribution of third-party products and services; and
- income on loan foreclosure and prepayment on realisation.

Net gain on fair value changes

The Company recognises gains/loss on fair value change of financial assets measured at FVTPL. Realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

Sale of services

The Company, on de-recognition of financial assets where a right to service the derecognised financial assets is retained, recognises the fair value of future service fee income and service obligations cost on net basis as service fee income/ expense in the statement of profit and loss and, correspondingly creates a service asset/ liability in balance sheet. Any subsequent change in the fair value of service asset/ liability is recognised as service income/ expense in the period in which it occurs. The embedded interest component in the service asset / liability is recognised as interest income/ expense in line with Ind AS 109 – 'Financial instruments'.

Income on derecognised (assigned) loans

The Company, on de-recognition of financial assets under the direct assignment transactions, recognises the right of excess interest spread (EIS) which is difference between interest on the loan portfolio assigned and the applicable rate at which the direct assignment is entered into with the assignee. The Company records the discounted value of scheduled cash flow of the future EIS, entered into with the assignee, upfront in the statement of profit and loss. Any subsequent increase or decrease in the fair value of future EIS is recognised in the period in which it occurs. The embedded interest component in the future EIS is recognised as interest income in line with Ind AS 109 - 'Financial instruments'.

Other operating income

The Company recognises recoveries against written off financial assets on realisation. Any other operating income is recognised on completion of service.

Expenses

Finance Cost

Borrowing costs on financial liabilities are recognised using the EIR method as per Ind AS 109 'Financial Instruments'.

Fees and commission expenses

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as fees payable for management of portfolio, are recognised in the Statement of Profit and Loss on an accrual basis.

Financial instruments

Recognition of financial Instruments

All financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

Financial assets

Initial measurement

All financial assets are recognized initially at fair value adjusted for incremental transaction costs and income that are directly attributable to the acquisition of the financial asset except for following :

- Financial assets measured at FVTPL which are recognised at fair value; and transaction cost are adjusted to profit and loss statement.
- Trade receivables that do not contain a significant financing component (as defined in Ind AS 115) are recorded at transaction price.

Classification and Subsequent measurement

For the purpose of classification, financial assets are classified into three categories as per the Company's Board approved policy: (a) debt instruments at amortised cost, (b) debt instruments at FVOCI, and (c) debt instruments at FVTPL.

The Classification depends on the contractual terms of the cash flows of the financial assets (SPPI) and Company's business model for managing financial assets which are explained below-

Business Model assessment

The Company has put in place its Board approved policies for determination of the business model. These policies consider whether the objective of the business model, at initial recognition, is to hold the financial asset to collect its contractual cash flows or, dually, to sell the financial asset and collect the contractual cash flows. The Company determines its business model that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

SPPI Assessment

The Company assesses the contractual terms of the financial assets to identify whether they meet the SPPI test.

In making this assessment, the Company considers whether the contractual cash flows represent sole payments of principal and interest which means that whether the cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Principal for the purpose of this test refers to the fair value of the financial asset at initial recognition.

Debt instruments at amortised cost:

The Company measures its debt instruments like Loans, certain debt instruments at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Sole Payments of Principal

and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost on Effective Interest Rate (EIR). The expected credit loss (ECL) calculation for debt instruments at amortised cost is explained in subsequent notes in this section.

The Company may enter into following transactions without affecting business model of the Company:

- considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial and infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies.
- Assignment and sale of Non-NPA transactions which are infrequent and below threshold provided by management.

Debt instruments at FVOCI:

The Company subsequently classifies its debt instruments as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognized in the Other Comprehensive Income (OCI). The interest income on these assets are recognised in profit or loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

Debt instruments such as mortgage loans portfolio where the Company periodically resorts to partially selling the loans by way of assignment to willing buyers are classified as FVOCI.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from other comprehensive income to profit or loss.

Debt instruments at FVTPL:

The Company operates a trading portfolio as a part of its treasury strategy and classifies its debt instruments which are held for trading under FVTPL category. As a part of its hedging strategy, the Company enters into derivative contracts and classifies such contracts under FVTPL.

Interest incomes is recorded in Statement of Profit and Loss according to the terms of the contract. Gains and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

Derecognition of Financial Assets:

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:

(a) The right to receive cash flows from the asset has expired such as repayments in the financial asset, sale of the financial asset etc.; or

(b) The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not have any continuing involvement in the same. A write-off of a financial asset constitutes a de-recognition event.

Derecognition in case of Direct Assignment

The Company transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Company retains the right to service the financial asset, it recognises either a servicing asset or a servicing liability for that servicing contract. A service liability in respect of a service is recognised if the present value of fee to be received is not expected to compensate the Company adequately for performing the service. If the present value of fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On derecognition of a financial asset in its entirety, the difference between:

- The carrying amount (measured at the date of derecognition) and
- The consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Write off

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery basis past trends. Where the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write off. Any subsequent recoveries against such loans are credited to statement of profit and loss. The Company has a Board approved policy on write off and one time settlement of loans.

Impairment on financial assets:

General Approach

Expected credit losses ('ECL') are recognised for applicable financial assets held under amortised cost, debt instruments measured at FVOCI, and certain loan commitments as per the Board approved policy.

The Company follows a staging methodology for ECL computation. Financial assets where no significant increase in credit risk has been observed are considered to be in "stage 1" for which a 12 month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in "stage 2" and those which are in default or for which there is an objective evidence of impairment are considered to be in "stage 3". Life time ECL is recognised for stage 2 and stage 3 financial assets.

Stage 1 (12-month ECL) is provided basis the default events that are likely to occur in the next 12 months from the reporting date. Stage 2 and stage 3 (lifetime ECL) is provided for basis all possible default events likely to occur during the life of the financial instrument.

Financial assets are written off in full, when there is no realistic prospect of recovery. The Company may apply enforcement activities to certain qualifying financial assets written off.

Treatment of the different stages of financial assets and the methodology of determination of ECL

Credit impaired (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

(a) Contractual payments of either principal or interest are past due for more than 90 days;

(b) The loan is otherwise considered to be in default.

Loan accounts where either principal and/or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared.

Restructured loans where repayment terms are renegotiated as compared to the original contracted terms, due to significant credit distress of the borrower are classified as credit impaired. Such loans are upgraded to stage 1 if-

- The loan which was restructured is not in default for a period till repayment of 10% of principal outstanding or 12 months, whichever is later; and
- Other loans of such customer are not in default during this period.

Loans where one time compromise settlement is offered to the customer to close their loan accounts with certain relaxation and waiver of charges/interest/ principal are classified as stage-3 assets.

Significant increase in credit risk (stage 2)

The Company considers loan accounts which are overdue for more than or equal to 31 day but up to 90 days as on the reporting date as an indication of significant increase in credit risk. Additionally, for mortgage loans, the Company recognises stage 2 based on other indicators such as frequent delays in payments beyond due dates.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios.

These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

Without significant increase in credit risk since initial recognition (stage 1)

Recognised for financial assets in stage 1. Loan will fall under stage one if the DPD is up to 30 days. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using behavioural analysis and other performance indicators, determined statistically.

Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of forward economic guidance (FEG) model. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro economic factors. In addition, the estimation of ECL takes into account the time value of money.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

Probability of default (PD)

PD is the likelihood that a loan will not be repaid and will fall into default. Determination of PD is covered above for each stages of ECL i.e For assets which are in stage 1, a 12 month PD is considered, for stage 2 and 3 lifetime PD is required.

Exposure at default (EAD)

EAD represents the expected outstanding balance at default, taking into account the repayment of principal and interest from the balance sheet date to the date of default together with any expected drawdowns of committed facilities.

Loss Given Default (LGD)

LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. It is expressed as percentage of outstanding at the time of default.

The Company recalibrates above components of its ECL model on a periodical basis by using the available incremental and recent information as well as assessing changes to its statistical techniques for a granular estimation of ECL.

A more detailed description of the methodology used for ECL is covered in the “credit risk” section of note 50.

ECL on undrawn commitments

Expected credit loss on undrawn loan commitment is the present value of the difference between:

- contractual cash flow that are due, if the holder of the loan commitment drawn down the loan and
- the cash flow that the entity expects to receive if the loan is drawn down.

Expected credit losses on loan commitments shall be consistent with its expectations of drawdowns on that loans commitment i.e. it shall consider the expected portion of the loan commitment that are expected to be drawn down within 12 months of the reporting date when estimating 12-month expected credit losses.

Simplified Approach

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables that do not contain significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables and other financial assets. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and other financial assets and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward looking estimates.

Financial liabilities

Initial measurement:

All financial liabilities are recognised initially at fair value adjusted for incremental transaction costs that are directly attributable to the financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to the statement of profit or loss.

Subsequent measurement:

After initial recognition, the Company subsequently measures all financial liabilities at amortised cost using the EIR method, unless Company is required to measure liabilities at fair value through profit or loss such as derivative liabilities. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

Derecognition:

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired through repayments or waivers.

Derivative Financial Instruments

The Company enters into interest rate swaps (derivative financial instruments) to manage its exposure to interest rate risk.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Company designates derivatives as hedges of the fair value of recognised liabilities (fair value hedges).

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge Accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair value hedges hedge the exposure to changes in the fair value of a recognised liability, or an identified portion of such liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in Finance Costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in Finance Cost.

The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the statement of profit and loss.

Taxes

Income tax comprises current tax and deferred tax.

Income tax is recognised based on tax rates and tax laws enacted, or substantively enacted, at the reporting date and on any adjustment to tax payable in respect of previous years. It is recognised in the statement of profit and loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement as the related item appears.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet, and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled.

The carrying amount of deferred tax assets is reviewed at each reporting date by the Company and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset basis the criteria given under Ind AS 12 Income Taxes.

Property, plant and equipment

The Company measures Property, plant and equipment initially at cost and subsequently at cost less accumulated depreciation and impairment losses, if any.

Depreciation is provided on a prorata basis for all tangible assets on straight line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Depreciation on leasehold improvements is provided on straight line method over the primary period of lease of premises or 5 years whichever is less.

Useful life used by the Company is in line with Schedule II-Part C of the Companies Act, 2013, except for end user machines, chairs and vehicles. Useful life of assets are determined by the Management by an internal technical assessment where useful life is significantly different from those prescribed by Schedule III. For details of useful life, see "*Restated Financial Information – Note 13: Property, plant and equipment and intangible assets*" on page 297.

Intangible assets and amortisation thereof

Intangible assets, representing softwares, licenses etc. are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment, if any. The intangible assets are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life.

Provisions, contingent liabilities and Commitment

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made as a contingent liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Commitments are future liabilities, which include Undrawn loan commitments, estimated amount of contracts remaining to be executed on capital account and not provided for.

Retirement and other employee benefits

Short term benefits

Short term employee benefits: The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The liability for accumulated leaves which is eligible for encashment within the same calendar year is provided for at prevailing salary rate for the entire unavailed leave balance as at the balance sheet date.

Employment benefit plans

The Company operates defined contribution, defined benefit and other long term service benefits.

Payment to defined contribution plans i.e. provident Fund and employees' state insurance are charged as an expenses as the employee render service.

Defined benefit plans for gratuity is funded by the Company. Payment for present liability of future payment of gratuity is made to the approved gratuity fund viz. Bajaj Auto Limited gratuity fund trust, which covers the same under cash accumulation policy and debt fund of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Limited. (BALIC). However, any deficits in plan assets managed by LIC and BALIC as compared to actuarial liability determined by an appointed actuary are recognised as a liability. Actuarial liability is computed using the projected unit credit method. The Calculation includes assumptions with regard to discount rate, salary escalation rate, attrition rate and mortality rate. Management determines these assumptions in consultation with the plan's actuaries and past trend. Gains and losses through remeasurements of the net defined benefit liability/assets are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. The effect of any planned amendments are recognised in Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

Share based payments

The Company enters into equity settled share-based payment arrangement with its employees as compensation for the provision of their services. The Company determines the fair value of the employee stock options on the grant date using the Black Scholes model. The total cost of the share option is accounted for on a straight-line basis over the vesting period of the grant. The cost attributable to the services rendered by the employees of the Company is recognised as employee benefits expenses in profit or loss.

Fair value measurement

The Company measures its qualifying financial instruments at fair value on each balance sheet date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In case of financial instruments are classified on the basis of valuation techniques that features one or more significant market inputs that are unobservable, then measurement of fair value becomes more judgemental. Details on level 3 financial instruments along with sensitivity and assumptions are set out in note no. 49.

All assets and liabilities for which fair value is measured or disclosed in the financial information are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 48 and 49.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Collateral Repossession

The nature of products across these broad product categories are either unsecured or secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Company's credit risk.

The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Company resorts to invoking its right under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 and other judicial remedies available against its mortgages and commercial lending business. The repossessed assets are either sold through auction or released to delinquent customers in case they come forward to settle their dues.

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Total Income

Our total income comprises our revenue from operations and other income.

Revenue from Operations

Our revenue from operations comprises: (i) interest income; (ii) fees and commission income; (iii) net gain on fair value changes; (iv) sale of services; (v) income on derecognised (assigned) loans; and (vi) other operating income.

Interest Income

Our interest income comprises primarily interest income on loans, investments and on deposits with banks.

Fees and Commission Income

Our fees and commission income comprises: (i) distribution income, which is the income we earn from the distribution of products and services; (ii) fees on value added services and products; (iii) service and administration charges; and (iv) foreclosure income.

Net Gain on Fair Value Changes

Our net gain on fair value changes comprises realised gain/(loss)on investments at fair value through profit or loss on trading portfolio ("**FVTPL**") under financial instruments measured at FVTPL, netted for unrealised gain/loss on financial instruments at FVTPL.

Sale of Services

Our sale of services primarily comprises our service charges and service fees for management of assigned portfolio of loans.

Income on Derecognised (Assigned) Loans

Our income on derecognised (assigned) loans comprises the right of excess interest spread (EIS) which is difference between interest on the loan portfolio assigned and the applicable rate at which the direct assignment is entered into with the assignee. We record the discounted value of scheduled cash flow of the future EIS, entered into with the assignee, upfront in the Statement of Profit and Loss.

Other Operating Income

Our operating income comprises: (i) bad debt recoveries, (ii) digital advertisement charges, and (iii) miscellaneous charges and receipts.

Other Income

Our other income comprises: (i) rent income; (ii) interest on income tax refund; and (iii) miscellaneous income.

Expenses

Our expenses comprises: (i) finance costs; (ii) fees and commission expenses; (iii) impairment on financial instruments; (iv) employee benefits expense; (v) depreciation and amortisation expenses; and (vi) other expenses.

Finance Costs

Our finance costs on our financial liabilities measured at amortised cost comprises interest on: (i) debt securities; (ii) borrowings (other than debt securities); (iii) deposits; and (iv) lease liability.

Fees and Commission Expenses

Our fees and commission expenses comprises: (i) commission and incentives; and (ii) loan portfolio management service charges.

Impairment on Financial Instruments

Our impairment on financial instruments comprises impairment on loans and others. Impairment charges on loans are expected credit loss provision on Stage 1, Stage 2, Stage 3 assets and loan commitments including amounts written off during the year on loans measured at amortised cost and at FVOCI. Impairment on other financial instruments comprises impairment on receivables based on the simplified approach, i.e., irrespective of credit risk. See "*Restated Financial Information – Notes to Restated Financial Information – Note 4: Summary of material accounting policies*" on page 283.

Employee Benefits expense

Our employee benefits expense comprises: (i) employees' emoluments; (ii) contribution to provident fund and other funds; (iii) share based payment to employees; and (iv) staff welfare expenses.

Other Expenses

Our other expenses primarily include (i) travelling expenses; (ii) information technology expenses; (iii) repairs, maintenance and office expenses; (iv) employee training, recruitment and management expenses; (v) outsourcing/back-office expenses; (vi) advertisement, branding and promotion expenses; (vii) communication expenses; (viii) rent, taxes and energy cost; (ix) legal and professional charges; (x) bank charges; (xi) customer experience; (xii) printing and stationary; (xiii) director's fees, commission and expenses; (xiv) net loss on disposal of property, plant and equipment; (xv) auditor's fees and expenses; (xvi) insurance; (xvii) expenditure towards corporate social responsibility activities; and (xviii) miscellaneous expenses.

RESULTS OF OPERATIONS

Fiscal 2024 compared to Fiscal 2023

The following table sets forth select financial data from our restated statement of profit and loss for Fiscals 2024 and 2023:

(₹ in million, except percentages)

Particulars	Fiscal 2024	Fiscal 2023	% increase / (decrease)
Revenue from operations			
Interest income	72,023.6	52,692.4	36.7%
Fees and commission income	1,382.3	862.2	60.3%
Net gain on fair value changes	1,332.0	1,120.4	18.9%
Sale of services	524.8	502.9	4.4%
Income on derecognised (assigned) loans	530.8	1,348.0	(60.6)%
Other operating income	379.6	121.4	212.7%
Total revenue from operations	**76,173.1**	**56,647.3**	**34.5%**
Other income	4.0	7.1	(43.7)%
Total income	**76,177.1**	**56,654.4**	**34.5%**
Expenses			
Finance costs	46,926.1	32,113.2	46.1%
Fees and commission expense	117.1	140.3	(16.5)%
Impairment on financial instruments	608.8	1,235.0	(50.7)%
Employee benefits expense	4,656.3	4,351.4	7.0%
Depreciation and amortisation	396.0	334.0	18.6%
Other expenses	1,859.6	1,479.9	25.7%
Total expenses	**54,563.9**	**39,653.8**	**37.6%**
Profit before tax	**21,613.2**	**17,000.6**	**27.1%**
Tax expense:			
Current tax	5,090.0	3,998.0	27.3%
Deferred tax (credit)/charge	(789.0)	424.6	(285.8)%
Total tax expense	4,301.0	4,422.6	**(2.7)%**
Profit after tax	**17,312.2**	**12,578.0**	**37.6%**

Total Income

Our total income increased by 34.5% from ₹ 56,654.4 million for Fiscal 2023 to ₹ 76,177.1 million for Fiscal 2024. The increase was primarily due to an increase in our revenue from operations by 34.5% from ₹ 56,647.3 million for Fiscal 2023 to ₹ 76,173.1 million for Fiscal 2024. The primary reasons for this increase are discussed below.

Interest Income

Our interest income increased by 36.7% from ₹ 52,692.4 million for Fiscal 2023 to ₹ 72,023.6 million for Fiscal 2024. The following table sets forth the breakdown of our interest income.

(₹ in million, except percentages)

Particulars	Fiscal 2024	Fiscal 2023	% increase / (decrease)
Interest income on loans	70,856.7	52,101.5	36.0%
Interest income on investments	1,117.8	574.0	94.7%
Interest income on deposits with Banks	49.1	16.9	190.5%

Our interest income on loans is primarily influenced by the growth in our Average Loan Assets and changes in the Yield on Loan Assets. The increase in our interest income was primarily due to (i) an increase in Average Loan Assets by 30.2% from ₹ 542,979.8 million for Fiscal 2023 to ₹ 707,073.2 million for Fiscal 2024, which was driven by an increase in loans under our Developer Finance segment and (ii) an increase in Yield on Loan Assets from 9.7% to 10.2% in line with the increase in policy rates by RBI in response to macroeconomic factors, coupled by an increase in higher yielding product, i.e., the Developer Finance loans.

The increase in our interest income on investments was primarily due to an increase in average interest-bearing investments by 60.8% from ₹ 10,449.4 million for Fiscal 2023 to ₹ 16,801.6 million for Fiscal 2024.

Fees and Commission Income

Our fees and commission income increased by 60.3% from ₹ 862.2 million for Fiscal 2023 to ₹ 1,382.3 million for Fiscal 2024. The following table sets forth the breakdown of our fees and commission income.

(₹ in million, except percentages)

Particulars	Fiscal 2024	Fiscal 2023	% increase / (decrease)
Distribution income	784.9	398.1	97.2%
Service and administration charges	375.7	348.9	7.7%
Foreclosure income	221.7	115.2	92.4%

The increase in distribution income by 97.2% was primarily due to increased cross-selling of third-party value-added products such as distribution of insurance policies as a corporate agent, which we commenced in Fiscal 2024.

The increase in service and administration charges by 7.7% was due to increased annual maintenance charges and switch fees (i.e., charges imposed on eligible borrowers to switch to a lower rate of interest) on loans by 39.8% from ₹ 181.1 million for Fiscal 2023 to ₹ 253.2 million for Fiscal 2024 which was partially offset by a decline in instalment bounce charges that are accounted on receipt basis and levied if the customer fails to make a timely payment of the monthly instalment by 26.2% from ₹ 166.0 million for Fiscal 2023 to ₹ 122.5 million for Fiscal 2024.

The increase in foreclosure income was primarily driven by increase in the amount of non-housing loans foreclosed (part/full) during the period that primarily comprised large accounts under our Lease Rental Discounting and Developer Finance segments.

Net gain on fair value changes

Our net gain on fair value changes is primarily influenced by the gain / loss in the fair value (including marked to market gain) on our financial assets. The increase in this income was primarily due to increase in realised gain on investments at FVTPL by 20.3% from ₹ 1,118.0 million in Fiscal 2023 to ₹ 1,345.5 million in Fiscal 2024.

Sale of services

Our income from sale of services comprises servicing fees that we earn as a servicing agent for loans that we assign to third parties. It is therefore impacted by the volume of loans assigned during the period.

Income from sale of services increased by 4.4% from ₹ 502.9 million in Fiscal 2023 and to ₹ 524.8 million in Fiscal 2024. The increase was primarily due to increase in service fees for management of assigned portfolio of loans from ₹ 224.9 million in Fiscal 2023 to ₹ 371.1 million for Fiscal 2024, which was partially offset by decrease in service charges on account of reduction of underlying loan portfolio from ₹ 278.0 million in Fiscal 2023 to ₹ 153.7 million in Fiscal 2024.

Income on de-recognised Loans

During the period income on de-recognised (assigned) loans reduced by 60.6% from ₹ 1,348.0 million in Fiscal 2023 to ₹ 530.8 million in Fiscal 2024 primarily due to lower excessive interest spread (EIS) on assigned portfolio.

Other operating income

Our other operating income increased by 212.7% from ₹ 121.4 million in Fiscal 2023 to ₹ 379.6 million in Fiscal 2024, was primarily due to (i) digital advertisement charges of ₹ 185.0 million for advertisements of partner's products through digital channels that we commenced in Fiscal 2024, and (ii) increase in bad debt recoveries by 55.1%, from ₹ 102.9 million for Fiscal 2023 to ₹ 159.6 million in Fiscal 2024.

Total Expenses

Our total expenses increased by 37.6% from ₹ 39,653.8 million in Fiscal 2023 to ₹ 54,563.9 million in Fiscal 2024. The primary reasons for this increase are discussed below.

Finance Costs

Our finance costs increased by 46.1% from ₹ 32,113.2 million in Fiscal 2023 to ₹ 46,926.1 million in Fiscal 2024.

This increase was primarily due to a 29.0% increase in our Average Borrowings (i.e., borrowings as at the beginning of the period plus borrowings as at the end of the period divided by 2) from ₹ 476,188.6 million in Fiscal 2023 to ₹ 614,373.6 million in Fiscal 2024. Our Average Cost of Borrowings was 6.7% in Fiscal 2023 as compared to 7.6% in Fiscal 2024.

Fees and Commission Expense

Our fees and commission expenses decreased by 16.5% from ₹ 140.3 million for Fiscal 2023 to ₹ 117.1 million for Fiscal 2024, primarily due to reduction in loan portfolio management charges paid on loan portfolio acquired through direct assignment by 14.8% from ₹ 137.5 million in Fiscal 2023 to ₹ 117.1 million in Fiscal 2024, in line with a corresponding decrease in the interest rate of loans assigned to the Company.

Impairment on Financial Instruments

Our impairment on financial instruments decreased by 50.7% from ₹ 1,235.0 million for Fiscal 2023 to ₹ 608.8 million for Fiscal 2024. This decrease was primarily on account of utilization of management overlay (i.e., additional provisions as a precautionary measure during the COVID-19 pandemic) of ₹ 590.0 million, as adjusted to strengthen our ECL model.

We update our ECL model periodically to strengthen our provisioning requirements. The strengthening of the ECL model led to increased provisioning from 0.21% of the stage 1 accounts as at March 31, 2023 to 0.29% as at March 31, 2024.

Employee Benefits Expense

Our employee benefits expense increased by 7.0% from ₹ 4,351.4 million in Fiscal 2023 to ₹ 4,656.3 million in Fiscal 2024, which was primarily due to annual increase in employees' fixed salaries and performance linked incentives.

Other Expenses

Our other expenses increased by 25.7% from ₹ 1,479.9 million for Fiscal 2023 to ₹ 1,859.6 million for Fiscal 2024. This increase was primarily due to the following reasons:

- a 27.4% increase in our expenses related to information technology expenses from ₹ 237.6 million for Fiscal 2023 to ₹ 302.6 million for Fiscal 2024. This increase was primarily on account of various initiatives undertaken towards digitization strategy;
- a 202.6% increase in our expenses related to outsourcing and back-office expenses from ₹ 127.8 million for Fiscal 2023 to ₹ 386.7 million for Fiscal 2024;
- a 24.9% increase in our expenses related to legal and professional charges from ₹ 43.0 million for Fiscal 2023 to ₹ 53.7 million for Fiscal 2024;
- a 155.3% increase in our expenses related to Director's fees, commission and expenses, from ₹ 11.4 million for Fiscal 2023 to ₹ 29.1 million for Fiscal 2024; and
- a 63.0% increase in our expenses related to CSR from ₹ 126.8 million for Fiscal 2023 to ₹ 206.7 million for Fiscal 2024.

Tax Expense

Our total tax expense decreased by 2.7% from ₹ 4,422.6 million for Fiscal 2023 to ₹ 4,301.0 million for Fiscal 2024, primarily due to reversal of deferral tax liability of ₹ 730.9 million in Fiscal 2024 created on special reserve under section 36(1)(viii) of the Income Tax Act, 1961, that we do not intend to utilize in the future.

Profit after Tax

Our profit after tax increased by 37.6% from ₹ 12,578.0 million for Fiscal 2023 to ₹ 17,312.2 million for Fiscal 2024.

Fiscal 2023 compared to Fiscal 2022

The following table sets forth select financial data from our restated statement of profit and loss for Fiscals 2023 and 2022:

(₹ in million, except percentages)

Particulars	Fiscal 2023	Fiscal 2022	% increase / (decrease)
Revenue from operations			
Interest income	52,692.4	34,817.5	51.3%

Particulars	Fiscal 2023	Fiscal 2022	% increase / (decrease)
Fees and commission income	862.2	818.5	5.3%
Net gain on fair value changes	1,120.4	589.7	90.0%
Sale of services	502.9	1,420.2	(64.6)%
Income on derecognised (assigned) loans	1,348.0	-	
Other operating income	121.4	21.2	472.6%
Total revenue from operations	**56,647.3**	**37,667.1**	**50.4%**
Other income	7.1	4.2	69.0%
Total income	**56,654.4**	**37,671.3**	**50.4%**
Expenses			
Finance costs	32,113.2	21,553.1	49.0%
Fees and commission expense	140.3	46.8	199.8%
Impairment on financial instruments	1,235.0	1,810.7	(31.8)%
Employee benefits expense	4,351.4	3,489.4	24.7%
Depreciation and amortisation	334.0	257.6	29.7%
Other expenses	1,479.9	915.1	61.7%
Total expenses	**39,653.8**	**28,072.7**	**41.3%**
Profit before tax	**17,000.6**	**9,598.6**	**77.1%**
Tax expense:			
Current tax	3,998.0	2,504.0	59.7%
Deferred tax (credit)/charge	424.6	(1.6)	-
Total tax expense	4,422.6	2,502.4	76.7%
Profit after tax	**12,578.0**	**7,096.2**	**77.2%**

Total Income

Our total income increased by 50.4% from ₹ 37,671.3 million in Fiscal 2022 to ₹ 56,654.4 million in Fiscal 2023. The increase was primarily due to an increase in our revenue from operations from ₹ 37,667.1 million in Fiscal 2022 to ₹ 56,647.3 million in Fiscal 2023. The primary reasons for this increase are discussed below.

Interest Income

Our interest income increased 51.3% from ₹ 34,817.5 million for Fiscal 2022 to ₹ 52,692.4 million for Fiscal 2023. The following table sets forth the breakdown of our interest income.

(₹ in million, except percentages)

Particulars	Fiscal 2023	Fiscal 2022	% increase / (decrease)
Interest income on loans	52,101.5	34,636.4	50.4%
Interest income on investments	574.0	71.5	702.8%
Interest income on deposits with banks	16.9	109.6	(84.6)%

Our interest income on loans is primarily influenced by the growth in our Average Loan Assets and changes in the Yield on Loan Assets. The increase in our interest income was primarily due to (i) an increase in Average Loan Assets by 35.9% from ₹ 399,504.9 million for Fiscal 2022 to ₹ 542,979.8 million for Fiscal 2023, which was driven by an increase under our Lease Rental Discounting and Developer Finance segments; and (ii) an increase in Yield on Loan Assets from 8.7% to 9.7% on account of change in policy rates by RBI from 4.0% in Fiscal 2022 to 6.5% in Fiscal 2023.

The increase in our interest income on investments from Fiscal 2022 to Fiscal 2023 was primarily due to introduction of LCR guidelines, which requires us to maintain higher amount of liquid investments on account of maintaining a higher liquidity coverage ratio of 60.0% by December 1, 2022 compared to the prevailing ratio of 50.0% by December 1, 2021, as required by the RBI.

Fees and Commission Income

Our fees and commission income increased by 5.3% from ₹ 818.5 million in Fiscal 2022 to ₹ 862.2 million in Fiscal 2023. The following table sets forth the breakdown of our fees and commission income.

(₹ in million, except percentages)

Particulars	Fiscal 2023	Fiscal 2022	% increase / (decrease)
Distribution income	398.1	332.3	19.8%
Fees on value added services and products	-	76.3	-

Particulars	Fiscal 2023	Fiscal 2022	% increase / (decrease)
Service and administration charges	348.9	306.9	13.7%
Foreclosure income	115.2	103.0	11.8%

The increase in distribution income by 19.8% was primarily due to increased cross-selling of third-party value-added services/ products such as distribution of bundled products that include offerings such as medical check-ups.

The increase in foreclosure income was primarily driven by increase in the amount of non-home loans foreclosed (part / full) during the period.

We discontinued distributing elite card in Fiscal 2023, and accordingly did not record any fees on value added services and products in Fiscal 2023.

Net gain on fair value change

Our net gain on fair value changes is primarily influenced by the gain / loss in the fair value (including marked to market gain) on our financial assets. This increase in income was primarily due to increase in realised gain on investments at FVTPL by 85.7% from ₹ 602.1 million in Fiscal 2022 to ₹ 1,118.0 million in Fiscal 2023.

Sale of services

Income from sale of services decreased by 182.4% from ₹ 1,420.2 million for Fiscal 2022 to ₹ 502.9 million for Fiscal 2023. The decrease in this income was primarily due to decrease in service fees for management of assigned portfolio primarily due to lower servicing fees on assigned portfolio from ₹ 1,125.3 million in Fiscal 2022 to ₹ 224.9 million for Fiscal 2023.

Income on de-recognised loans

We recorded income on de-recognised (assigned) loans primarily due to assignment of loans amounting to ₹ 22,347.0 million under EIS model in Fiscal 2023.

Other operating income

Our other operating income increased by 472.6% from ₹ 21.2 million in Fiscal 2022 to ₹ 121.4 million in Fiscal 2023, this increase was primarily due to increased bad debt recoveries of ₹ 88.5 million.

Total Expenses

Our total expenses increased by 41.3% from ₹ 28,072.7 million for Fiscal 2022 to ₹ 39,653.8 million for Fiscal 2023. The primary reasons for this increase are discussed below.

Finance Costs

Our finance costs increased by 49.0% from ₹ 21,553.1 million for Fiscal 2022 to ₹ 32,113.2 million for Fiscal 2023. This was primarily due to (i) an increase in our Average Borrowings by 30.3% from ₹ 365,464.6 million for Fiscal 2022 to ₹ 476,188.6 million for Fiscal 2023 on account of an increase in Average Loan Assets by 35.9% from ₹ 399,504.9 million for Fiscal 2022 to ₹ 542,979.8 million for Fiscal 2023, and (ii) an increase in Average Cost of Borrowings from 5.9% for Fiscal 2022 to 6.7% for Fiscal 2023.

Fees and Commission Expenses

Our fees and commission expenses increased by 199.8% from ₹ 46.8 million for Fiscal 2022 to ₹ 140.3 million for fiscal 2023, which was primarily due to increase in loan portfolio management charge from ₹ 45.7 million for Fiscal 2022 to ₹ 137.5 million in Fiscal 2023 paid on loan portfolio acquired through direct assignment.

Impairment on Financial Instruments

Our impairment of financial instruments on loans decreased by 31.8% from ₹ 1,810.7 million for Fiscal 2022 to ₹ 1,235.0 million for Fiscal 2023. This decrease was despite an increase in outstanding amount of Average Loan Assets by 35.9% and improved asset quality of Stage 2 and Stage 3 assets that represented 1.29% and 0.31% of our Loans in Fiscal 2022, respectively, to 0.57% and 0.22% of our Loans in Fiscal 2023, respectively. This is further offset by increased provisioning coverage on Stage 3 assets from 54.3% in Fiscal 2022 to 63.6% in Fiscal 2023.

Employee Benefits Expense

Our employee benefits expense increased by 24.7% from ₹ 3,489.4 million for Fiscal 2022 to ₹ 4,351.4 million for Fiscal 2023. This increase was primarily due to: (i) annual increase in employees' fixed salaries; (ii) increase in cost for share-based payments; and (iii) higher performance-based incentive pay outs.

Other Expenses

Our other expenses increased by 61.7% from ₹ 915.1 million for Fiscal 2022 to ₹ 1,479.9 million for Fiscal 2023. This increase was primarily due to the following reasons:

- a 70.1% increase in our expenses related to information technology expenses from ₹ 139.7 million for Fiscal 2022 to ₹ 237.6 million for Fiscal 2023, which was incurred to strengthen digital journey of customer services;
- a 403.2% increase in our expenses related to employee training, recruitment and management cost from ₹ 21.7 million for Fiscal 2022 to ₹ 109.2 million for Fiscal 2023 for enhanced trainings undertaken for new hires as well as existing employees and various employee engagement initiatives undertaken by the Company.
- a 89.5% increase in our expenses related to advertisement, branding and promotion expenses from ₹ 51.6 million for Fiscal 2022 to ₹ 97.8 million for Fiscal 2023;
- an increase in our expenses related to customer experience from ₹ 1.1 million for Fiscal 2022 to ₹ 19.7 million for Fiscal 2023;
- a 128.0% increase in expenses related to Director's fees, commission and expenses from ₹ 5.0 million for Fiscal 2022 to ₹ 11.4 million for Fiscal 2023; and
- a 65.3% increase in our expenses related to CSR from ₹ 76.7 million for Fiscal 2022 to ₹ 126.8 million for Fiscal 2023.

Tax Expense

Our total tax expense increased by 76.7% from ₹ 2,502.4 million for Fiscal 2022 to ₹ 4,422.6 million for Fiscal 2023 which is in line with increase in our profit before tax by 77.1% from ₹ 9,598.6 million in fiscal 2022 to ₹ 17,000.6 million in fiscal 2023.

Profit after Tax

Our profit after tax increased by 77.2% from ₹ 7,096.2 million for Fiscal 2022 to ₹ 12,578.0 million for Fiscal 2023.

FINANCIAL CONDITION

Our net worth (as restated) was ₹ 67,413.6 million, ₹ 105,031.9 million, and ₹ 122,335.0 million as of March 31, 2022, March 31, 2023, and March 31, 2024, respectively.

Total Assets

Our total assets increased by 33.2% from ₹ 485,270.8 million as of March 31, 2022 to ₹ 646,541.4 million as of March 31, 2023 and by 26.6% from ₹ 646,541.4 million as of March 31, 2023 to ₹ 818,270.9 million as of March 31, 2024. The table below sets forth the principal components of our total assets as at the dates specified:

(₹ in million)

Assets	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Financial Assets:			
Cash and cash equivalents	638.6	938.8	4,070.3
Bank balances other than cash and cash equivalents	1.5	149.9	1.4
Derivative financial instruments	116.6	13.7	-
Receivables			
Trade receivables	133.6	15.9	18.7
Other receivables	-	3.6	0.1
Loans	793,007.5	621,138.9	464,820.7
Investments	19,385.7	20,009.1	12,482.7
Other financial assets	2,840.7	3,019.4	2,539.3
Total – Financial Assets	**816,124.2**	**645,289.3**	**483,933.2**
Non-Financial Assets:			
Current tax assets (net)	310.9	39.7	90.8
Deferred tax assets (net)	509.4	-	155.8
Property, plant and equipment	875.0	849.2	780.9
Intangible assets under development	8.7	3.1	14.6

Assets	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Other intangible assets	353.6	280.7	191.1
Other non-financial assets	89.1	79.4	104.4
Total – Non-Financial Assets	**2,146.7**	**1,252.1**	**1,337.6**
Total Assets	**818,270.9**	**646,541.4**	**485,270.8**

Cash and Cash Equivalents

As of March 31, 2024, we had cash and cash equivalents of ₹ 638.6 million compared to ₹ 938.8 million as of March 31, 2023. This decrease was primarily due to reduction in current account balance by ₹ 300.2 million due to effective utilisation of our funds by investing in various interest / income bearing instruments.

Our cash and cash equivalents reduced from ₹ 4,070.3 million as of March 31, 2022 to ₹ 938.8 million as of March 31, 2023. The decrease was primarily due to matured fixed deposits of ₹ 2,506.8 million and decrease in current account balance by ₹ 624.7 million. Our cash and cash equivalents comprise entirely of balances with banks in current accounts.

Bank Balances other than Cash and Cash Equivalents

As of March 31, 2024, we had bank balances of ₹ 1.5 million, which primarily consists of investments in fixed deposits with an original maturity of more than three months compared to ₹ 149.9 million as of March 31, 2023. The decrease in our bank balance other than cash and cash equivalent from Fiscal 2023 to Fiscal 2024 was due to matured fixed deposit of ₹ 148.4 million during Fiscal 2024.

Our bank balances other than cash and cash equivalents increased from ₹1.4 million as of March 31, 2022 to ₹ 149.9 million as of March 31, 2023. The increase was due to investing in a fixed deposit of ₹148.5 million.

Derivative Financial Instruments

We have a Board approved policy for entering into derivative transactions, and the Asset Liability Management Committee periodically monitors and reviews the risk involved. Our derivative transactions comprise of interest rate swaps. We undertake such transactions for hedging borrowings. The table below sets forth the principal components of our derivative financial instruments as at the dates specified:

(₹ in million)

Derivative Financial Instrument	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Interest Rate Swaps			
Notional Amount	18,500.0	1,000.0	-
Fair Value Assets	116.6	13.7	-
Fair Value Liabilities	8.3	-	-

This increase from Fiscal 2023 to Fiscal 2024 was due to increase in derivative exposure from ₹ 1,000.0 million as at March 31, 2023 to ₹ 18,500.0 million as at March 31, 2024. We did not have any derivative financial instruments as of March 31, 2022.

Receivables

As of March 31, 2024 we had trade receivables of ₹ 133.6 million compared to ₹ 15.9 million as of March 31, 2023 and ₹ 18.7 million as of March 31, 2022. The increase in trade receivables from Fiscal 2023 to Fiscal 2024 was primarily due to increase in the amount of third-party distribution products and insurance commission receivable of ₹ 78.0 million from our corporate agency services that we commenced in Fiscal 2024.

As of March 31, 2024, we had nil other receivables, compared to ₹ 3.6 million as of March 31, 2023, and ₹ 0.1 million as of March 31, 2022.

The table below sets forth the principal components of our receivables as at the dates specified:

(₹ in million)

Receivables	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Trade Receivables			
Fees, commission and others	134.1	16.0	18.7
Less: impairment allowance	(0.5)	(0.1)	-
Total Trade Receivables	**133.6**	**15.9**	**18.7**
Other Receivables			
Others	-	3.6	0.1

Receivables	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Total Other Receivables	-	3.6	**0.1**
Total Receivables	**133.6**	**19.5**	**18.8**

Loans

Our total loans as at March 31, 2024 was ₹ 793,007.5 million, compared to ₹ 621,138.9 million as of March 31, 2023 and ₹ 464,820.7 million as at March 31, 2022. The table below sets forth a breakdown of loans in our portfolio:

(₹ in million)

Particulars	As at 31 March 2024			As at 31 March 2023			As at 31 March 2022		
	At amortised Cost	At FVOCI*	Total	At amortised Cost	At FVOCI*	Total	Amortised Cost	At FVOCI	Total
Term Loan									
I. Secured									
Against equitable mortgage of immovable property	197,439.8	580,373.0	777,812.8	130,525.0	474,824.5	605,349.5	96,427.4	353,847.5	450,274.9
Less: Impairment loss allowance	1,710.8	3,273.8	4,984.6	1,291.2	3,687.8	4,979.0	1,017.6	3,399.1	4,416.7
Total (I)	**195,729.0**	**577,099.2**	**772,828.2**	**129,233.8**	**471,136.7**	**600,370.5**	**95,409.8**	**350,448.4**	**445,858.2**
II. Unsecured									
Unsecured loans	20,436.4	-	20,436.4	21,043.1	-	21,043.1	19,221.7	-	19,221.7
Less: Impairment loss allowance	257.1	-	257.1	274.7	-	274.7	259.2	-	259.2
Total (II)	**20,179.3**	**-**	**20,179.3**	**20,768.4**	**-**	**20,768.4**	**18,962.5**	**-**	**18,962.5**
Total (I+II)	**215,908.3**	**577,099.2**	**793,007.5**	**150,002.2**	**471,136.7**	**621,138.9**	**114,372.3**	**350,448.4**	**464,820.7**

* *The net value is the fair value of these loans*

The increase from Fiscal 2023 to Fiscal 2024 was due to an increase in disbursements by 30.1% in Fiscal 2024 due to our continued focus on growth across existing products as well as new product variants.

The increase from Fiscal 2022 to Fiscal 2023 was due to an increase in disbursements by 31.2% in Fiscal 2023 due to our continued focus on growth across existing products as well as new product variants.

Investments

Our total investments as at March 31, 2024 was ₹ 19,385.7 million compared to ₹ 20,009.1 million as of March 31, 2023 and ₹ 12,482.7 million as at March 31, 2022. The decrease in investments in Fiscal 2024 was due to optimal utilization of our funds in line with our liquidity requirements. The increase in investments in Fiscal 2023 was driven by increase in investments in government securities and treasury bills.

The table below sets forth a breakdown of our investments as of the dates indicated:

(₹ in million)

Investment	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(I) At fair value through other comprehensive income			
Government securities	5,196.8	-	-
Fair value gain/(loss)	7.0	-	-
Total (I)	**5,203.8**	**-**	**-**
(II) At fair value through profit or loss			
(a) in mutual funds	6.4	5,772.6	5,806.2
Fair value gain/(loss)	0.3	12.3	2.0
Total (a)	**6.7**	**5,784.9**	**5,808.2**
(b) in Government Securities / T-Bill	14,178.9	14,226.2	6,669.0
Fair value gain/(loss)	(3.7)	(2.0)	5.5
Total (b)	**14,175.2**	**14,224.2**	**6,674.5**
Total (II)	**14,181.9**	**20,009.1**	**12,482.7**
Total (I) and (II)	**19,385.7**	**20,009.1**	**12,482.7**

Other Financial Assets

As at 31 March, 2024 our other financial assets amounted to ₹ 2,840.7 million compared to ₹ 3,019.4 million and ₹2,539.3 million as at March 31, 2023 and March 31, 2022, respectively.

The table below sets forth a breakdown of our other financial assets as of the dates indicated:

(₹ in million)

Other Financial Assets	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Security deposits	70.1	75.2	69.8
Receivables on assigned loans	2,755.7	2,881.0	2,354.5
Others	35.0	70.0	115.0
Total	**2,860.8**	**3,026.2**	**2,539.3**
Impairment loss allowance	(20.1)	(6.8)	-
Total	**2,840.7**	**3,019.4**	**2,539.3**

The decrease in other financial assets by 5.9% from Fiscal 2023 to Fiscal 2024 was due to lower assignment receivable due to from assignors.

The increase in other financial assets by 18.9% from Fiscal 2022 to Fiscal 2023 was due to increase in receivable due to new assigned loans by ₹ 526.5 million.

Total Liabilities and Equity

Our total liabilities and equity as at the specified dates are set out below:

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Financial Liabilities:			
Derivative financial instruments	8.3	-	-
Payables:	-	-	-
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	1.8
Total outstanding dues of creditors other than micro enterprises and small enterprises	576.1	459.3	362.3
Other payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	827.5	730.4	381.7
Debt Securities	266,453.3	199,149.2	164,891.5
Borrowings (other than debt securities)	422,997.3	336,547.0	244,931.7
Deposits	1,842.6	1,757.7	5,100.0
Other financial liabilities	2,341.4	2,116.2	1,744.2
Sub-Total – Financial Liabilities	**695,046.5**	**540,759.8**	**417,413.2**
Non-Financial Liabilities:			
Current tax liabilities (net)	259.3	161.7	200.6
Provisions	356.4	156.3	40.5
Deferred tax liabilities (net)	-	282.7	-
Other non-financial liabilities	273.7	149.0	202.9
Sub-Total – Non-Financial Liabilities	**889.4**	**749.7**	**444.0**
Equity:			
Equity share capital	67,121.6	67,121.6	48,833.3
Other equity	55,213.4	37,910.3	18,580.3
Sub-Total – Equity	**122,335.0**	**105,031.9**	**67,413.6**
Total Liabilities and equity	**818,270.9**	**646,541.4**	**485,270.8**

Derivative Financial Instruments

As at 31 March, 2024 our derivative financial instrument liability was ₹ 8.3 million. We did not have any derivative financial instrument liability in Fiscal 2023 and Fiscal 2022.

Trade Payables

Trade payables refer to the amount due or accrued but not paid and includes the expenses payable to various vendors and intermediaries. As at 31 March, 2024 our trade payable liabilities was ₹ 576.1 million compared to ₹ 459.3 million as at March 31, 2023. The increase was on account of increased operating expenses.

Our trade payables was ₹ 459.3 million as at March 31, 2023 and ₹ 364.1 million as at March 31, 2022. As our business volumes increased during the period, we recorded a corresponding increase in our expenses and trade payables to various vendors and intermediaries.

Other Payables

As at 31 March, 2024 our other payable liabilities was ₹ 827.5 million compared to ₹ 730.4 million as at March 31, 2023 and ₹381.7 million and March 31, 2022. The increase from Fiscal 2022 to Fiscal 2023 and further to Fiscal 2024 was due to higher performance incentives to employees.

Debt Securities

As at 31 March, 2024 our debt security liabilities was ₹ 266,453.3 million compared to ₹ 199,149.2 million and ₹ 164,891.5 million as at March 31, 2023 and March 31, 2022, respectively. All of our debt securities liability is located in India.

The table below sets forth a breakdown of our debt securities as at the dates indicated:

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
At Amortised Cost			
Secured and fully paid privately placed redeemable non-convertible debentures	227,259.4	184,763.9	117,306.7
Unsecured			
Borrowings by issue of commercial paper	26,502.9	4,234.9	39,972.3
Privately placed partly paid redeemable non-convertible debentures	12,691.0	10,150.4	7,612.5
Total Unsecured	**39,193.9**	**14,385.3**	**47,584.8**
Total Debt Securities	**266,453.3**	**199,149.2**	**164,891.5**

The increase from Fiscal 2023 to Fiscal 2024 was due to an increase in secured NCDs by ₹ 42,495.5 million and unsecured NCDs privately placed by ₹ 2,540.6 million and commercial papers by ₹ 22,268.0 million.

The increase from Fiscal 2022 to Fiscal 2023 was due to increase in secured NCDs by ₹ 67,457.2 million and unsecured NCDs privately placed by ₹ 2,537.9 million which was partially offset by a reduction in commercial papers by ₹ 35,737.4 million.

During the Fiscals 2022, 2023 and 2024, we raised ₹ 151,380.0 million, ₹ 135,130.0 million, ₹ 162,020.0 million through issuance of fresh debt securities.

Borrowing (other than debt securities)

As at 31 March, 2024 our borrowing liability was ₹ 422,997.3 million, compared to ₹ 336,547.0 million and ₹ 244,931.7 million as at March 31, 2023 and March 31, 2022, respectively. All our borrowing liability is located in India.

The table below sets forth a breakdown of our borrowings as at the dates indicated:

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Term loans from banks	345,427.5	314,952.2	244,931.7
Loans repayable on demand from banks:			
Cash credit / Overdraft facility	569.5	1,417.6	-
Working capital demand loan	8,624.4	177.2	-
Term loans from others:			
National Housing Bank(1)	68,375.9	20,000.0	-
Total Secured	**422,997.3**	**336,547.0**	**244,931.7**

(1) *All the outstanding refinancing from NHB are secured by hypothecation of specific loans/ book debts to the extent of 1.10 times and 1.05*

times of outstanding amount as per respective sanctioned terms. The Company has availed refinance facility from NHB of ₹ 54,993.8 million during the year ended 31 March 2024, ₹ 20,000 million during the year ended 31 March 2023, Nil during the year ended 31 March 2022 against eligible individual Housing loans under various refinance schemes including Affordable Housing Scheme.

The increase from Fiscal 2023 to Fiscal 2024 was primarily due to an increase in term loans by ₹30,475.30 million, refinance from NHB by ₹48,375.9 million and availing a cash credit and working capital demand loan of ₹7,599.1 million.

The increase from Fiscal 2022 to Fiscal 2023 was due to an increase in term loans by ₹ 70,020.5 million, refinance from NHB by ₹ 20,000.0 million and cash credit and working capital demand loan utilisation ₹ 1,594.8 million, to fund the growth in loan assets of the Company.

During Fiscals 2022, 2023 and 2024, we availed additional loans of ₹ 81,250.0 million, ₹ 168,500.0 million, ₹ 153,993.8 million, respectively, in the form of bank term loans and refinance from NHB.

Deposits

As at 31 March, 2024 our deposit liability was ₹ 1,842.6 million, compared to ₹ 1,757.7 million and ₹ 5,100.0 million as at March 31, 2023 and March 31, 2022, respectively. The decrease in deposits from Fiscal 2022 to Fiscal 2023 was primarily due to maturity of inter corporate deposits. The increase in deposits from Fiscal 2023 to Fiscal 2024 was primarily on account of availing inter corporate deposits of ₹ 84.9 million.

During Fiscals 2022, 2023 and 2024, we raised ₹ 9,550.0 million, ₹ 1,799.2 million, ₹ 116.6 million, respectively through acceptance of inter corporate deposits.

Other Financial Liabilities

Our other financial liabilities comprise: (i) security deposits; (ii) lease liability; (iii) amount payable on swaps and other derivatives; and (iv) others. The table below sets forth a breakdown of our other financial liabilities as at the dates indicated:

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Security deposits	0.8	0.8	0.8
Lease Liability+	415.4	443.3	402.9
Amount payable on swaps and other derivatives	17.3	-	-
Others*	1,907.9	1,672.1	1,340.5
Total	**2,341.4**	**2,116.2**	**1,744.2**

\+ *Disclosures as required by Ind AS 116 – the Company has taken various office premises under lease. The period of lease agreements range for a period of 36 to 108 months. Lease liabilities are recognized in Balance Sheet at initial application basis incremental borrowing rate of similar tenure ranging from 5.3% to 8.2%.*

* *Includes amount for employee care fund of ₹ 9.2 million for March 2024, ₹ 10.3 million for March 2023, ₹ 6.9 million for March 2022.*

The increase of 10.6% in other financial liabilities from Fiscal 2023 to Fiscal 2024 was due to amount payable to assignment partners and insurance partners. The increase of 21.3% in other financial liabilities from Fiscal 2022 to Fiscal 2023 was due to an increase in the amount payable to assignment partners and insurance partners, which was driven by a corresponding increase in business volumes.

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, refinancing from NHB and short-term loans from banks. 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 and financial institutions, non-convertible debentures, commercial paper, cash credit, subordinated debt, refinancing from NHB, external commercial borrowings and short-term loans from banks and financial institutions, as well as the direct assignment of loan receivables. We consider our working capital to be 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 379 and "*Risk Factors – Our inability to comply with the financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition.*" on page 35.

CASH FLOWS

The following table summarises our statements of cash flows for the periods presented:

(₹ in million)

	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash used in operating activities (A)	(154,281.1)	(143,317.7)	(124,805.3)
Net cash generated from / (used in) investing activities (B)	2,733.1	(6,114.4)	21,973.2
Net cash generated from financing activities (C)	151,247.8	146,300.6	102,284.6
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(300.2)	(3,131.5)	(547.5)
Cash and cash equivalents at beginning of the period / year	938.8	4,070.3	4,617.8
Cash and cash equivalents at end of the period / year	638.6	938.8	4,070.3

Operating Activities

For Fiscal 2024, our cash generated from operations before working capital changes was ₹ 20,619.5 million, which was used to fund (i) a decrease in working capital excluding increase in loans of ₹ 835.7 million; (ii) increase in loans of ₹ 170,472.7 million; and (iii) income tax paid (net of refunds) of ₹ 5,263.6 million, resulting in our net cash used in operating activities amounting to ₹ 154,281.1 million.

For Fiscal 2023, our cash generated from operations before working capital changes was ₹ 15,719.3 million, which was generated from working capital excluding increase in loans of ₹ 798.6 million, and the same was utilised towards (i) increase in loans of ₹ 155,849.8 million and (ii) income tax paid (net of refunds) of ₹ 3,985.8 million resulting in our net cash used in operating activities amounting to ₹ 143,317.7 million.

For Fiscal 2022, our cash generated from operations before working capital changes was ₹ 6,997.7 million and was generated from working capital excluding increase in loans of ₹ 3,187.0 million, and the same was utilised towards an (i) increase in loans of ₹ 132,566.5 million and (ii)income tax paid (net of refunds) of ₹ 2,423.5 million, resulting in our net cash used in operating activities amounting to ₹ 124,805.3 million.

Investing Activities

Net cash generated from investing activities of ₹ 2,733.1 million for Fiscal 2024 was due to: (i) the purchase of property, plant and equipment of ₹ 256.2 million, which was partially offset by sale of property, plant and equipment of ₹ 33.0 million; (ii) the purchase of intangible assets and intangible assets under development of ₹ 173.8 million; (iii) the purchase of investment classified as FVOCI of ₹ 5,149.6 million; and (iv) interest on investments of ₹ 946.3 million and (v) the purchase of investment classified as FVTPL of ₹ 365,675.5 million, which was offset by the proceeds from liquidation of investments classified as FVTPL of ₹ 373,008.9 million.

Net cash used in investing activities of ₹ 6,114.4 million for Fiscal 2023 was due to: (i) sale of investments measured under FVTPL of ₹ 424,080.9 million, which was offset by purchase of investments measured under FVTPL of ₹ 430,358.6 million; (ii) interest received on investments of ₹ 462.6 million, which was partially offset by (i) the purchase of property, plant and equipment of ₹ 203.7 million, which was partially offset by sale of property, plant and equipment of ₹ 38.7 million, and (ii) the purchase of intangible assets and intangible assets under development of ₹ 134.3 million.

Net cash generated from investing activities of ₹ 21,973.2 million for Fiscal 2022 was due to: (i) the purchase of property, plant and equipment of ₹ 184.1 million, which was partially offset by proceeds from sale of property, plant and equipment of ₹ 16.3 million; (ii) the purchase of Other Intangible Assets of ₹ 107.1 million; (iv) the sale of investments measured under amortised cost of ₹ 54,000.0 million , which was partially offset by proceeds from purchase of investments measured under amortised cost of ₹ 49,000.0 million; (v) the proceeds from sale of investments measured under FVTPL of ₹ 331,338.0 million which was partially offset by purchase of investments measured under FVTPL of ₹ 348,318.8 million; and (vi) interest received on investments of ₹ 267.3 million.

Financing Activities

Net cash generated from financing activities of ₹ 151,247.8 million for Fiscal 2024 was due to (i) long term borrowings availed of ₹ 239,871.2 million which was partially offset by long term borrowing repaid of ₹ 118,178.7 million; (ii) deposits received (net) of ₹ 80.5 million; (iii) short-term borrowing availed (net) of ₹ 29,613.3 million and (iv) payment of lease liability of ₹ 138.5 million.

Net cash generated from financing activities of ₹ 146,300.6 million for Fiscal 2023 was due to (i) long term borrowings availed of ₹ 266,572.2 million which was partially offset by long term borrowing repaid of ₹ 107,374.2 million; (ii) deposits received (net) of ₹ 3,406.8 million; (iii) short term borrowing availed (net) of ₹ 34,351.1 million and (iv) an issue of equity share capital (including securities premium) of ₹ 24,998.8 million, which was partially offset by payment of lease liability of ₹ 138.3 million.

Net cash generated from financing activities of ₹ 102,284.6 million for Fiscal 2022 was due to (i) long term borrowings availed of ₹ 155,974.0 million which was partially offset by long term borrowing repaid of ₹ 69,233.9

million; (ii) deposits received (net) of ₹ 5,100.0 million; (iii) short-term borrowing availed (net) of ₹ 10,549.9 million; and (iv) payment of lease liability of ₹ 105.4 million.

FINANCIAL INDEBTEDNESS

Our primary source of funding is borrowings. Due to our high credit ratings and the fact that our Company can accept deposits, we have access to diversified sources of cost-effective borrowings. Our borrowings were ₹ 691,293.2 million as at March 31, 2024.

The table below sets forth our total borrowings by type of borrowing as at March 31, 2024, 2023 and 2022:

(₹ million)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Bank Borrowings	354,621.4	316,547.0	244,931.7
NHB Refinance	68,375.9	20,000.0	0.0
Non-Convertible Debentures	239,950.4	194,914.3	124,919.2
Commercial Paper	26,502.9	4,234.9	39,972.3
Deposits/ICD	1,842.6	1,757.7	5,100.0
Total Borrowing	**691,293.2**	**537,453.9**	**414,923.2**

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. Our capital expenditure increased by 16.1% from ₹ 291.2 million in Fiscal 2022 to ₹ 338.0 million in Fiscal 2023, and by 27.2% from ₹ 338.0 million in Fiscal 2023 to ₹ 430.0 million in Fiscal 2024, primarily for purchase of property, plant and equipment and intangible assets.

Capital to Risk (Weighted) Assets Ratio

The table below sets forth details of our Company's CRAR as at March 31, 2024, 2023 and 2022:

(₹ in million, except percentages)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Total Risk Weighted Assets	573,518.3	459,017.5	341,261.5
Tier I Capital	118,572.4	101,847.4	64,690.1
Tier II Capital	3,484.5	3,596.6	2,599.5
CRAR%	**21.28%**	**22.97%**	**19.71%**
Tier I%	20.67%	22.19%	18.95%
Tier II%	0.61%	0.78%	0.76%

CONTINGENT LIABILITIES AND COMMITMENTS

As at March 31, 2024 we had contingent liabilities as per Ind AS 37 on "*Provisions, Contingent Liabilities and Contingent Assets*" not provided for amounting to ₹ 47.3 million, the details of which are set forth in the table below:

(₹ in million)

Particulars	As at March 31, 2024
Disputed claims against our Company not acknowledged as debts	47.3

The table below sets forth our capital and other commitments as at March 31, 2024:

(₹ in million)

Particulars	As at March 31, 2024
Estimate amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1.1
Other commitments	52,099.2

OFF-BALANCE SHEET ARRANGEMENTS

Except for loans that are assigned by us to banks and other financial institutions, we have no other off-balance sheet arrangements that materially affect our financial condition or results of operations. For details of assignment transactions undertaken by our Company and BHFL during Fiscals 2022, 2023 and 2024, see "*Selected Statistical Information – Details of Assignment Transactions*" on page 262.

RELATED PARTY TRANSACTIONS

For details in relation to related parties' transactions entered by us on a consolidated basis during Fiscals 2022, 2023 and 2024, as per the requirements, see *"Restated Financial Information – Note 43: Disclosure of transactions with related parties as required by Ind AS 24"* on page 314.

QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT MARKET RISKS

For details on our qualitative market risks, see "*Business – Risk and Debt Management – Risk Management*" on page 212. For details on our qualitative and quantitative disclosure about market risks as at March 31, 2024, prepared in accordance with Ind AS 107, see note 50 of the Restated Financial Information as at and for the year ended March 31, 2024, included in "*Financial Information – Restated Financial Information*" on page 273.

NON-GAAP FINANCIAL MEASURES

We have included certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance (collectively, "**Non-GAAP Financial Measures**" and each, a "**Non-GAAP Financial Measure**"). The presentation of these Non-GAAP Financial Measures provides additional useful information to potential investors regarding our performance and trends related to our financial condition and results of operations. Accordingly, when Non-GAAP Financial Measures are viewed together with Ind AS financial information, as applicable, potential investors are provided with a more meaningful understanding of our financial condition and results of operations.

We use a variety of financial and operational performance indicators to measure and analyse our operational performance from period to period, and to manage our business. We also use other information that may not be entirely financial in nature, including statistical and other comparative information commonly used within the Indian NBFC sector to evaluate our financial and operating performance. In addition, because we have historically reported certain Non-GAAP Financial Measures to investors, we believe that the inclusion of Non-GAAP Financial Measures provides consistency in our financial reporting. For these reasons, we have included certain Non-GAAP Financial Measures in this Draft Red Herring Prospectus, including Operating Expenses, Average Loans, Average Borrowings, Average Equity, as well as certain other metrics based on or derived from those Non-GAAP measures. For further details, see "*Selected Statistical Information*" on page 259. These Non-GAAP Financial Measures have limitations as analytical tools. As a result, Non-GAAP Financial Measures should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported under Ind AS and presented in our financial statements. Furthermore, these Non-GAAP Financial Measures are not defined under Ind AS and therefore should not be viewed as substitutes for performance or profitability measures under Ind AS. While these Non-GAAP Financial Measures may be used by other NBFCs and financial institutions operating in the Indian financial services industry, they may not be comparable to similar financial or performance indicators used by other NBFCs or financial institutions due to potential inconsistences in the method of calculation and differences due to items subject to interpretation.

See "*Selected Statistical Information – Reconciliation of GAAP to Non-GAAP Financial Information*" on page 269 for a reconciliation of Non-GAAP Financial Measures presented in this Draft Red Herring Prospectus to their most directly comparable measure under Ind AS.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, 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 and Financial Condition*" and the uncertainties described in "*Risk Factors*" on pages 351 and 33, respectively. Except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as described in this Draft Red Herring Prospectus, we have not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and the introduction of new products.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described elsewhere in the sections "*Risk Factors*", "*Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 33, 196 and 349, respectively, there are no known factors that will have a material adverse impact on our operations and financial condition.

SIGNIFICANT DEPENDENCE ON A SINGLE OR FEW CUSTOMERS OR SUPPLIERS

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See sections, "*Business*", "*Industry Overview*", "*Risk Factors — The housing finance industry is highly competitive and if we are not able to compete effectively, it could adversely affect our business, results of operations, cash flows and financial condition*" on pages 196, 133 and 58, respectively.

SEASONALITY/CYCLICALITY OF BUSINESS

Our business is not subject to seasonality.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Other than as disclosed below and elsewhere in this Draft Red Herring Prospectus, no circumstances have arisen since March 31, 2024 that could 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:

- We raised additional capital of ₹ 20.0 billion by way of a rights issue from our Promoter Bajaj Finance Limited, on April 3, 2024.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at March 31, 2024, derived from our Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Information*" and "*Risk Factors*" on pages 349, 273, and 33, respectively.

(₹ in million except otherwise stated)

Particulars	Pre-Offer (as at March 31, 2024)	Post Offer
Debt securities (A)	266,453.3	[●]
Borrowings (other than debt securities) (B)	422,997.3	[●]
Deposits (C)	1,842.6	
Total borrowings (D =A+B+C)	**691,293.2**	**[●]**
Equity		
Equity Share capital (E)	67,121.6	[●]
Other equity (F)	55,213.4	[●]
Total Equity (G)	**122,335.0**	**[●]**
Total Capitalisation (H = D+G)	**813,628.2**	**[●]**
Ratio: Total borrowings/ Total Equity (D/G)	**5.7**	**[●]**

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 financial statement of assets and liabilities included in the Restated Financial Information.*
3. *The above statement should be read with the statement of notes to the Restated Financial Information.*

FINANCIAL INDEBTEDNESS

Our Company has availed loans and other financing arrangements in the ordinary course of business primarily for onward lending to the borrowers of our Company and to meet its business requirements.

Our Shareholders have authorised our Board to borrow such sums of money as may be required for the purpose of the business of our Company. For details regarding the borrowing powers of our Board, please see "*Our Management – Borrowing powers of our Board*" on page 237.

Set forth below is a table of the aggregate borrowings of our Company, as on March 31, 2024:

(₹ in million)

Category of borrowing	Sanctioned Amount*	Outstanding Amount*
Debt Securities		
Secured redeemable non-convertible securities**	219,720.0	227,259.4
Commercial papers	27,500.0	26,502.9
Partly paid unsecured redeemable non-convertible securities**	18,000.0	12,691.0
Borrowings (other than debt securities)		
Term loans from scheduled banks	466,500.0	345,427.5
Term loans from NHB	100,000.0	68,375.9
Inter-corporate deposits	1,773.7	1,842.6
Loans repayable on demand – cash credit / working capital demand loan facilities	15,750.0	9,193.9
Total	849,243.7	691,293.2

* *As certified by the Statutory Auditors of our Company, pursuant to the certificate dated June 7, 2024.*

** *Our non-convertible debentures are listed on the BSE.*

Principal terms of our outstanding borrowings:

- ***Tenor***: The tenor of the term loans availed by our Company typically ranges from approximately three to eight years.

  The maturity period of the NCDs issued by the Company is typically two to 15 years.

- ***Interest:*** The interest rates for the term loans availed by our Company typically ranges from 5.1% per annum to 9.2% per annum, which is linked to the T-bill, marginal cost of fund-based lending rate or external benchmark rates. In terms of the cash credit facilities availed by us, the interest rate is typically on a floating rate basis. Further, in terms of the refinance assistance 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.

  The interest rate for the NCDs issued by our Company as of March 31, 2024, range from 5.0% to 8.0% per annum.

  Cash credit, working capital demand loan facilities availed by us carry interest rates ranging from 6.5% to 9.0% per annum. The inter-corporate deposits received by us carry a fixed interest rate, ranging from 7.3% to 7.8% per annum, while the commercial papers that are issued by us have a discount rate ranging from 7.5% to 8.0% per annum.

- ***Security***: In terms of our borrowings where security needs to be created, we are typically required to create security by way of hypothecation on our Company's book-debts and receivables. There may be additional requirements for creation of security under the various borrowing arrangements entered into by us. For NCD borrowings, we enter into debenture trust deeds ("**DTDs**") with debenture trustee and for bank loans we enter into security trustee agreement with security trustee.

- ***Repayment:*** The cash credit and working capital demand loan facilities are typically repayable on demand, or at the elapse of a defined maturity period, which typically ranges from seven days to three months. The inter-corporate deposits and commercial papers are redeemable on maturity, which typically ranges between 12 months to 36 months and three months to 12 months, respectively. The repayment period for most term loan facilities and NHB sanctioned refinance facilities ranges from three to eight years and seven to 10 years, respectively. We are required to repay the amounts in such instalments as per the repayment schedule stipulated in the relevant loan documentations. Further, the redemption period for the NCDs issued by our Company ranges form two years to 15 years.

- ***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 from nil to 2.0%. Further, some loans may be prepaid without any prepayment charges subject to fulfilment of conditions, including by providing prior notice to the lender.

- ***Penalty:*** The facilities issued and availed by our Company contain provisions prescribing penalties, over and above the prescribed interest rate, for delayed payment or default in the repayment obligations of our Company. This additional interest is charged as per the terms of our loan agreements and is typically from nil to 2.0% over the applicable interest rate.

- ***Restrictive covenants***: In terms of our borrowing arrangements, we are required to comply with various financial covenants, restrictive covenants and conditions restricting certain corporate actions, and we are required to take prior consent from the lender or the trustee (acting on the instructions of the majority debenture holders) and/or intimate the respective lender or trustee (acting on the instructions of the majority debenture holders) before carrying out such actions, including, but not limited to the following:

    - to effect any adverse changes in our capital structure;
    - to formulate or effect any scheme of amalgamation or merger or reconstruction;
    - to undertake any activity other than the activities indicated in the objects clause of the memorandum of association of our Company;
    - for any transfer of the controlling interest or the management set up of our Company;
    - to undertake guarantee obligations on behalf of any other person;
    - for declaring any dividend or distribution of profits, if any instalment towards principal or interest remains unpaid on its due date; and
    - to create encumbrance, lien or dispose of assets charged in favour of the lenders.

- ***Events of default:*** Our borrowing arrangements contain standard events of default including, among others:

    - non-payment of money due to any person or lender as and when they fall due or when demanded;
    - breach of or default in the performance of or observance of any of the terms, covenants, obligations or undertakings stipulated in the relevant documents;
    - incorrect or misleading representation, warranty or statement under the facility or debenture documents;
    - failure to create and perfect security;
    - the occurrence of any event or circumstance which prejudicially or adversely affects or is likely to prejudicially or adversely affect the capacity of our Company to repay the facilities availed;
    - any notice or action in relation to actual or threatened proceedings relating to bankruptcy, liquidation or insolvency being initiated against us;
    - our Company ceasing or threatening to cease to carry on its business;
    - occurrence of a material adverse change; and
    - cross default in any indebtedness of the Company.

- ***Consequences on occurrence of event of default***: In terms of our borrowing arrangements, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may, *inter alia*:

    - accelerate repayment of facilities or declare all sums outstanding as immediately due and payable;
    - enforce their security interest over the hypothecated assets;
    - suspend or cancel any undisbursed amount of the facility;
    - disclosure of information to the Credit Information Bureau (India) Limited / information utility and / or any other agency so authorised by RBI as may be required under applicable law; and
    - appoint nominee directors.

The details provided above are indicative and there may be additional terms, conditions, and requirements under the various outstanding borrowing arrangements of our Company.

For the purpose of the Offer, our Company has made the required intimations to and obtained necessary consents from our lenders under the relevant loan documents for undertaking activities relating to the Offer. Further, we have not defaulted on our any of our obligations under our borrowing arrangements in the past. None of our Promoters or our Directors have provided any guarantee in relation to any of our borrowing arrangements.

For further details on risk factors related to our indebtedness, refer "*Risk Factors – Our inability to comply with the financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition*", on page 35.

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 and listed on the debt segment of the BSE, as of March 31, 2024:

ISIN	Scrip Code	Status	Outstanding principal amount^ *(in ₹ million)*	Maturity
INE377Y07219	973169	Active	1,341.7	May 10, 2024
INE377Y07227	973209	Active	15,162.2	June 10, 2024
INE377Y07235	973250	Active	10,275.1	June 21, 2024
INE377Y07250	973421	Active	5,746.6	December 6, 2024
INE377Y07276	973474	Active	3,478.0	April 21, 2025
INE377Y07284	973560	Active	5,834.6	October 29, 2031
INE377Y07300	973945	Active	14,261.9	May 21, 2027
INE377Y07318	974046	Active	10,527.4	July 12, 2024
INE377Y07326	974061	Active	11,049.4	July 21, 2025
INE377Y07334	974104	Active	21,892.9	August 12, 2025
INE377Y07342	974135	Active	2,605.3	August 29, 2024
INE377Y07359	974164	Active	5,213.5	September 8, 2032
INE377Y07367	974231	Active	5,196.2	September 23, 2032
INE377Y07375	974348	Active	28,663.9	March 16, 2026
INE377Y07383	974368	Active	5,147.1	November 18, 2027
INE377Y07391	974422	Active	7,412.6	December 12, 2025
INE377Y07409	974587	Active	7,582.0	February 9, 2033
INE377Y07417	974803	Active	5,440.7	April 28, 2028
INE377Y07425	974866	Active	15,951.4	May 26, 2026
INE377Y07433	975055	Active	14,128.0	September 1, 2028
INE377Y07441	975334	Active	10,155.6	January 18, 2027
INE377Y07458	975376	Active	10,101.3	February 9, 2034
INE377Y07466	975391	Active	10,092.0	February 16, 2026
INE377Y08092	959229	Active	5,314.6	February 7, 2035
INE377Y08100	959353	Active	7,376.4	March 9, 2035
Total			**2,39,950.4**	

^ *Inclusive of the interest accruals and amortisation amounts*

* *As certified by the Statutory Auditors of our Company, pursuant to the certificate dated June 7, 2024.*

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, as on the date of this Draft Red Herring Prospectus, there are no outstanding (i) criminal proceedings (including matters which are at first information report ("**FIR**") stage, whether cognizance has been taken or not) involving our Company, its Promoters and its Directors (together, the "**Relevant Parties**"); (ii) outstanding actions (including all outstanding penalties and show cause notices) by regulatory authorities and statutory authorities taken against the Relevant Parties; (iii) pending litigations/arbitration proceedings as per the policy of materiality defined by the Board of Directors involving the Relevant Parties; and (iv) outstanding claims related to direct and indirect tax involving the Relevant Parties. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by the SEBI or Stock Exchanges against our Promoters in the last five Financial Years, including any outstanding action. As on the date of this Draft Red Herring Prospectus, there are no subsidiaries of our Company.*

*For the purpose of disclosure of pending material litigation in (iii) above, our Board in its meeting held on June 7, 2024 has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties ("**Materiality Policy**"). In terms of the Materiality Policy, any outstanding litigation involving our Company and its Directors and involving a claim or an amount which exceeds ₹616.4 million, being the amount equivalent to 5% of the Company's average of absolute value of profit after tax for the last three financial years, would be considered 'material'. This will also include litigation where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in an individual litigation may not exceed ₹616.4 million. Further, any outstanding litigation which may not meet the monetary threshold or is not quantifiable, but where an adverse outcome would materially and adversely affect the business, operations, cash flows or financial position or reputation of our Company, would also be considered 'material'.*

Given the nature and extent of operations of our Promoters and in terms of the Materiality Policy, our Board has approved and considered outstanding civil litigation involving our Promoters and involving a claim or amount which exceeds the following thresholds as 'material': (i) in case of Bajaj Finance Limited, any outstanding litigation involving a claim or amount which exceeds ₹5,497.8 million, being 5% of the average of absolute value of consolidated profit or loss after tax, as per the last three audited consolidated financial statements of Bajaj Finance Limited; and (ii) in case of Bajaj Finserv Limited, any outstanding litigation involving a claim or amount which exceeds ₹6,019.7 million, being 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of Bajaj Finserv Limited.

For recovery proceedings filed by each of the Relevant Parties under the SARFAESI Act, consolidated disclosures are being included. We have also disclosed outstanding claims related to direct and indirect tax matters involving the Relevant Parties in a consolidated manner, giving the number of cases and total amount involved in such claims. Further, in the event any tax matter involves an amount, exceeding the threshold disclosed above in relation to each Relevant Party, individual disclosures of such tax matters have been included in this section.

For the purposes of this section, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory or regulatory authorities or notices threatening criminal action) shall not, unless otherwise decided by our Board, be considered material until such time that the Relevant Party, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum. Additionally, FIRs (whether cognizance has been taken or not) initiated against the Relevant Parties shall be disclosed. Details of matters which are at the stage of police complaints involving the Company and investigation, if any, are disclosed in a consolidated matter.

Furthermore, except as stated in this section and in terms of the Materiality Policy, there is no pending litigation involving our Group Companies, the adverse outcome of which may have a material impact on our Company.

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor of our Company having monetary value exceeding 5% of total trade payables of our Company as on March 31, 2024 shall be considered as 'material'. Accordingly, any outstanding dues exceeding ₹ 28.8 million, which is 5% of the total trade payables of our Company as at March 31, 2024, have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to micro, small or medium enterprises ("**MSMEs**"), the disclosure is based on information available with our Company regarding status of the creditors under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder.*

All terms defined in a particular litigation disclosure below correspond to that particular litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

Litigation involving our Company

Summary table of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Promoters and Directors, as applicable, is provided below:

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five financial years, including outstanding action	Material civil litigation	Aggregate amount involved (₹ in million)(1)
Company						
Against the Company	14	10	Nil	N.A.	Nil	21,206.2
By the Company	1,700	Nil	N.A.	N.A.	Nil	6,278.0(2)
Directors						
Against the Directors	18(3)	Nil	Nil	N.A.	Nil	-
By the Directors	Nil	N.A.	N.A.	N.A.	Nil	-
Promoters						
Against Promoters	47	64	Nil	1	2	37,538.0
By Promoters	46,983	N.A.	N.A.	N.A.	1	5,838.8(4)

(1) To the extent ascertainable and quantifiable.
(2) This includes the aggregate amount of ₹ 6,219.4 million involving 1,994 proceedings initiated by our Company under the SARFAESI Act.
(3) This includes matters where the Directors have been impleaded along with our Company.
(4) This includes the aggregate amount of ₹ 229.4 million involving 70 proceedings initiated by Bajaj Finance Limited under the SARFAESI Act.

Outstanding Litigation against our Company

Criminal Proceedings

1. Pursuant to a complaint filed by Mallikarjun Rachappa ("**Complainant**") the police registered a first information report ("**FIR**") against Shobha, Mallikarjun H and our Company on the ground that Shobha had mortgaged the Complainant's property after having divorced him in order to obtain a loan from our Company by facilitating the impersonation of her brother, Mallikarjun H as the Complainant owing to the similarity in their names. Following a notice issued by the police under Section 91 of the CrPC seeking information in respect of the FIR, our Company has provided the relevant information to the police. Our Company has been named in the FIR for allegedly having failed to verify the details of the borrowers in the loan availed by Shobha. The matter is currently pending.

2. Pursuant to a complaint filed by Rashmi Bhaskaran ("**Rashmi**"), the police registered a first information report ("**FIR**") against Sarvatha Kanchan ("**Sarvatha**") and our Company on the ground that Sarvatha had made Rashmi a co-borrower to a loan obtained by Sarvatha from our Company, without her knowledge. Pursuant to a notice issued by the police under Section 91 of the CrPC seeking information in respect of the FIR, our Company has provided the relevant information to the police. Our Company has been named in the FIR for allegedly not having contacted Rashmi and processing her KYC while granting the aforesaid. The matter is currently pending.

3. Pursuant to a complaint filed by Jyothi N J, the police registered a first information report ("**FIR**") dated against Nijalingappa P J, Niveditha M and our Company on the ground that Nijalingappa P J and Niveditha M have colluded to obtain a loan in the name of Jyothi N J from our Company by forging her signatures. Pursuant to a notice issued by the police under Section 91 of the CrPC seeking information in respect of the FIR, our Company has provided the relevant information to the police. Our Company has been named in the FIR for having allegedly failed to verify the identity of the borrower while disbursing the aforesaid loan and on the that our Company's personnel allegedly threatened Jyothi N J to vacate her house. The matter is currently pending.

4. Saravanan Sampath ("**Saravanan**") filed a complaint against the employees of our Company alleging that they have added Saravanan to the EMI holiday scheme, increased the processing fees and increased his monthly instalments without informing him. It has been further alleged that Saravanan's signature had been forged to show that he had taken an additional loan from our Company. Pursuant to an order passed by the Court of Judicial Magistrate, Tiruvallur, a first information report dated August 29, 2022 was registered by

the Pattabiram Police Station. The matter is currently pending.

5. Pursuant to a complaint filed by Raghuveer Singh ("**Raghuveer**"), the police registered a first information report ("**FIR**") against our Company and one of our ex-employees, Ranjit Singh on the ground that the rate of interest with reference to a loan availed by Raghuveer from our Company was increased without his knowledge. It has further been alleged in the FIR that while Ranjit Singh had collected the dues owed by Raghuveer, these were not deposited with our Company. The matter is currently pending.

6. Indhumathi filed a complaint against Stephen Seevakumar ("**Stephen**") in relation to a joint venture agreement entered into between Stephen and Satishkumar i.e., Indhumathi's husband. It was alleged that Stephen had siphoned off and misappropriated funds invested by Satishkumar, from the entity established under the said joint venture agreement. Our Company was issued a notice by the police under Section 102 (1) of the CrPC ("**Section 102 Notice**") to freeze documents in respect of a property which was allegedly purchased using the aforesaid misappropriated funds and thereafter deposited with our Company. Our Company has duly frozen the documents as directed in the Section 102 Notice. The matter is currently pending.

7. Rifna CS ("**Rifna**") filed a complaint ("**Complaint**") against Irshad Villyas ("**Irshad**") alleging that Irshad had failed to repay a portion of the loan availed by Rifna and Irshad from our Company, despite Rifna having paid the said portion to Irshad. It was also alleged that the said loan was availed by forging Rifna's signature and without her knowledge. Our Company was issued a notice by the police under Section 91 of the CrPC to provide certain documents and information with reference to the Complaint. The matter is currently pending.

8. Botta Appalanarsamma filed a first information report dated May 1, 2023 before the III Town Police Station, Visakhapatnam, against her son Botta Kanaka Simhachalam Babji ("**Borrower**"), alleging that her signature was forged by the Borrower in the property documents submitted to our Company for a loan availed by the Borrower from our Company. Our Company was issued a notice dated July 26, 2023 under Section 91 of the CrPC ("**Section 91 Notice**") seeking certain information and documents in relation to the loan provided to the Borrower. Our Company through its reply dated September 15, 2023 provided the police with the information and documents requested in the Section 91 Notice. The matter is currently pending.

9. Navya BC filed a complaint against Shashidhara B V, Puttaswamaiah and Yogesh, alleging that Shashidhara, her husband, had mortgaged a property jointly held by Navya BC and Shashidhara in order to obtain a loan from our Company. The police registered an FIR against Shashidhara B V, Puttaswamaiah and Yogesh pursuant to Navya BC's complaint. Our Company has been issued a notice under Section 91 of the CrPC ("**Section 91 Notice**") seeking information and certain documents in relation to the FIR. Our Company has duly provided the police with the documents requested in the Section 91 Notice. The matter is currently pending.

10. Rajneesh Malik filed a complaint against Srodeep Infra Developers, Deepak Gupta, Arun Gupta, Madhvi Gupta ("**Accused**"), in relation to a sale of a plot of land alleging cheating, forgery and conspiracy by the Accused. Since the title deeds in respect of the said plot of land were deposited with our Company in reference to a loan availed by the sons of Rajneesh Malik to purchase the said plot of land, our Company has been issued a notice under Section 91 of the CrPC ("**Section 91 Notice**") to produce the title deeds and a few additional documents in relation to the aforesaid transaction. Our Company has duly provided the police with the documents requested in the Section 91 Notice. The matter is currently pending.

11. Navya Anusha Latha Konduru filed a complaint against Nagaraju Konduru ("**Borrower**"), alleging that her signature was forged by the Borrower in the property documents submitted to our Company for a loan availed by the Borrower from our Company. Our Company has been issued a notice under Section 91 of the CrPC ("**Section 91 Notice**") seeking information and certain documents in relation to the loan provided to the Borrower. Our Company has duly provided the police with the documents requested in the Section 91 Notice. The matter is currently pending.

12. Our Company initiated proceedings against Sobha Singh ("**Borrower**") under the SARFAESI Act, owing to non-payment of dues in respect of a housing loan granted to Sobha Singh and Anuj Pratap Singh by our Company. In reference to the said proceedings, the District Magistrate Faridabad ("**District Magistrate**") had ordered our Company to take over the possession of the secured assets/mortgaged property in the name of Sobha Singh on July 4, 2023. Subsequently, Anuj Pratap Singh filed an application before the District Magistrate, seeking to set aside the said order and initiate criminal proceedings under Section 340 of the CrPC against the authorized officer of our Company on the ground that it had filed a false case against Sobha Singh and Anuj Pratap Singh. The matter is currently pending.

13. Dr. Yogita Hulkande ("**Complainant**") lodged an FIR with the Pimpri Police Station under Sections 34, 468 and 471 of the IPC, against the officers of our Promoter, Bajaj Finance Limited and her husband, accusing them of, *inter alia*, criminal conspiracy and forgery. The Complainant alleged that her husband colluded with the officers of Bajaj Finance Limited and forged her signature to obtain a loan from Bajaj Finance

Limited against her residential property. Subsequently, Bajaj Finance Limited allocated the loan account of the Complainant to our Company by means of a service agreement. The matter is currently pending.

14. Venkataraman Srinivasan ("**Complainant**") filed a complaint against our Company and our Directors, Sanjivnayan Bajaj, Rajeev Jain and others before the Chief Judicial Magistrate, Jamshedpur. ("**CJM**"). Pursuant to a hearing, the CJM sent the complaint to the Bistupur Police Station where subsequently a case was registered under, *inter alia*, Sections 34, 406, 420, 468, 120-B of the IPC. Pursuant to an investigation by the police, a notice was issued to the Complainant who in turn filed a protest petition before the CJM The Complainant alleged that our Company conspired with Bajaj Allianz Life Insurance Company Limited ("**BALICL**") and deceived and cheated him in relation to a group insurance policy availed by the Complainant from BALICL. The CJM took cognizance of the alleged offence and issued summons to Rajeev Jain and our Company. Subsequently, our Company filed a quashing petition before the High Court of Jharkhand ("**High Court**") seeking quashing of the cognizance order and summons issued by the CJM. The High Court directed the lower court to not take any coercive steps in the matter. The matter is currently pending.

Outstanding Statutory or Regulatory Proceedings

Nil

Material Civil Litigation

Nil

Outstanding Litigation by our Company

Criminal Proceedings

1. Pursuant to a complaint filed by our Company, the police registered a FIR against Gaurav Saxena and Anil Kumar, ex-employees of our Company on the ground that they had transferred data, including in relation to the Company's customers, relationship managers, brokers and agreements from their official laptop to their personal email addresses. The matter is currently pending.

2. Our Company filed a criminal complaint ("**Complaint**") against Komal Mohithe, Vijay Kumar Gopal Rao and Anusuya Devi ("**Borrowers**"), who availed a home loan facility from our Company, on the ground that the Borrowers forged property documents, in respect of a property they had mortgaged in favor of our Company, in order to obtain the home loan facility. Pursuant to the Complaint, the police registered an FIR against Borrowers. The matter is currently pending.

3. Karikalan, an advocate, filed a criminal complaint ("**Complaint**") against Hasina Begum @ Durga and Nesan (collectively, the "**Accused**"), on the ground that the Accused had, *inter alia* threatened to commit suicide when, under the order of Chief Judicial Magistrate Court, Thiruvallur ("**Order**"), Karikalan, who had been appointed as an advocate commissioner, had proceeded to take possession of a property that was mortgaged in our Company's favour by Abdur Rahman, and consequently prevented Karikalan from executing the Order, which was passed following default in the repayment of loans availed by Abdul Rahman from our Company. Pursuant to the Complaint the police at Valasaravakkam Police Station registered a first information report dated February 28, 2024 against the Accused. The matter is currently pending.

4. Our Company filed a complaint dated March 25, 2019 before the Inspector of Kasarvadavli Police Station ("**Complaint**") against Sanjay Sunil Sawant and Kavita Sunil Sawant, ("**Borrowers**"), who availed a home loan facility from our Company, on the ground that the Borrowers provided fabricated security documents in order to obtain the home loan facility. Pursuant to the Complaint the Vashi Police Station registered a first information report against the Borrowers. The matter is currently pending.

5. Our Company filed a complaint dated January 14, 2019 before the Senior Inspector of Police, MIDC Police Station ("**Complaint**") against Sourav Panday and others ("**Borrowers**"), who availed a home loan facility from our Company, on the ground that the Borrowers provided fabricated documents in order to obtain the home loan facility. Pursuant to the Complaint the MIDC Police Station registered a first information report dated March 2, 2021 against the Borrower. The matter is currently pending.

6. Our Company filed a criminal complaint against Karthik Ganesh Jayakumar ("**Complaint**"), on the ground that he had, with an intent to cheat and defraud, refused to provide the original documents and instead provided only photocopies of the relevant documents while transferring a loan owed by him, to our Company. Pursuant to the Complaint the police registered an FIR against Karthik Ganesh Jayakumar. The matter is currently pending.

7. Our Company filed a criminal complaint against Madan Lal and Chanda Devi (“**Borrowers**”), on the ground that the Borrowers trespassed into a mortgaged property whose possession was handed over to our Company by the District Magistrate, Rajsamand, pursuant to proceedings initiated against the Borrower under the SARFAESI Act for non-payment of dues with reference to a loan availed by the Borrowers from our Company. Pursuant to the Complaint the police registered an FIR against the Borrowers. The matter is currently pending.

8. Our Company filed a criminal complaint against Constancio Fernandes and Joslyn A Fernandes (“**Borrowers**”), before the Police Station Raia, Salcete-Goa on the ground that the Borrowers were illegally inhabiting a property that was seized from them pursuant to proceedings initiated by our Company against the Borrowers under the SARFAESI Act, in reference to a loan availed by the Borrowers from our Company. The matter is currently pending.

9. Our Company filed a criminal complaint dated March 30, 2024 against Salim Gulammohmed Solanki and Saidaben Salimbhai Solanki (“**Borrowers**”), before the Police Commissioner, Surat on the ground that the Borrowers threatened to commit suicide and falsely implicate the officers of our Company, when they had visited the Borrowers’ premises to affix a notice to take physical possession of the Borrowers’ property, pursuant to an order passed by the Chief Judicial Magistrate, Baruch in reference to default in repayment of a loan availed by the Borrowers from our Company. The matter is currently pending.

10. Our Company filed a criminal complaint against Prashant Dilip Sarode (“**Borrower**”) before the Police Commissioner, Ahmednagar on the ground that the Borrower threatened to commit suicide and falsely implicate the officers of our Company, when they had visited the Borrower’s premises to enquire about the non-payment of a loan advanced by our Company to the Borrower. The matter is currently pending.

11. Our Company filed a criminal complaint against Ankitkumar Patel and Mahendra Patel (“**Borrowers**”) before the Police Commissioner, Surat on the ground that the Borrowers threatened to commit suicide and falsely implicate the officers of our Company, when they had visited the Borrowers’ premises to enquire about the non-payment of a loan advanced by our Company to the Borrowers. The matter is currently pending.

12. Our Company filed a criminal complaint against Shivaji Sakharam Daware (“**Borrower**”) before the Commissioner of Police, Yerwada, Pune on the ground that the Borrower is threatening to commit suicide in reference to the inability of our Company to discontinue an insurance scheme taken by the Borrower alongside a loan availed from our Company. The matter is currently pending.

13. Our Company filed a criminal complaint against Nitin Somnath Gadhwal (“**Borrower**”) and others before the Commissioner of Police, Chhatrapati Sambhaji Nagar, on the ground that the Borrower, being an employee of our Company, used our Company’s letterhead to forge documents and thereby sell the property mortgaged in our favour with reference to the loan availed by the Borrower from our Company. The matter is currently pending.

14. Our Company had filed a criminal complaint against P Srividhya (“**Borrower**”) before the Pallikaranai Police Station on the ground that the Borrower and her husband trespassed into a mortgaged property whose possession was handed over to our Company by the Chief Judicial Magistrate, Chengalpattu, pursuant to proceedings initiated against the Borrower under the SARFAESI Act for non-payment of dues with reference to a loan availed by the Borrower from our Company. The matter is currently pending.

15. Our Company had filed a criminal complaint under Section 190 of the CrPC against Mohd. Salim, Mohd. Naim and Husaina Bai (“**Borrowers**”) before the Chief Judicial Magistrate, Chittorgarh on the ground that the Borrowers fabricated the demand draft provided by the Borrowers in respect of a closure of one loan account, to close another loan account belonging to the Borrowers, in respect of loans availed by the Borrowers from our Company. The matter is currently pending.

16. Our Company filed a criminal complaint against Ashish Kumar (“**Borrower**”) before the Station House Officer, Police Station Kotwali, Vidisha on the ground that the Borrower and his wife trespassed into a mortgaged property whose possession was handed over to our Company by the District Magistrate, Vidisha, pursuant to proceedings initiated against the Borrower under the SARFAESI Act for non-payment of dues with reference to a loan availed by the Borrower from our Company. The matter is currently pending.

17. Our Company filed a criminal complaint against Santosh Nayak (“**Borrower**”) before the Superintendent of Police, Rajgarh on the ground that the Borrower and his mother trespassed into a mortgaged property whose possession was handed over to our Company by the Additional District Magistrate, Rajgarh, pursuant to proceedings initiated against the Borrower under the SARFAESI Act for non-payment of dues with reference to a loan availed by the Borrower from our Company. The matter is currently pending.

18. Our Company filed a criminal complaint against Dhananjay Kumar and Sujit Singh ("**Borrowers**") before the Chief Metropolitan Magistrate, Calcutta on the ground that the Borrowers, *inter alia* threatened to abduct and criminally intimidated the representatives of our Company, when they had visited the Borrowers' premises to affix a notice of default in reference to the non-payment of dues with respect to a loan availed by the Borrowers from Company. The matter is currently pending.

19. Our Company filed a written complaint with the Kondhawa Police Station on December 15, 2022 and thereafter filed another written complaint with the Commissioner of Police, Pune on January 2, 2023 against Vijay Punabhai Vora and others ("**Accused**") accusing them of committing an offence under Sections 34, 406, 465, 466, 467, 468, 472 and 420 of the IPC. Due to non-action by the police, our Company filed a private criminal complaint against the Accused on January 12, 2023 before the Judicial Magistrate of First Class, Pune Cantonment under Section 156(3) of the CrPC. Our Company alleged, inter alia that the Accused conspired and submitted forged documents to avail a housing loan of ₹ 3.5 million with an intention to cheat our Company. The matter is currently pending.

20. Our Company filed a criminal complaint against Sucheta Suhas Deshpande and Chinmay Suhas Deshpande ("**Accused Persons**") before the Judicial Magistrate, First Class, Pune on the ground that the Accused Persons failed to deliver valid stamp papers which were required in terms of a contract for supply of stamp papers entered into between the Company and the Accused Persons. The matter is currently pending.

21. Our Company filed a criminal complaint against Shrikant Kshirsagar ("**Accused**") before the Judicial Magistrate, First Class, Pune on the ground that the Accused misrepresented his status of employment while joining our Company as a regional manager in Hyderabad. It was discovered that the Accused was employed with another company while being employed at our Company, in breach of his terms of employment with us. The matter is currently pending.

22. Our Company, in the ordinary course of its business, has initiated 1,679 recovery proceedings against various parties, including several of its customers, for the dishonour of payment instructions under Section 138 of the Negotiable Instrument Act, 1881 and Section 25 of the Payment and Settlement Systems Act, 2007. These proceedings are pending at various stages of adjudication before various courts in India. The aggregate amount involved in such proceedings is approximately ₹ 61.6 million.

Other Material Litigation

1. In the ordinary course of business as a housing finance company, our Company from time to time initiates recovery proceedings under various provisions of the SARFAESI Act and rules thereunder including the Security Interest (Enforcement) Rules, 2002, each as amended, before various courts, tribunals and judicial fora in relation to recovery of dues against our customers and other persons in connection with non-repayment of dues. Our Company has initiated 1,994 such proceedings, for *inter alia* seeking directions to take physical possession of the property and to exercise its right over mortgaged property. These matters are currently pending at different stages of adjudication before various fora. The aggregate amount involved in these matters is ₹ 6,219.4 million.

Litigation involving our Promoters

1. **Bajaj Finance Limited**

<u>*Litigation against Bajaj Finance Limited*</u>

Criminal Proceedings

1. Sundeep Polymers Private Limited ("**SPPL**") filed a complaint before the Additional Chief Metropolitan Magistrate, Mumbai ("**ACMM**") against Bajaj Finance Limited and Rajivnayan Bajaj, alleging, *inter alia*, criminal conspiracy, dishonesty by the respondents for offences punishable under Sections 409, 418, 420, 467, 469, 468, 471 and 34 of the IPC. SPPL has alleged that the security cheques issued by them in favour of Bajaj Finance Limited, in order to comply with the conditions of a proposed hire-purchase finance agreement, were misused by Bajaj Finance Limited. Bajaj Finance Limited was served summons to appear before the ACMM. Bajaj Finance Limited filed a revision application before the Sessions Court of Greater Mumbai, Sewree on various grounds. The ad hoc Additional Sessions Judge allowed the said revision application, the order of issuance of process passed by ACMM was set aside and quashed. The court also directed the ACMM to hold enquiry. SPPL then filed a criminal revision application before the High Court of Bombay to set aside the order passed by the ad hoc Additional Sessions Judge. Aggrieved by the said order of the ad hoc Additional Sessions Judge, Bajaj Finance Limited has also filed a criminal revision application challenging the order of the ad hoc Additional Sessions Judge before the High Court of Bombay. Moreover, as per the order of the High Court of Bombay, SPPL is under liquidation. The matter is currently pending.

2. Dilip Nevatia ("**Complainant**"), who was the managing director of Sundeep Polymers Private Limited ("**SPPL**") has filed a complaint before the Additional Chief Metropolitan Magistrate ("**ACMM**") against Bajaj Finance Limited, Rajivnayan Bajaj, and others for alleged contravention of Sections 34, 120B, 409, 418, 420, 467, 468, 469, and 471 of the IPC. The Complainant has alleged fraud, forgery and cheating by Bajaj Finance Limited and has stated that a personal guarantee given by him in favour of Bajaj Finance Limited for compliance with the conditions of a hire-purchase finance agreement proposed to be executed between Bajaj Finance Limited and SPPL, was misused by Bajaj Finance Limited by filling in higher amount without his knowledge. The ACMM found sufficient ground to proceed against Bajaj Finance Limited and issued summons to appear before it. Bajaj Finance Limited filed a revision application before the Sessions Court of Mumbai to quash the order of the ACMM. The Additional Ad Hoc Sessions Judge allowed the said revision application, the order of issuance of process passed by the ACMM was set aside and quashed. The court also directed the ACMM to hold an enquiry. The Complainant then filed a criminal revision application before the High Court of Bombay to set aside the order passed by III ad hoc Additional Sessions Judge. Aggrieved by the said order of ad hoc Additional Sessions Judge, Bajaj Finance Limited filed a criminal revision application on merits before the High Court of Bombay. Further, pursuant to a High Court of Bombay order, SPPL is under liquidation. The matter is currently pending.

3. Sanjay Kumar Agarwal ("**Complainant**") filed a complaint in the court of Judicial Magistrate of First Class Senior Division at Vashi, Mumbai ("**JMFC**") against Bajaj Finserv Limited, Sanjivnayan Bajaj, Rajivnayan Bajaj, Balaji Rao Jagannathrao Doveton, and others alleging defamation and derogation caused by harassment by a collection agent of BFL and for not updating the CIBIL records. These complaints were filed under Sections 120 B, 193, 197, 198, 465, 500, 504, 506 and 506 of the IPC respectively. The JMFC found that there were sufficient grounds to proceed against Bajaj Finserv Limited and its directors and issued summons. Bajaj Finserv Limited and its directors filed two revision applications before the Sessions Court, Thane. The Sessions Court has allowed one of the revision applications only. Aggrieved by the said order, Bajaj Finserv Limited and its directors filed revision petition before the High Court of Bombay. While the proceedings have been initiated against Bajaj Finserv Limited, the initial loan in respect of which the Complainant alleged harassment, was disbursed by Bajaj Finance Limited. The matter is currently pending.

4. N. Satyanarayana ("**Complainant**") filed a private complaint before the IV Additional Chief Metropolitan Magistrate cum Additional Mahila Magistrate, Vijayawada ("**Magistrate Court**") seeking to take cognizance of the offences under Sections 120B, 193, 195, 499, 500 and 506 of the IPC against Bajaj Finance Limited, Sanjivnayan Bajaj and others ("**Respondents**"). However, the Magistrate Court vide its order dated March 4, 2016 took cognizance of only some of the Respondents under Section 500 of the IPC. Being aggrieved by the order of the Magistrate Court, the Complainant filed an appeal before the XIII Additional District and Sessions Judge (F.T.C), Vijayawada ("**Appellate Court**"). The Appellate Court allowed the order of the Magistrate Court in part. Being further aggrieved by the order of the Appellate Court, the Complainant filed a petition ("**Petition**") before the High Court of Andhra Pradesh ("**High Court**") praying, *inter alia*, to direct the Appellate Court to take cognizance of the offences committed by the Respondents under Sections 109, 120 B, 193, 195, 499 and 506 of the IPC. The High Court disposed of the Petition by an order dated October 12, 2017. The Complainant also filed writ petition before the High Court on September 13, 2017 under Article 14, Article 19, Article 21 and violation of human rights. Subsequently, the Complainant also filed five revision petitions before the Metropolitan Sessions Judge, Vijayawada, which were dismissed by the lower court, as there was no prima facie case. The Complainant has further challenged all these orders before the District & Sessions Court, Vijayawada, which were decided against Bajaj Finance Limited. Bajaj Finance Limited has filed a quashing petition against these decisions and the same have been stayed. The matters are currently pending.

5. Shrikant Rajaram Karole ("**Complainant**") filed a complaint under Section 200 of the CrPC against Rajeev Jain, the managing director of Bajaj Finance Limited and others before the Judicial Magistrate of First Class, Belagavi ("**JMFC**"). The Complainant accused the employees of Bajaj Finance Limited of committing an offence under Section 500 of the IPC and Section 66A of the Information Technology Act, 2000 in connection with certain loans availed from Bajaj Finance Limited. The Complainant alleged that the employees of Bajaj Finance Limited labelled him as a 'fraudulent borrower' and sent defamatory text messages to the Complainant and other persons which harmed his reputation in society. The JMFC took cognizance of the offences and issued summons to the accused. Subsequently, Bajaj Finance Limited filed a quashing petition before the Karnataka High Court in relation to the complaint filed before the JMFC. The Karnataka High Court has stayed the proceedings pending before the JMFC. The matter is currently pending.

6. Soumi Das Gupta ("**Complainant**") filed a complaint before the Chief Judicial Magistrate, Murshidabad against Rajeev Jain, the managing director of Bajaj Finance Limited and others alleging offences under Sections 34, 406, 420, 468 and 506 of the IPC. The Complainant alleged, *inter alia*, that Bajaj Finance Limited's employees cheated and forged the Complainant's signature and embezzled the loan instalments paid in connection with a loan availed from the Company. The matter is currently pending.

7. Vivek Sagar ("**Complainant**") filed an FIR with the Cyber Police Station, Jammu ("**Police Station**") against Bajaj Finance Limited, Rajeev Jain and certain others, alleging offences, in the nature of, *inter alia*, extortion and cheating in connection with a loan availed from Bajaj Finance Limited under Section 420 of the IPC and Section 66-D of the Information Technology Act, 2000. The Complainant had initially approached the Special Railway Magistrate, Jammu ("**Magistrate**") who by way of an order dismissed the complaint ("**Order**") Aggrieved by the Order, the Complainant approached the High Court of Jammu and Kashmir, which by way of an order, directed the Police Station to register the FIR. The matter is currently pending.

8. Nafisa Khatoon ("**Complainant**") filed a first information report ("**FIR**") with Beniapukur Police Station under Sections 506 and 509 of the IPC against a collection agent of Bajaj Finserv Limited in connection with a loan disbursed by our Company. The Complainant alleged that the collection agent of Bajaj Finserv Limited threatened her and outraged her modesty in relation to the repayment of a loan availed by her from the Company. While the proceedings have been initiated against Bajaj Finserv Limited, the loan was disbursed by the Company. The matter is currently pending and the same is pending for investigation.

9. Gayatri Devi ("**Complainant**") filed an FIR with Kotwali Police Station against Bajaj Finance Limited under Sections 420, 467, 468 and 471 of the IPC. The Complainant alleged that Bajaj Finance Limited fraudulently utilised her KYC documents and forged her signature to disburse a loan to an unknow person causing monetary loss to the Complainant. The matter is currently pending.

10. Dildar ("**Complainant**") filed an FIR with the Masuri Police Station, Ghaziabad by means of an application under Section 156(3) of the CrPC against Bajaj Finance Limited and others under Sections 406, 420, 467, 468 and 471 of the IPC. The Complainant alleged that his KYC documents and signature were fraudulently used by Bajaj Finance Limited to disburse a loan in his name. The Complainant alleged that the loan amount was disbursed to an educational service provider who had approached the Complainant in connection with an online educational course for the Complainant's son. The matter is currently pending for investigation.

11. Nitin Kataria ("**Complainant**") filed a complaint with the Station House Officer, Gurugram against Bajaj Finance Limited, Rajeev Jain, Rajivnayan Bajaj, Balaji Rao Jagannathrao Doveton, Dr. Naushad Darius Forbes, Anami Narayan Roy and others in connection with a loan availed from Bajaj Finance Limited. The Complainant alleged, *inter alia*, that Bajaj Finance Limited's employees dishonestly induced him to enter into a loan agreement. Further, the Complainant accused Bajaj Finance Limited of forging the Complainant's signature and fabricating loan documents. Subsequently, the Complainant filed a complaint before the Deputy Commissioner of Police, Gurugram. Due to inaction by the authorities, the Complainant filed a complaint under Section 200 of the CrPC along with an application ("**Application**") under Section 156(3) before the Chief Judicial Magistrate, Gurugram ("**CJM**"). The CJM dismissed the Application on the grounds that the allegations could not be proved. Aggrieved by the order of the CJM, the Complainant filed a revision petition before Court of the District and Sessions Judge, Gurugram, Haryana. The matter is currently pending.

12. G M Naveen ("**Complainant**") filed an FIR with the Harihara Police Station against Bajaj Finance Limited and certain employees under, *inter alia*, Sections 406, 409, 420, 468 and 120-B of the IPC. The Complainant alleged that our employees colluded with a third party bank and used his KYC documents without his consent to avail a loan in his name from Bajaj Finance Limited. The police filed its final report in the matter opining that there was no strong evidence to prove the allegations. Aggrieved by the final report, the Complainant filed a protest petition in the Court of the 1st Additional Civil Judge and Judicial Magistrate, Harihara. A stay has been granted by the court. The matter is currently pending.

13. Mahipal Singh ("**Complainant**") filed a complaint before the Chief Judicial Magistrate, Baghpat against Rajeev Jain, the managing director of Bajaj Finance Limited and Bajaj Finance Limited ("**Accused**") for defamation, caused by the acts of the Accused in relation to finance availed from Bajaj Finance Limited for the purchase of a vehicle. The matter has been stayed by the High Court, Allahabad. The matter is currently pending.

14. Naveen Kumar Chaubey ("**Complainant**") filed a criminal revision application against Bajaj Finance Limited and its managing director and chairman, alleging *inter alia* that he had availed a loan from Bajaj Finance Limited for the purchase of a three-wheeler vehicle. However, due to the COVID-19 lock down, he could not pay certain instalments in the month of February 2023. Pursuant to a default on the loan, his vehicle was re-possessed. The Complainant filed a police complaint against Bajaj Finance Limited, which was not registered as an FIR. Hence, the Complainant filed a petition under Section 156(3) of the CrPC before the Chief Judicial Magistrate, Varanasi, which was subsequently dismissed. Against this dismissal, the Complainant has filed a criminal revision application before the District Judge, Varanasi. The matter is currently pending.

15. Deepankar Khastagir ("**Complainant**") has filed an application under section 107 of the IPC against Bajaj Finance Limited wherein he has alleged that he has availed a personal loan of ₹ 75,000/-. The Complainant was regularly paying the EMIs and there stands no dues as against the said loan account. However, the Complainant was subjected to follow up calls with respect to the payment of EMIs following which he has filed a complaint against Bajja Finance Limited. The matter is currenlty pending.

16. Deen Bandhu Prasad ("**Complainant**") has filed a complaint under section 156 (3) of the CrPC before the CMM, South Saket against Bajaj Finance Limited, Sanjiv Bajaj, Rajeev Jain and one employee named as Prince Vikramjeet. In the said complaint he has alleged that he has been charged with various charges which were never informed to him. He has also disputed that signature on the loan documents. The police is investigating the matter. The matter is currently pending.

17. Sangishetty Babu ("**Complainant**") filed a petition in the court of IX Additional Chief Metropolitan Magistrate against Sanjivnayan Bajaj, Bajaj Finserv Limited and others under Sections 34, 384, 418 and 420 of the IPC and 156(3) of the CrPC. In the said petition he has alleged that he had purchased electronics by availing a loan from Bajaj Finserv Limited. He has also alleged that he has received threatening calls asking him to make payments towards his outstanding EMI and imposed a penalty forcefully on him. A quashing petition is filed before the High Court of Andhra Pradesh ("**High Court**") which was disposed of by the High Court, directing the police to submit an investigation report before the Chief Metropolitan Magistrate, Hyderabad. An investigation report was submitted before the Chief Metropolitan Magistrate, Hyderabad stating that the dispute was civil in nature. The matter is currently pending.

18. Pramod Mahto Urf Bholi Mahto ("**Complainant**") has filed a complaint against Bajaj Finance Limited before the Chief Judicial Magistrate, Muzaffarpur under Sections 406, 420, 323, 504, 384 and 120(B) of the IPC, alleging that his vehicle is illegally repossessed though he has paid towards settlement of his liability. The complaint has also been filed against Rahulkumar Bajaj and Sanjivnayan Bajaj and nine others. The matter has been settled and is pending for filing of a withdrawal application.

19. Umarani ("**Complainant**"), initiated legal actions against the employees of our Company by filing an FIR alleging harassment, forgery, cheating, and other offenses at the time of the execution of Section 14 of the SARFAESI Act. The chargesheet resulting from this FIR named one of our Company's employees as an accused. Subsequently, the borrower, Umarani, filed a writ petition before the Karnataka High Court seeking a stay on the chargesheet and requesting a fresh inquiry to include more individuals from the company in the accusations. In parallel, the Complainant filed a Private Complaint Report based on the same facts, resulting in another FIR being registered to implicate senior management in the alleged criminal actions. This additional FIR is currently under investigation. In response, Bajaj Finance Limited has filed a petition for quashing the said FIR before the Karnataka High Court, arguing against the validity and necessity of the multiple FIRs and the extended investigation into senior management based on the same set of facts. The matter is currently pending.

20. Shantanu Bhattacharya has challenged the proceedings under sections 420 and 406 of IPC initiated by Bajaj Finance Limited. This matter is at the stage of adjudication and is currently pending.

21. Various persons have filed 14 cases challenging the proceedings filed under Section 138 of NI Act and section 200 of IPC by the Bajaj Finance Limited. These matters are at different stages of adjudication and are currently pending.

22. Two customers namely Firdouse Khatoon and S Alamelu have filed the complaints against the Bajaj Finance Limited in relation to fraud committed by third parties. These matters are at different stages of adjudication and are currently pending.

23. Various customers have filed 11 cases and complaints before the various courts and authorities alleging misbehaviour by the officers of Bajaj Finance Limited. These matters are at different stages of adjudication and are currently pending.

Outstanding Statutory or Regulatory Proceedings

Nil

Material Civil Litigation

1. Sundeep Polymers Private Limited ("**SPP**L"), a vendor of the Bajaj Auto Limited, supplying plastic moulded components, filed a suit before the Civil Judge, Senior Division, Nagpur against our Company, Bajaj Auto Limited, Rajivnayan Bajaj and three other defendants claiming amongst other things a compensation of ₹ 796.4 million for alleged wrongful termination of a 'life-time contract' for supply of components and on some other counts. Subsequently, through an amendment, SPPL added ₹ 290.6 million as an additional claim amount. Further, in the affidavit of examination in chief dated October 7, 2013, SPPL increased its claim to

₹ 20,822.7 million. However, in one of SPPL's creditors' suit, SPPL has been ordered to be wound up and SPPL is under liquidation. The case is now transferred to the Company Court, High Court of Bombay from the District Court of Nagpur. The matter is currently pending.

2. Seetha Kumari ("**Customer**") had initially availed a loan against securities facility of ₹100.0 million on July 18, 2015, which was subsequently enhanced to ₹200.0 million on May 2, 2019. The said loan against securities were secured by pledge of shares of Hinduja Global Solutions Ltd. and Jindal Polyfilms Ltd. The Customer also pledged shares of Universus Photo Imaging Ltd. which were not part of the Group 1 securities and hence was not considered for the purpose of calculation of security cover/margin money. In March 2020, the shares of HGS were moved into additional surveillance mechanism category by the Stock Exchanges, as a result of which, the said shares were removed from the list of approved securities by Bajaj Finance Limited. Shortfall notices were issued to the Customer on March 18, 2020 in line with the agreed terms and conditions. Since the Customer did not replenish the securities within the stipulated time frame, a portion of the available stocks were sold on March 25, 2020. On the same day, client had also remitted a sum of ₹2.8 million and another sum of ₹1.9 million on March 27, 2020 in their loan account. Considering that the loan account was still not regularized, a loan recall notice was sent by Bajaj Finance Limited on March 27, 2020. Several correspondences were exchanged between Bajaj Finance Limited and the Customer during the subsequent two months during which period Customer also made some payments. Despite several assurances, the Customer failed to repay the outstanding amounts, as a result of which Bajaj Finance Limited issued a final notice on July 8, 2020 demanding payment of outstanding amounts. Since clients failed to pay the outstanding amounts, Bajaj Finance Limited enforced the pledged securities and sold shares valued at ₹53.1 million on July 9, 2020 and ₹55.29 crore on July 10, 2020, post which the loan was finally closed by the Customer on July 13, 2020 by paying the balance outstanding amount on ₹ 19.0 million. In December 2020, the Customer sent a notice invoking arbitration alleging wrongful sale of shares by Bajaj Finance Limited. The arbitration proceedings commenced in March 2022 which was vehemently defended by Bajaj Finance Limited. The learned Sole Arbitrator passed an Award dated February 20, 2024 against Bajaj Finance Limited. Bajaj Finance Limited has filed an appeal before the Delhi High Court under section 34 of the Arbitration & Conciliation Act and the matter is stayed. The matter is currently pending.

Material tax proceedings

1. The Additional Director General, Directorate General of Central Excise Intelligence, Mumbai ("**Department**") issued show cause cum demand notice and statement of demand dated October 20, 2015 and December 22, 2016, respectively, ("**Notices**") to Bajaj Finance Limited. Bajaj Finance Limited had entered into agreements with various manufacturers and dealers, including with Bajaj Auto Limited, for offering finance schemes to the customers, for purchase of products from the manufacturers and dealers, at interest free loans or subsidised interest rates. The Department alleged that the interest subsidy received by Bajaj Finance Limited from such manufacturers and dealers is not an interest amount but a consideration for sales promotion and therefore, is liable for service tax under the provisions of the Finance Act, 1994. Accordingly, the Department demanded payment of service tax of ₹ 3,099.7 million and ₹ 3,346.8 million, on the interest subsidy for the period from April 2010 to March 2015 and April 2015 to September 2016, respectively. The Principal Commissioner of Service Tax Commissionerate, Pune ("**CCE**") pursuant to order dated March 31, 2017 ("**CCE Order**") confirmed the amount of service tax proposed in the Notices and also imposed a total penalty of ₹ 1,989.4 million. Bajaj Finance Limited filed an appeal dated July 6, 2017 before the CESTAT against the CCE Order. Subsequently, the Principal Commissioner of Central Excise and Central Goods and Service Tax, Pune-I Commissionerate ("**Principal Commissioner**") issued a statement of demand ("**SOD**") dated September 9, 2019, demanding the payment of service tax on the interest subsidies collected from October, 2016 to June 2017 amounting to ₹ 2,172.2 million and called upon our Company to show cause as to why interest and penalty should not be imposed on our Company. The CCE also demanded payment of interest at appropriate rate on the service tax demanded until the date our Company pays the service tax demanded under the provisions of Section 75 of the Finance Act, 1994. Our Company submitted its detailed responses to the impugned SOD. Subsequently, the Principal Commissioner, by means of an order dated February 1, 2021 confirmed the demand of service tax of ₹ 2,172.2 million and penalty thereon of ₹ 217.2 million. The Principal Commissioner also demanded payment of interest on the service tax confirmed until the date of actual payment. Aggrieved by the order of the Principal Commissioner, our Company filed an appeal on June 14, 2021 before the Customs, Excise and Service Tax Appellate Tribunal, Mumbai ("**CESTAT**") against the order of the Principal Commissioner. The service tax demanded along with interest and penalty as on June 7, 2024 amounted to ₹ 23,177.2 million. The matter is currently pending.

2. The Commissioner, CGST, Audit-I Commissionerate ("**Department**") issued a show cause cum demand notice dated June 24, 2020 ("**Notice**") to Bajaj Finance Limited. As a part of liquidity management and as per RBI regulations, Bajaj Finance Limited made an investment and/or redeemed various securities, shares and bonds. Such investment and/or redemption was considered 'trading in securities' and was accordingly exempt under the erstwhile service tax laws. The Department alleged that Bajaj Finance Limited was liable to make an additional reversal of CENVAT credit on 'trading in securities' activity in accordance with Rule

6(3) of the Cenvat Credit Rules, 2004, irrespective of the fact that Bajaj Finance Limited was reversing CENVAT credit by following Rule 6(3B) of Cenvat Credit Rules, 2004. Bajaj Finance Limited has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal, Mumbai ("**CESTAT**") in this regard. The service tax demanded along with interest and penalty as on June 07, 2024 amounted to ₹ 6,073.2 million. The matter is currently pending.

Disciplinary actions by SEBI or Stock Exchanges against Bajaj Finance Limited in the last five financial years

1. During Financial Year 2023, a fine of ₹50,000.0 was levied by BSE for delayed intimation of payment of interest and principal in respect of four ISINs of privately placed non-convertible debentures. The aforementioned intimations pertain to June 2021, November 2021 and September 2022. Bajaj Finance Limited had paid the requisite fine.

Litigation by Bajaj Finance Limited

Criminal Proceedings

1. As on May 16, 2024, there are 41,664 criminal complaints filed by Bajaj Finance Limited aggregating to ₹ 5609.41 million before various forums in relation to, *inter alia*, dishonour of cheques and electronic funds transfer under Section 138 of the Negotiable Instruments Act, 1881 and Section 25 of the Payment and Settlement Systems Act, 2007. The matters are at different stages of adjudication and are currently pending.

2. As on May 16, 2024, Bajaj Finance Limited has filed 5,322 complaints against customers before various forums in relation to, inter alia, non-payment of instalments in relation to loans availed by the customers under, inter alia, Sections 406, 420, 403, of the IPC. The matters are at various stages of adjudication and are currently pending.

Material Civil Litigation

1. In the ordinary course of business as a finance company, Bajaj Finance Limited from time to time initiates recovery proceedings under various provisions of the SARFAESI Act and rules thereunder including the Security Interest (Enforcement) Rules, 2002, each as amended, before various courts, tribunals and judicial fora in relation to recovery of dues against our customers and other persons in connection with non-repayment of dues. Bajaj Finance Limited has initiated 70 such proceedings, for inter alia seeking directions to take physical possession of the property and to exercise its right over mortgaged property. These matters are currently pending at different stages of adjudication before various fora. The aggregate amount involved in these matters is ₹ 229.4 million.

Material tax litigation

Nil

2. **Bajaj Finserv Limited**

Litigation against Bajaj Finserv Limited

Criminal proceedings

For details in relation to other criminal litigation involving Bajaj Finserv Limited, see "*- Litigation involving our Company - Outstanding Litigation against our Company – Criminal proceedings*" on page 383 and "*- Litigation involving our Promoters – Bajaj Finance Limited - Litigation against Bajaj Finance Limited – Criminal proceedings*" on page 387.

Outstanding Statutory or Regulatory Proceedings

Nil

Material Civil Litigation

Nil

Material tax proceedings

Nil

Disciplinary actions by SEBI or Stock Exchanges against Bajaj Finserv Limited in the last five financial years

Nil

Litigation by Bajaj Finserv Limited

Criminal Proceedings

Nil

Material civil litigation

Nil

Material tax litigation

Nil

Litigation involving our Directors

Litigation against Directors

Criminal proceedings

I. Sanjivnayan Bajaj

For details in relation to other criminal litigation involving Sanjivnayan Bajaj, see "- *Litigation involving our Promoters – Bajaj Finance Limited – Litigation against Bajaj Finance Limited – Criminal Proceedings"* on page 387, *"- Litigation involving our Promoters – Bajaj Finserv Limited – Litigation against Bajaj Finserv Limited – Criminal Proceedings"* on page 392 and *"- Litigation involving our Company - Outstanding Litigation against our Company – Criminal proceedings"* on page 383.

II. Rajeev Jain

For details in relation to the criminal litigation involving Rajeev Jain, see "- *Litigation involving our Promoters – Bajaj Finance Limited – Litigation against Bajaj Finance Limited – Criminal Proceedings*" on page 387 and "- *Litigation involving our Company - Outstanding Litigation against our Company – Criminal proceedings*" on page 383.

III. Anami Narayan Roy

For details in relation to the criminal litigation involving Anami Narayan Roy, see "- *Litigation involving our Promoters – Bajaj Finance Limited – Litigation against Bajaj Finance Limited – Criminal Proceedings*" on page 387.

Outstanding Statutory or Regulatory Proceedings

Nil

Material Civil Litigation

Nil

Litigation by our Directors

Criminal Proceedings

Nil

Material Civil Litigation

Nil

Litigation involving our Group Companies

Nil

Claims related to Direct and Indirect Taxes

Except as disclosed below, there are no proceedings related to direct and/ or indirect taxes pending against our Company, Promoters and Directors:

Nature of Case	Number of Cases	Amount involved (*in ₹ million*)
Our Company		

Nature of Case	Number of Cases	Amount involved (*in ₹ million*)
Direct Tax	4	143.7
Indirect Tax	6	39.8
Our Promoters		
Direct Tax	38	164.6
Indirect Tax	32	16,110.7
Our Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Outstanding dues to creditors

In terms of the Materiality Policy, creditors of our Company to whom an amount exceeding 5% of the total trade payables as of March 31, 2024, based on the Restated Financial Information of our Company was outstanding, shall be considered 'material' creditors. The total trade payables of our Company as of March 31, 2024, were ₹576.1 million and accordingly, creditors to whom outstanding dues as of March 31, 2024, exceed ₹28.8 million have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus. Details of outstanding overdues to our material creditors, along with the names and amounts involved for each such material creditor, are available on the website of our Company at https://www.bajajhousingfinance.in/offer-documents.

Based on the Materiality Policy, details of outstanding dues owed as of March 31, 2024 by our Company, on a consolidated basis are set out below:

Type of creditors	Number of Creditors	Amount (in ₹ million)
Dues to micro, small and medium enterprises	NIL	NIL
Dues to Material Creditors	NIL	NIL
Dues to other creditors	1,424	576.1
Total	1,424	576.1

Material Developments

Except as disclosed in this Draft Red Herring Prospectus, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our trading or profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments after March 31, 2024 that may affect our future results of operations*" on page 377.

GOVERNMENT AND OTHER APPROVALS

Our Company requires various approvals, licenses, registrations, and permits issued by relevant governmental and regulatory authorities under various rules and regulations to carry out our present business activities and to undertake the Offer. Set out below is an indicative list of all material approvals, licenses, registrations, and permits obtained by our Company, which are material and necessary for undertaking our business, and except as mentioned below, no further material approvals are required to carry on our present business activities. Certain of our key 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, as necessary. For further details, in connection with the applicable regulatory and legal framework within which we operate, see "Risk Factors" and "Key Regulations and Policies" on pages 33 and 216, respectively.

I. Material approvals in relation to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures*" on page 398.

II. Material approvals in relation to our Company

We require various approvals to carry on our business in India. We have received the following material government and other approvals pertaining to our business.

A. *Material approvals in relation to incorporation*

(i) Certificate of incorporation dated June 13, 2008, issued by the RoC to our Company, under the name 'Bajaj Financial Solutions Limited'.

(ii) Certificate for commencement of business dated September 24, 2008 by the RoC.

(iii) Certificate of incorporation dated November 14, 2014, issued by the Assistant Registrar of Companies, Pune to our Company, consequent upon change of name from 'Bajaj Financial Solutions Limited' to 'Bajaj Housing Finance Limited'.

B. *Material approvals in relation to our business*

The material approvals in relation to the business operations of our Company are set forth below:

(i) Certificate of registration dated September 24, 2015 granted by the NHB, bearing registration number 09.0127.15 pursuant to which our Company is allowed to commence/carry on the business of a housing finance institution without accepting public deposits.

(ii) 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.

(iii) Legal Entity Identifier registration number 335800SMB1SBAU9WHJ26 from Legal Entity Identifier India Limited renewed on March 13, 2024.

(iv) Registration with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India ("**CERSAI**") for registration of security interest, bearing registration number F0205.

(v) Registration with the Central Know Your Customer Registry under Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI), bearing registration code IN3251.

(vi) Registration as a corporate agent bearing registration number CA0885 issued by the Insurance Regulatory and Development Authority of India dated December 23, 2023 under Section 42D of the Insurance Act, 1938 effective from December 22, 2023.

(vii) Registration for information utility services from National e-Governance Services Limited through agreement dated September 06, 2019.

C. *Approval from Taxation Authorities*

(i) The permanent account number of our Company is AADCB6018P.

(ii) The tax deduction account number of our Company is PNEB06586G.

(iii) Our Company has obtained goods and services tax registrations under the Central Goods and Service Tax Act, 2017, in relation to certain of our branches and regional offices for our business operations in the following states:

Sr. No.	State	GSTIN
1.	Andhra Pradesh	37AADCB6018P1ZC
2.	Assam	18AADCB6018P1ZC
3.	Bihar	10AADCB6018P2ZR
4.	Chhattisgarh	22AADCB6018P1ZN
5.	Delhi	07AADCB6018P1ZF
6.	Goa	30AADCB6018P1ZQ
7.	Gujarat	24AADCB6018P1ZJ
8.	Haryana	04AADCB6018P1ZL
9.	Karnataka	29AADCB6018P1Z9
10.	Kerala	32AADCB6018P1ZM
11.	Madhya Pradesh	23AADCB6018P1ZL
12.	Maharashtra	27AADCB6018P1ZD
13.	Odisha	21AADCB6018P2ZO
14.	Puducherry	34AADCB6018P1ZI
15.	Punjab	03AADCB6018P1ZN
16.	Rajasthan	08AADCB6018P1ZD
17.	Tamil Nadu	33AADCB6018P1ZK
18.	Telangana	36AADCB6018P1ZE
19.	Uttar Pradesh	09AADCB6018P1ZB
20.	Uttarakhand	05AADCB6018P1ZJ
21.	West Bengal	19AADCB6018P1ZA
22.	Jharkhand	20AADCB6018P2ZQ

(iv) Our Company been registered as an employer under sub-section (1) of section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 pursuant to registration number 27875219961P.

(v) Our Company has several branches in the abovementioned states falling under the respective professional tax legislations. Our Company has obtained or applied for the necessary licenses and approvals from the appropriate regulatory and governing authorities of its material branches in relation to such tax laws, to the extent applicable to each of such branches.

D. ***Labour and Commercial Approvals***

The material approvals in relation to the business operations of our Company are set forth below:

(i) 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.

(ii) We are required to intimate NHB before opening of new branches. We have made intimations for opening of new branches in accordance with applicable law.

(iii) Registration number PUPUN0304328000 issued by the Employees' Provident Fund Organisation, India under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 dated February 27, 2015.

(iv) Registration number 3000596940001099 issued by the Employees' State Insurance Corporation, India under the Employees State Insurance Act, 1948 effective from November 01, 2017, for the states where we carry our business operations, as applicable.

(v) Registration number 2331000710025087 issued to a principal employer by the Department of Labour, Government of Maharashtra under the Contract Labour (Regulation and Abolition) Act, 1970.

(vi) Registrations under the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 for its Registered Office pursuant to registration number 2031000314843676 and for its Corporate Office pursuant to registration number 2031000315554711.

(vii) Registrations from the state labour welfare boards for the states where we carry our business operations, as applicable.

III. Material approvals applied for but not received

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no material approvals which our Company has applied for, but which have not been received:

(i) Shops and establishment registrations for three of our branches in the states of Gujarat and Goa;
(ii) Professional tax registration in the union territory of Chandigarh; and
(iii) Registration of the opening of our branch in Patna on the NHB CRAMIS portal.
(iv) Registration for one of our branches in Delhi under the Contract Labour (Regulation & Abolition) Act,1970.

For further details, see *"Risk Factors – We may not be able to obtain, renew or maintain statutory and regulatory permits and approvals required to operate our business, which may materially and adversely affect our business, results of operations, cash flows and financial condition"* on page 53.

IV. Material approvals expired and renewal to be applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals of our Company that have expired, and for which renewal is to be applied for.

V. Material approvals required but not obtained or applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals which our Company was required to obtain but which has not been obtained or been applied for.

VI. Intellectual Property

For details, see "*Our Business – Intellectual Property*" on page 214 and for risks associated with our intellectual property, see "*Risk Factors – We conduct our operations under the "Bajaj Finserv" brand and have a license to use that brand name and certain other trademarks. If we fail to successfully enforce our intellectual property rights or are unable to renew our intellectual property licence agreements, our business, results of operations, cash flows and financial condition could be adversely affected."* on page 43.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Fresh Issue

The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on June 6, 2024 and our Shareholders have authorized the Fresh Issue pursuant to a special resolution passed at their meeting held on June 6, 2024.

This Draft Red Herring Prospectus has been approved by our Board pursuant to its resolution dated June 7, 2024.

Authorisation for the Offer for Sale

The Promoter Selling Shareholder has confirmed and authorized its participation in the Offer for Sale in relation to the Offered Shares, as set out below:

Name of the Selling Shareholder	Aggregate amount of Offer for Sale	Date of board resolution/ authorization	Date of consent letter
Bajaj Finance Limited	Up to ₹30,000.0 million	June 7, 2024	June 7, 2024

Our Board has taken on record the approval/ consent for the Offer for Sale by the Promoter Selling Shareholder, pursuant to a resolution passed at its meeting held on June 7, 2024. For details, see *"The Offer"* beginning on page 68.

The Promoter Selling Shareholder confirms that the Equity Shares offered by it as part of the Offer for Sale have been held in compliance with Regulation 8 of the SEBI ICDR Regulations, and it has held the Offered Shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus.

Para 45.2 of the RBI Master Directions – HFC, requires that 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, requires a prior written approval from the RBI. We confirm that as on the date of this Draft Red Herring Prospectus, the requirement to procure such written approval from the RBI does not arise for our Company, pursuant to the Offer.

Pursuant to its letter dated April 5, 2024, the NHB in its capacity as a lender to our Company, granted its no-objection to the dilution of shareholding of one of our Promoters, Bajaj Finance Limited in our Company by up to 20% through *inter alia* a capital raise through external investors, subject to the following conditions: (a) such capital raise would be made in strict adherence to the terms and conditions and clauses approved/ stipulated by our Board; (b) such capital raise shall not be in violation of any of the covenants or restrictions imposed under agreements entered into between NHB and our Company; (c) our Company shall continue to be bound by the terms of the aforementioned agreements and the provisions, among others, of Section 16B of the National Housing Bank Act, 1987; (d) such capital raise being in compliance with RBI guidelines, the Companies Act, 2013, guidelines issued by SEBI and any other applicable laws and regulations, court orders or any regulatory or statutory requirements; and (e) our Company providing complete details of the capital raise to NHB within 15 working days.

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 dated [●] and [●], respectively.

Prohibition by SEBI, the RBI or other Governmental Authorities

None of our Company, Promoters (including the Promoter Selling Shareholder), members of our Promoter Group, Directors, the persons in control of our Company and the persons in control of our Promoter are prohibited 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.

None of the companies with which our Promoter and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Company, Promoters or Directors have been declared as Wilful Defaulters or Fraudulent Borrowers.

None of our Promoters or Directors have been declared as Fugitive Economic Offenders.

Directors associated with the Securities Market

Except for Sanjivnayan Bajaj, who serves as a director on the board of directors of Bajaj Finserv Asset Management Company Limited, registered as an asset management company with SEBI and Jasmine Arish Chaney, who is serving as a director on the board of directors of (i) Bajaj Financial Securities Limited, registered as a stockbroker with the Stock Exchanges, clearing member with the Indian Clearing Corporation Limited, depository participant with CDSL and NSDL and as a research analyst with SEBI, and (ii) Bajaj Finserv Direct Limited, registered as an investment advisor with SEBI, no Director is associated with securities market related business, in any manner. There have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018.

Each of our Company, Promoters (including the Promoter Selling Shareholder) and members of our Promoter Group, severally and not jointly, confirms that it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable to it, as on the date of this Draft 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.

Our Company is eligible for the Offer in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

1. Our Company has net tangible assets of at least ₹30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

2. Our Company has an average operating profit of at least ₹150 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

3. 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 basis; and

4. Our Company has not changed its name in the last one year prior to the date of this Draft Red Herring Prospectus.

The computation of net tangible assets, operating profit, net worth, monetary assets, as restated and derived from the Restated Financial Information, as at and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, is set forth below:

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Net Tangible Assets (A) (₹ in million)	1,18,696.3	1,02,143.4	64,697.6
Pre-tax operating Profit (B) (₹ in million)	21,613.2	17,000.6	9,598.6
Net Worth (C) (₹ in million)	1,22,335.0	1,05,031.9	67,413.6
Total Monetary Assets, as restated (D) (₹ in million)	640.1	1,088.7	4,071.7
Percentage of monetary assets to restated net tangible assets (E)=(D)/(A) (in %)	0.5%	1.1%	6.3%

Notes:

(1) Net tangible assets means the sum of all net assets of the issuer, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38 issued by the Institute of Chartered Accountants of India.

(2) Monetary assets means the aggregate of cash and cash equivalent and balance with banks including other bank balances and interest accrued thereon.

(3) Operating profit means total Income less total expenses before taxes.

(4) Net worth represents the total equity which comprises of equity share capital and other equity.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

5. Our Company, our Promoters (including the Promoter Selling Shareholder), members of our Promoter Group and our Directors are not debarred from accessing the capital markets by SEBI;

6. The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

7. Neither our Company, nor our Promoters or Directors is a Wilful Defaulter;

8. None of our Promoters or Directors has been declared as a Fugitive Economic Offender;

9. Except for Equity Shares that may be allotted pursuant to the conversion of vested employee stock options granted pursuant to the ESOP 2024, there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares as on the date of filing

of this Draft Red Herring Prospectus, see *"Capital Structure – Employee Stock Option Schemes of our Company*" on page 91;

10. Our Company has entered into tripartite agreements with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;

11. The Equity Shares held by our Promoters are in dematerialised form;

12. 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 Draft Red Herring Prospectus; and

13. 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.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

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 Draft Red Herring Prospectus and accordingly it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

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 Bidders 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 THIS 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 THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, BOFA SECURITIES INDIA LIMITED, AXIS CAPITAL LIMITED, GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED, SBI CAPITAL MARKETS LIMITED, JM FINANCIAL LIMITED AND IIFL SECURITIES LIMITED ("BRLMS"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. 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 THIS DRAFT RED HERRING PROSPECTUS AND THE PROMOTER SELLING SHAREHOLDER IS RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR ITS OFFERED SHARES, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 7, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS 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 PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. 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, 2013.

Disclaimer from our Company, our Directors, the Promoter Selling Shareholder and all BRLMs

Our Company, our Directors, the Promoter Selling Shareholder and the BRLMs accept no responsibility for statements made otherwise than in this Draft 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 www.bajajhousingfinance.in, or the respective websites of our Promoter, members of our Promoter Group, any affiliate of our Company would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company 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 Bank 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 Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

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, our Promoters (including the Promoter Selling Shareholder), members of the Promoter Group, and 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 our Company, our Promoters (including the Promoter Selling Shareholder), their respective 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 from the Promoter Selling Shareholder

The Promoter Selling Shareholder, its directors, affiliates, associates, and officers accept no responsibility for any statements made in this Draft Red Herring Prospectus other than those specifically made or confirmed by the Promoter Selling Shareholder in relation to itself and in relation to the Offered Shares.

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 shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, public financial institutions as specified in Section 2(72) of the Companies Act, insurance companies registered with IRDAI, 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 that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft 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 Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra, India only. This Draft Red Herring Prospectus does 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 the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

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 this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft 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 Draft 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 offered in the Offer have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold within the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act (referred to in this Draft Red Herring Prospectus as "**U.S. QIBs**"). The Equity Shares are being offered and sold 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 jurisdictions where those offers and sales occur.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior filing with the RoC.

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 the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] shall be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

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 the 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 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.

If our Company does not allot Equity Shares pursuant to the Offer within three Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate as may be prescribed by the SEBI.

Consents

Consents in writing of each of the Promoter Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, Legal Advisors to the Company, Bankers to our Company, the BRLMs, Joint Statutory Auditors, the Registrar to the Offer, CRISIL and independent chartered accountant, to act in each of their respective capacities, have been obtained; and consents in writing of the Syndicate Members, Monitoring Agency, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Banks to act in their respective capacities, will be obtained and filed along with a copy of the 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 the 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 consents each dated June 7, 2024 from the G.D. Apte & Co. Chartered Accountants (having Firm Registration Number: 100515W) and Khandelwal Jain & Co. Chartered Accountants (having Firm Registration Number: 105049W) respectively, who hold valid peer review certificates from ICAI to include their names as required under Section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their (i) examination report dated June 7, 2024 on our Restated Financial Statements; and (ii) report dated June 7, 2024 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated June 7, 2024 from S K Patodia & Associates LLP, Chartered Accountants (having Firm Registration Number: 112723W/W100962), holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, as an 'expert' as defined under Section 2(38) of Companies Act in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company and such consent has not been withdrawn as on the date of this Draft 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 capital issues by our Company and listed group companies during the last three years

a. Other than as disclosed in "*Capital Structure*" on page 83, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

b. Except for Bajaj Auto Limited, which made a primary issue of its equity shares in the last year, none of our listed Group Companies have many any capital issues during the last three years. Details of such issue by Bajaj Auto Limited are as set forth below:

Information	Details
Year of issue	2023
Type of issue (Public/Rights/Composite)	Primary issue of equity shares to Bajaj Auto ESOP Trust
Amount of issue (in ₹)	465,490,272 399,823,756
Issue price (in ₹)	3,889.75 3,892.10
Current market price (in ₹) (closing price as on 05 June 2024)	9,602.25
Date of closure of issue	Not applicable
Date of allotment and credit of securities to dematerialized account of investors	Not applicable
Date of completion of the project, where object of the issue was financing the project	Not applicable
Rate of dividend paid	Not applicable

c. As of the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary or associates.

Commission and Brokerage paid on previous issues of the Equity Shares 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.

Performance vis-à-vis objects – Public/ rights issue of our Company

Except as disclosed in "*Capital Structure*" on page 83, our Company has not undertaken any public issue or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

Our Company does not have any subsidiaries.

Observations by regulatory authorities

Except as disclosed in *"Risk Factors – We are subject to periodic inspections by the National Housing Bank. Non-compliance with observations made during any such inspections could result in penalties and fines, and could adversely affect our reputation, business, financial condition, results of operations and cash flows"* on page 38 and elsewhere in this Draft Red Herring Prospectus, there are no findings or observations pursuant to any inspections by SEBI, RBI, NHB or any other regulatory authority in India which are material and are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer:

Price information of past issues handled by the BRLMs

Kotak Mahindra Capital Company Limited

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited

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.	Aadhar Housing Finance Limited	30,000.00	315[1]	May 15,2024	315	Not applicable	Not applicable	Not applicable
2.	Indegene Limited	18,417.59	452[2]	May 13,2024	655	Not applicable	Not applicable	Not applicable
3.	India Shelter Finance Corporation Limited	12,000.00	493	December 20, 2023	620.00	+17.64%, [1.48%]	+10.50%, [+4.28%]	Not Applicable
4.	Honasa Consumer Limited	17,014.40	324[3]	November 7, 2023	330.00	+17.58%, [+7.89%]	+34.77%, [+12.61%]	+29.68%, [+15.81%]
5.	Cello World Limited	19,000	648[4]	November 6, 2023	829.00	+21.92%, [+7.44%]	+32.99%, [+12.58%]	+40.57%, [+15.78%]
6.	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%]
7.	JSW Infrastructure Limited	28,000.00	119	October 3, 2023	143.00	+41.34%, [-2.93%]	+75.04%, [+10.27%]	+106.30%, [+12.42%]
8.	Signatureglobal (India) Limited	7,300.00	385	September 27, 2023	444.00	+35.79%, [-4.36%]	+112.43%, [+8.28%]	+244.65%, [+12.07%]
9.	SAMHI Hotels Limited	13,701.00	126	September 22, 2023	130.55	+15.16%, [-0.93%]	+ 27.94%, [+ 6.81%]	+62.98%, [+9.09%]
10.	Concord Biotech Limited	15,505.21	741[5]	August 18, 2023	900.05	+36.82%, [+4.57%]	+ 83.91%, [+ 1.89%]	+88.78%, [+12.60%]

Source: www.nseindia.com; www.bseindia.com

Notes:

1. *In Aadhar Housing Finance Limited, the issue price to eligible employees was ₹ 292 after a discount of ₹ 23 per equity share.*
2. *In Indegene Limited, the issue price to eligible employees was ₹ 422 after a discount of ₹ 30 per equity share.*
3. *In Honasa Consumer Limited, the issue price to eligible employees was ₹ 294 after a discount of ₹ 30 per equity share.*
4. *In Cello World Limited, the issue price to eligible employees was ₹ 587 after a discount of ₹ 61 per equity share.*
5. *In Concord Biotech Limited, the issue price to eligible employees was ₹ 671 after a discount of ₹ 70 per equity share.*
6. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
7. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
8. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.*
9. *Restricted to last 10 equity initial public issues.*

Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2024-25	2	48,417.59	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	11	179,436.83	-	-	-	2	4	5	-	-	-	7	2	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 Draft Red Herring Prospectus.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

BofA Securities India Limited

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BofA Securities India Limited:

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.	Tata Technologies Limited	30,425.14	500.00	November 30, 2023	1,199.95	+136.09%, [+7.84%]	+115.24%, [+9.12%]	+49.90%, [+11.63%]
2.	Delhivery Limited	52,350.00	487.00(8)	May 24, 2022	493.00	+3.49%, [-4.41%]	+17.00%, [+10.13%]	-27.99%, [+13.53%]
3.	Life Insurance Corporation of India	205,572.31	949.00(9)	May 17, 2022	867.20	-27.24%, [-3.27%]	-28.12%, [+9.47%]	+33.82%, [+13.76%]
4.	Campus Activewear Limited	13,996.00	292.00(10)	May 9, 2022	360.00	+11.92%, [+0.70%]	+41.71%, [+6.72%]	+91.04%, [+11.14%]
5.	Adani Wilmar Limited	36,000.00	230	February 8, 2022	227.00	+48.00%, [-5.34%]	+180.96%, [-4.95%]	+193.26%, [+0.76%]
6.	Star Health And Allied Insurance Company Limited	64,004.39	900	December 10, 2021	845.00	-14.78%, [1.72%]	-29.79%, [-6.66%]	-22.21%, [-6.25%]
7.	Sapphire Foods India Limited	20,732.53	1,180.00	November 18, 2021	1350.00	+3.69%, [-4.39%]	+20.78%, [-2.32%]	-7.85%, [-10.82%]
8.	FSN E-Commerce Ventures Limited	53,497.24	1,125.00	November 10, 2021	2018.00	+92.31%, [-2.78%]	+68.46%, [-4.46%]	+36.80%, [-8.91%]
9.	Aditya Birla Sun Life AMC Limited	27,682.56	712	October 11, 2021	715.00	-11.36%, [+0.55%]	-23.85%, [-0.74%]	-25.65%, [-0.90%]
10.	Glenmark Life Sciences Limited	15,136.00	720	August 6, 2021	751.10	-6.38%, [+7.10%]	-2.94%, [+10.12%]	-20.67%, [+8.45%]

Source: www.nseindia.com; www.bseindia.com; for price information and prospectus/ basis of allotment for issue details

Notes:

1. *Equity public issues in last 3 financial years considered.*
2. *Opening price information as disclosed on the website of NSE. For issuers, change in closing price over the issue/offer price as disclosed on designated stock exchange.*
3. *Designated Stock Exchange as disclosed by the respective issuer at the time of the issue considered as benchmark index and for disclosing the price information.*
4. *In case 30th day, 90th day or 180th day is not a trading day, closing price on NSE of previous trading day is considered.*
5. *30th listing day has been taken as listing date plus 29 calendar days.*
6. *90th listing day has been taken as listing date plus 89 calendar days.*
7. *180th listing day has been taken as listing date plus 179 calendar days.*
8. *In Delhivery Limited, the issue price to eligible employees was ₹ 462 after a discount of ₹ 25 per equity share.*
9. *In Life Insurance Corporation of India, the issue price to retail investors and eligible employees was ₹ 904 after a discount of ₹ 45 per equity share and the issue price to eligible policyholders was ₹ 889 after a discount of ₹ 60 per equity share.*
10. *In Campus Activewear Limited, the issue price to eligible employees was ₹ 265 after a discount of ₹ 27 per equity share.*

Above list is restricted to last 10 equity initial public issues.

Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BofA Securities India Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2023-24	0	-	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	1	30,425.14	-	-	-	1	-	-	-	-	-	-	1	-
2022-23	3	271,918.31	-	1	-	-	-	2	-	1	-	1	1	-

Notes:

1. *The information is as on the date of this Draft Red Herring Prospectus.*

2. Based on date of listing.
3. Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
4. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.*

Axis Capital Limited

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis Capital Limited

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.	Awfis Space Solutions Limited*(2)	5,989.25	383.00	May 30, 2024	435.00	-	-	-
2.	Go Digit General Insurance Limited(2)	26,146.46	272.00	May 23, 2024	286.00	-	-	-
3.	TBO Tek Limited(2)	15,508.09	920.00	May 15, 2024	1,426.00	-	-	-
4.	Bharti Hexacom Limited(1)	42,750.00	570.00	April 12, 2024	755.20	+58.25%, [-2.13%]	-	-
5.	Gopal Snacks Limited! (1)	6,500.00	401.00	March 14, 2024	350.00	-18.13%, [+1.57%]	-	-
6.	Jana Small Finance Bank Limited(1)	5,699.98	414.00	February 14, 2024	396.00	-5.23%, [+1.77%]	+50.70%, [+1.33%]	-
7.	Apeejay Surrendra Park Hotels Limited@(2)	9,200.00	155.00	February 12, 2024	186.00	+17.39%, [+3.33%]	+17.55%, [+2.03%]	-
8.	EPACK Durable Limited(1)	6,400.53	230.00	January 30, 2024	225.00	-19.96%, [+1.64%]	-9.76%, [+3.64%]	-
9.	Medi Assist Healthcare Services Limited(1)	11,715.77	418.00	January 23, 2024	465.00	+22.32%, [+3.20%]	+15.66%, [+3.86%]	-
10.	Azad Engineering Limited(1)	7,400.00	524.00	December 28, 2023	710.00	+29.06%, [-2.36%]	+153.72%, [+0.08%]	-

Source: www.nseindia.com and www.bseindia.com
(1)BSE as Designated Stock Exchange
(2)NSE as Designated Stock Exchange
** Offer Price was ₹ 347.00 per equity share to Eligible Employees*
! Offer Price was ₹ 363.00 per equity share to Eligible Employees
@ Offer Price was ₹ 148.00 per equity share to Eligible Employees
Notes:
1. *Issue Size derived from Prospectus/final post issue reports, as available.*
2. *The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
3. *Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.*

Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis Capital Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2024-2025*	4	90,393.80	-	-	-	1	-	-	-	-	-	-	-	-
2023-2024	18	218,638.22	-	-	4	2	6	6	-	-	1	5	1	2
2022-2023	11	279,285.39	-	1	6	-	2	2	-	2	5	-	3	1

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.
Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

Goldman Sachs (India) Securities Private Limited

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Goldman Sachs (India) Securities Private Limited

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.	TBO Tek Limited	15,508.09	920	May 15, 2024	1,419.00	NA	NA	NA
2.	Life Insurance Corporation of India[1]	205,572.31	949	May 17, 2022	872.00	-27.28%/[-3.49]%	-28.09%/[8.85%]	-33.86%/[12.86%]

Source: www.nseindia.com; www.bseindia.com

Notes:

1. Discount of ₹ 45 per equity share offered to eligible employees and retail individual bidders. Discount of ₹60 per equity share offered to eligible policyholders. All calculations are based on issue price of ₹949.00 per equity share.

2. All data sourced from www.nseindia.com

3. Benchmark index considered is NIFTY 50

4. 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 preceding trading day

Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Goldman Sachs (India) Securities Private Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2024-2025	1	15,508.09	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2023-2024	0	-	-	-	-	-	-	-	-	-	-	-	-	-
2022-2023	1	205,572.31	-	1	-	-	-	-	-	1	-	-	-	-

Notes:

a. *The information is as on the date of this Draft Red Herring Prospectus.*

b. *The information for each of the financial years is based on issues listed during such financial year.*

SBI Capital Markets Limited

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by SBI Capital Markets Limited:

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.	Aadhar Housing Finance Ltd(1)	30,000.00	315.00	May 15, 2014	315.00	-	-	-
2.	Bharti Hexacom Ltd@	42,750.00	570.00	April 12,2024	755.20	+58.25% [-2.13%]	-	-
3.	R K Swamy Limited(2) @	4,235.60	288.00	March 12, 2024	252.00	-1.30% [+1.86%]	-	-
4.	Entero Healthcare Solutions Ltd(3) @	16,000.00	1,258.00	February 16, 2024	1,245.00	-19.65% [+0.30%]	-19% [+0.77%]	-
5.	Jana Small Finance Bank@	5,699.98	414.00	February 14, 2024	396.00	-5.23% [+1.77%]	+57.55% [+1.33%]	-
6.	Medi Assist Healthcare Services Ltd@	11,715.77	418.00	January 23, 2024	465.00	+22.32% [+3.40%]	+15.66% [+4.06%]	
7.	Jyoti CNC Automation Limited#	10,000.00	331.00	January 16, 2024	370.00	+78.07% [-0.87%]	+135.94% [+2.21%]	-
8.	Azad Engineering Limited@	7,400.00	524.00	December 28, 2023	710.00	+29.06% [-2.36%]	153.72% [+0.08%]	-
9.	Muthoot Microfin Limited(4) @	9,600.00	291.00	December 26, 2023	278.00	-20.77% [-0.39%]	-31.15% [+2.10%]	-
10.	Indian Renewable Energy Development Agency Limited#	21,502.12	32.00	November 29,2023	50.00	+204.06% [+8.37%]	+373.44% [+10.08%]	+479.84% [+14.23%]

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 is a 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 ₹292.00 per equity share*

2 *Price for eligible employee was ₹261.00 per equity share*

3 *Price for eligible employee was ₹1,139.00 per equity share*

4 *Price for eligible employee was ₹277.00 per equity share*

Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by SBI Capital Markets Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2024-25*	2	72,750.00	-	-	-	1	-	-	-	-	-	-	-	-
2023-24	12	1,32,353.46	-	2	5	2	2	1	-	-	-	3	-	2

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-23	3	2,28,668.02	-	1	2	-	-	-	-	1	1	-	1	-

Notes:

** The information is as on the date of this Offer Document.*

#Date of Listing for the issue is used to determine which financial year that particular issue falls into

JM Financial Limited

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited:

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.	TBO Tek Limited	15,508.09	920.00	May 15, 2024	1,426.00	Not Applicable	Not Applicable	Not Applicable
2.	Gopal Snacks Limited# 10	6,500.00	401.00	March 14, 2024	350.00	-18.13% [1.57%]	Not Applicable	Not Applicable
3.	GPT Healthcare Limited#	5,251.40	186.00	February 29, 2024	216.15	-5.13% [1.59%]	-20.67% [3.68%]	Not Applicable
4.	Juniper Hotels Limited*	18,000.00	360.00	February 28, 2024	365.00	43.76% [1.71%]	21.22% [4.47%]	Not Applicable
5.	Entero Healthcare Solutions Limited# 9	16,000.00	1,258.00	February 16, 2024	1,245.00	-19.65% [0.30%]	-19.84% [0.77%]	Not Applicable
6.	Rashi Peripherals Limited#	6,000.00	311.00	February 14, 2024	335.00	-0.77% [1.77%]	1.06% [1.33%]	Not Applicable
7.	Apeejay Surrendra Park Hotels Limited*8	9,200.00	155.00	February 12, 2024	186.00	17.39% [3.33%]	17.55% [2.03%]	Not Applicable
8.	Innova Captab Limited*	5,700.00	448.00	December 29, 2023	452.10	15.16% [-1.74%]	1.44% [1.80%]	Not Applicable
9.	Happy Forgings Limited*	10,085.93	850.00	December 27, 2023	1,000.00	14.06% [-1.40%]	4.44% [2.04%]	Not Applicable
10.	Muthoot Microfin Limited#7	9,600.00	291.00	December 26, 2023	278.00	-20.77% [-0.39%]	-31.15% [2.10%]	Not Applicable

Source: www.nseindia.com; www.bseindia.com
 # BSE as Designated Stock Exchange
** NSE as Designated Stock Exchange*
Notes:

1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*
3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of Rs. 14 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *A discount of Rs. 7 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
9. *A discount of Rs. 119 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
10. *A discount of Rs. 38 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
11. *Not Applicable – Period not completed*

Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2024-2025	1	15,508.09	-	-	-	-	-	-	-	-	-	-	-	-
2023-2024	24	2,88,746.72	-	-	7	4	5	8	-	-	2	6	3	3

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-2023	11	3,16,770.53	-	1	3	-	5	2	-	2	2	2	3	2

Notes:

1. *The information is as on the date of this Draft Red Herring Prospectus.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

IIFL Securities Limited

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Securities Limited:

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.	Cello World Limited	19,000.00	648.00(1)	November 6, 2023	829.00	+21.92%,[+7.44%]	+32.99%,[+12.58%]	+40.57%,[+15.78%]
2.	Protean eGov Technologies Limited	4,892.02	792.00(2)	November 13, 2023	792.00	+45.21%,[+7.11%]	+73.18%,[+10.26%]	+45.85%,[+11.91%]
3.	ASK Automotive Limited	8,339.13	282.00	November 15, 2023	303.30	+2.73%,[+7.66%]	+6.29%,[+9.86%]	+5.05%,[+12.10%]
4.	DOMS Industries Limited	12,000.00	790.00(3)	December 20, 2023	1,400.00	+80.59%,[+0.97%]	+82.13%,[+3.18%]	N.A.
5.	Medi Assist Healthcare Services Limited	11,715.77	418.00	January 23, 2024	465.00	+22.32%,[+3.20%]	+15.66%,[+3.86%]	N.A.
6.	R K Swamy Limited	4,235.60	288.00	March 12, 2024	252.00	-1.30%,[+1.86%]	N.A.	N.A.
7.	Bharti Hexacom Limited	42,750.00	570.00	April 12, 2024	755.20	+58.25%,[-2.13%]	N.A.	N.A.
8.	JNK India Limited	6,494.74	415.00	April 30, 2024	621.00	+54.47%, [+0.44%]	N.A.	N.A.
9.	Go Digit General Insurance Limited	26,146.46	272.00	May 23, 2024	286.00	N.A.	N.A.	N.A.
10.	Awfis Space Solutions Limited	5,989.25	383.00(4)	May 30, 2024	435.00	N.A.	N.A.	N.A.

Source: www.nseindia.com; www.bseindia.com, as applicable

Notes:

1. *A discount of Rs. 61 per equity share was offered to eligible employees bidding in the employee reservation portion.*
2. *A discount of Rs. 75 per equity share was offered to eligible employees bidding in the employee reservation portion.*
3. *A discount of Rs. 75 per equity share was offered to eligible employees bidding in the employee reservation portion.*
4. *A discount of Rs. 36 per equity share was offered to eligible employees bidding in the employee reservation portion*

Note: Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for all of the above calculations. The 30th, 90th and 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 from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.

Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Securities Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-23	12	1,06,650.92	-	-	4	-	4	4	-	-	3	1	4	4
2023-24	15	1,54,777.80	-	-	4	3	4	4	-	-	-	4	3	5
2024-25	4	81,380.45	-	-	-	2	-	-	-	-	-	-	-	-

Source: www.nseindia.com; www.bseindia.com, as applicable

Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered. NA means Not Applicable.

Track record of the Book Running Lead Managers

For details regarding the track record of the BRLM(s), as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLM(s) mentioned below.

S. No.	Name of BRLM	Website
1.	Kotak Mahindra Capital Company Limited	https://investmentbank.kotak.com
2.	BofA Securities India Limited	https://business.bofa.com/bofas-india
3.	Axis Capital Limited	https://www.axiscapital.co.in
4.	Goldman Sachs (India) Securities Private Limited	www.goldmansachs.com
5.	SBI Capital Markets Limited	https://www.sbicaps.com
6.	JM Financial Limited	www.jmfl.com
7.	IIFL Securities Limited	www.iiflcap.com

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

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, to enable the investors to approach the Registrar to the Offer for redressal of their grievances or such period as prescribed under applicable laws.

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 Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application 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 Bid cum Application 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.

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

For Offer-related grievances, Bidders may contact the BRLMs, details of which are given in "*General Information*" beginning on page 74.

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 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 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, and 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.

Pursuant to the SEBI circular bearing reference SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, the 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	Instantly revoke the blocked funds other than the original application amount and ₹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	Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and ₹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 post-Offer BRLM shall be liable to compensate the investor at the rate of ₹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.

For helpline details of the Book Running Lead Managers pursuant to the SEBI Circular SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 76.

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.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. 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 SCORES in terms of the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014, SEBI master circular SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023, and SEBI press release PR No. 06/2024 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.

The Promoter Selling Shareholder has authorized the Company Secretary and the Compliance Officer of our Company, to deal with, on its behalf, any investor grievances received in the Offer in relation to it or the Offered Shares. Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of the Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of the Draft 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 Atul Patni, as our Company Secretary and Compliance Officer. For details, see "*General Information – Our Company Secretary and Compliance Officer*" on page 75.

Our Company has constituted a Stakeholders' Relationship Committee comprising Anami Narayan Roy (Independent Director); Sanjivnayan Bajaj (Chairman and Non-Executive Director) and Rajeev Jain (Vice Chairman and Non-Executive Director) , responsible for redressal of grievances of the security holders of our Company. For details, see "*Our Management - Stakeholders' Relationship Committee*" on page 240.

Exemption from complying with any provisions of SEBI ICDR Regulations

Our Company has not applied for or received any exemption from complying with any provisions of securities laws including the SEBI ICDR Regulations.

Other confirmations

No person connected with the Offer, except for fees or commission for services rendered in relation to the Offer, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered, Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale, and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the NHB, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other governmental, statutory or regulatory authorities while granting their approval for the Offer, to the extent and for such time as these continue to be applicable.

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 the Offer expenses, see "*Objects of the Offer – Offer related expenses*" on page 98.

Ranking of the Equity Shares

The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares being offered and Allotted/ transferred in the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, MoA and AoA and shall rank *pari passu* with the existing Equity Shares in all respects including voting, right to receive dividends and other corporate benefits. For further details, see "*Main Provisions of Articles of Association*" on page 452.

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 Memorandum and Articles of Association 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, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of Articles of Association*" on pages 257 and 452, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹10 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Offer Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Offer Price, Price Band, and the minimum Bid Lot size for the Offer will be decided by our Company, in consultation with the BRLMs, and advertised in all editions of [●], a widely circulated English national daily newspaper and in all editions of [●], a widely circulated Hindi national daily newspaper, and [●] edition of [●], a widely circulated Marathi daily newspaper (Marathi also being the regional language of Maharashtra, 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 available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the Book Running Lead Managers, after the Bid/ Offer Closing Date on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process.

At any given point of time, there shall be only one denomination for the 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 the provisions of the Articles of Association, 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 or "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 RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see "*Main Provisions of Articles of Association*" on page 452.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, and the SEBI Listing Regulation, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated January 3, 2019 amongst our Company, NSDL and Karvy Fintech Private Limited; and
- Tripartite agreement dated September 12, 2017 amongst our Company, CDSL and Karvy Computershare Private Limited.

For details in relation to the Basis of Allotment, see "*Offer Procedure*" on page 430.

Market Lot and Trading Lot

Since trading of the Equity Shares on the Stock Exchanges 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 one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details on the Basis of Allotment, see "*Offer Procedure*" on page 430.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Pune, Maharashtra, India.

Period of operation of subscription list

See "– *Bid/ Offer Programme*" on page 420.

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.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, 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), in accordance with Section 72 of the Companies Act, 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/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 to the Registrar and Transfer Agent of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by 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, the 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 the nomination, they are requested to inform their respective Depository Participant.

Bid/Offer Programme

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
BID/OFFER OPENS ON	**[●]**[(1)]
BID/OFFER CLOSES ON	**[●]**[(2)]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to dematerialized accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

(1) *Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors. 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 pm IST on Bid/ Offer Closing Date, i.e. [●]*

* *In case of (i) 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 SCSB 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 Bidders shall be compensated in the manner specified in the 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 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read with SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable, issued by SEBI, and any other applicable law in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. The processing fees for applications made by the 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 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, read with SEBI master circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023, 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 ₹ 500,000, shall use UPI. RIBs and Eligible Employees Bidding under Employee Reservation Portion for up to ₹ 500,000 and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 200,000 and up to ₹ 500,000, 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.*

The above timetable other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, the Promoter Selling Shareholder or the BRLMs.

Any circulars or notifications from the SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

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 of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, the timetable may be extended 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 and delay in respect of final certificates from SCSBs. 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 Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till 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 confirmation to the BRLMs and the Registrar on the daily basis. To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

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 basis, subject to 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 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.

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, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

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. IST
Bid/Offer Closing Date	
Submission of electronic applications (online ASBA through 3-in-1 accounts) for RIBs, Eligible Employees Bidding in the Employee Reservation Portion and Eligible Shareholders Bidding in the Shareholders Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of electronic application (bank ASBA through online channels like internet banking, mobile banking and syndicate ASBA applications through UPI as a payment mechanism where Bid Amount is up to ₹0.50 million)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of electronic applications (syndicate non-retail, non-individual applications of QIBs and NIIs)	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 where Bid Amount is more than ₹0.50 million)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/Revision/cancelled 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, Eligible Employees Bidding in the Employee Reservation Portion and Eligible Shareholders Bidding in the Shareholders Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST

* *UPI mandate end time shall be 5:00 p.m. on the 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, Non-Institutional Bidders, and Eligible Shareholders Bidding in the Shareholders Reservation Portion (for Bid Amount of more than ₹200,000); and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs, Eligible Employees Bidding in the Employee Reservation Portion, and Eligible Shareholders Bidding in the Shareholders Reservation Portion (for Bid Amount of up to ₹200,000).

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received RIBs, Eligible Employees under the Employee Reservation Portion, and Eligible Shareholders Bidding in the Shareholders Reservation Portion (for Bid Amount of up to ₹200,000) after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and 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 p.m. IST on the Bid/Offer Closing Date. Any time mentioned in this Draft 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 and any revision in Bids will be accepted only during Working Days during the Bid/ Offer Period and revision shall not be accepted on Saturdays and public holidays. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. Bidders 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 by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. 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 Bank 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.

Our Company, in consultation with the BRLMs reserves 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 revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company, in consultation with the BRLMs, for reasons to be recorded in writing, may extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public announcement 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 the Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the 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.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer for Sale in accordance with the SEBI ICDR Regulations. In the event our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue, on the Bid/ Offer Closing Date; or (ii) minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, if any, in accordance with applicable law, or if the subscription level falls below the thresholds mentioned above after the Bid/Offer Closing Date, on account of 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 being issued or offered under the Red Herring Prospectus, the Promoter Selling Shareholder, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. If there is a delay beyond two days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum.

However, in case of under-subscription in the Offer, the Equity Shares will be allotted in the following order: (i) such number of Equity Shares will first be Allotted by our Company such that the entire Fresh Issue portion is subscribed; and thereafter, (ii) the Equity Shares held by the Promoter Selling Shareholder and offered for sale in the Offer for Sale will be Allotted.

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 expenses or 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.

The requirement for minimum subscription of 90% is not applicable to the Offer for Sale.

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 shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

No liability to make any payment of interest or expenses shall accrue to the Promoter Selling Shareholder unless the delay in making any of the payments/refund hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of the Promoter Selling Shareholder.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Withdrawal of the Offer

The Offer shall be withdrawn in the event the requirement of the minimum subscription as prescribed under Regulation 45 of the SEBI ICDR Regulations is not fulfilled. Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Promoter Selling Shareholder, reserves the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, 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 promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders 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. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly. In terms of the UPI Circulars, in relation to the Offer, the BRLMs will submit reports of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four 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, 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 shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

If our Company, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC.

Restrictions, if any on transfer and transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of our Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 83 and except as provided under the Articles of Association and under SEBI ICDR Regulations, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of Articles of Association"* on page 452.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

OFFER STRUCTURE

The Offer is of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹70,000.0 million comprising a Fresh Issue of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹40,000.0 million and an Offer for Sale of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹30,000.0 million by the Promoter Selling Shareholder.

The Offer includes a reservation of up to [●] Equity Shares of face value of ₹10 each, aggregating up to ₹[●] million, for subscription by Eligible Employees, and a reservation of up to [●] Equity Shares of face value of ₹10 each, aggregating up to ₹[●] million, for subscription by Eligible Shareholders. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Shareholder Reservation Portion shall not exceed [●]% of the post-Issue paid-up Equity Share capital, and in accordance with the SEBI ICDR Regulations, shall not exceed 10% of the size of the Offer. The Offer less the Employee Reservation Portion and the Shareholders Reservation Portion is the Net Offer.

The Offer and Net Offer shall constitute [●]% and [●]% of the post-Offer paid-up Equity Share capital of our Company, respectively.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations.

Particulars	Shareholders Reservation Portion	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation* (2)	Up to [●] Equity Shares of face value of ₹10 each	Up to [●] Equity Shares of face value of ₹10 each	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
Percentage of Offer Size available for Allotment/allocation	The Shareholder Reservation Portion shall not exceed [●]% of the post-Issue paid-up Equity Share capital, and shall not exceed 10% of the size of the Offer.	The Employee Reservation Portion shall constitute up to [●]% of the post-Offer paid-up Equity Share capital of our Company	Not more than 50% of the Net Offer shall be available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion shall be available for allocation on a proportionate basis 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. 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 Non-Institutional Portion shall be reserved for applicants with an	Not less than 35% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders

Particulars	Shareholders Reservation Portion	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
				application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either the sub-categories mentioned above may be allocated to applicants in the other sub-category of Non-Institutional Bidders	
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate	Proportionate#; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding ₹500,000	Proportionate as follows (excluding the Anchor Investor Portion): a) up to [●] Equity Shares of face value of ₹10 each shall be available for allocation on a proportionate basis to Mutual Funds only; and b) up to [●] Equity Shares of face value of ₹10 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares of face value of ₹10 each) 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 Bids being received from Mutual Funds at or above the Anchor Investor Allocation Price	The allotment of specified securities to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. For details, see "*Offer Procedure*" on page 430.	The allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see "*Offer Procedure*" on page 430.
Minimum Bid	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares in multiples of [●]	Such number of Equity Shares in	[●] Equity Shares and in multiples of

Particulars	Shareholders Reservation Portion	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
			Equity Shares such that the Bid Amount exceeds ₹ 200,000	multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares not exceeding the size of the Federal Bank Shareholders Reservation Portion, does not exceed ₹200,000, if any.	Such number of Equity Shares in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, (excluding the Anchor portion) subject to applicable limits to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, (excluding the QIB portion) subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Bidding	Through ASBA process only (except Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI Mechanism. In case of Non-Institutional Investors, ASBA process (including the UPI Mechanism), to the extent of Bids up to ₹ 500,000.				
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter				
Mode of Allotment	Compulsorily in dematerialised form				
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter				
Trading Lot	One Equity Share				
Who can apply(3)(4)	Eligible Shareholders	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, 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 ₹250.0 million, 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, National Investment Fund set up by the GoI	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

Particulars	Shareholders Reservation Portion	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
			through resolution F. No.2/3/2005-DD-II dated November 23, 2005, 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 NBFCs, in accordance with applicable laws.		
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(3) **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank(s) through the UPI Mechanism (other than Anchor Investors) that is specified in the ASBA Form at the time of submission of the ASBA Form				

* *Assuming full subscription in the Offer.*

\# *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. 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, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. The undersubscribed 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.*

(1) Our Company, 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, which price shall be determined by the Company, in consultation with the BRLMs.

(2) Subject to valid Bids being received at or above the Offer Price. This Offer is made in accordance with the Rule 19(2)(b) of the SCRR and is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations.

(3) 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 price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website of the Stock Exchanges and the BRLMs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

(4) In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder is required in the Bid cum Application Form and such First Bidder will be deemed to have signed on behalf of the joint holders. A Bidder Bidding in the Shareholders Reservation Portion could also Bid under the Net Offer and Employee Reservation Portion (if eligible) and such Bids shall not be considered multiple Bids subject to applicable limits. To clarify, an Eligible Shareholder Bidding in the Shareholders Reservation Portion above ₹ 200,000 can Bid in the Net Offer for up to ₹200,000 and Employee Reservation Portion (if eligible and subject to applicable limits), otherwise such Bids will be treated as multiple Bids and both the Bids would have to be cancelled. If an Eligible Shareholder is Bidding in the Shareholder Reservation Portion up to ₹ 200,000, application by such Eligible Shareholder in the Retail Portion or Non-Institutional Portion and Employee Reservation Portion (if eligible and subject to applicable limits) will not be treated as multiple Bids. Therefore, Eligible Shareholders Bidding in the Shareholder Reservation Portion (subject to the Bid Amount being up to ₹ 200,000) can also Bid under the Net Offer and Employee Reservation Portion (if eligible and subject to applicable limits) and such Bids will not be treated as multiple Bids. 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.

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.

Eligible Shareholders Bidding in the Shareholders Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Shareholders Bidding in the Shareholders Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price at the time of making a Bid.

The Bids by FPIs with certain structures as described under "*Offer Procedure - Bids by Foreign Portfolio Investors*" on page 438 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.

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*" on page 418.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public announcement and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

In case of 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 may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

All Bidders should read the General Information Document for investing in public offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (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, including in relation to the process for Bids by UPI Bidders. 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/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in Allotment or refund.

*SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated June 2, 2021, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022, SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard from time to time ("UPI Circulars") has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. For details on the phased implementation of UPI as a payment mechanism, see "– Book Building Procedure" below on page . Furthermore, 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 (opening on or after May 1, 2022) whose application sizes are up to ₹0.50 million shall use the UPI Mechanism. Subsequently, 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 shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The Registrar and SCSBs will comply with any additional circulars or other Applicable Law, and the instructions of the BRLMs, as may be issued in connection with this circular. Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories 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. Pursuant to SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the revised timeline of T+3 days had been made applicable in two phases i.e. (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023 ("**T+3 Notification**").*

The Offer will be undertaken pursuant to the processes and procedures as notified in the T+3 Notification under Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI. Further, SEBI vide its 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 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances, including the reduction of time period for unblocking of application monies from 15 days to four days. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus. Furthermore, 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 (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. 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 shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

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, in accordance with the T+3 Notification, the Bidder shall be compensated at a uniform rate of ₹100 or 15% per annum of the Bid Amount, whichever is higher, 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. Further, in accordance with the T+3 Notification, the reduced timelines for refund of Application money has been made two days.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

Our Company, the Promoter Selling Shareholder and the BRLMs, members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the GID and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus, when filed.

Further, our Company, the Promoter Selling Shareholder and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

This Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process and is in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein in terms of Regulation 32(1) of the SEBI ICDR Regulations, not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, may 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, of which one-third 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. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance 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 only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (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 out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, 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 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. Further, up to [●] Equity Shares of face value of ₹10 each, aggregating up to ₹[●] 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. Furthermore, up to [●] Equity Shares of face value of ₹10 each, aggregating up to ₹[●] million shall be made available for allocation on a proportionate basis only to Eligible Shareholders in the Shareholders 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 subject to receipt of valid Bids received at or above the Offer Price. 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, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

In accordance with Rule 19(2)(b) of the SCRR, the Offer will constitute at least [●]% of the post-Offer paid-up Equity Share capital of our Company.

Bidders must ensure that their PAN is linked with Aadhar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for UPI Bidders), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

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 RIBs 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 until further notice. Under this phase, submission of the ASBA Form with details of bank account by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues 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 is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer. 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.

The Offer will be made under UPI Phase III of the UPI Circular (on mandatory basis). The Offer will be advertised in all editions of [●], a widely circulated English national daily newspaper and in all editions of [●], a widely circulated Hindi national daily newspaper, and [●] edition of [●], a widely circulated Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located) each with wide circulation on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint SCSBs as the Sponsor Bank(s) to act as conduits between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, 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.

Pursuant to the UPI Circulars, 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 Circulars 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.

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.

Pursuant to the 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 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 ("**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 Streamlining 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 Working 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. Further, in terms of the UPI Circulars, 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.

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 Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

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, which shall include the UPI Mechanism in case of UPI Bidders. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders 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. Applications made using third party bank account or using third party linked bank account UPI ID are liable to be rejected.

ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in their respective ASBA Accounts, or (ii) the UPI ID, as applicable in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected.

Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

(i) UPI Bidders using 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.

(ii) QIBs and Non-Institutional Bidders (other than Non-Institutional Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

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.

The ASBA Bidders, including UPI 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, which shall be effective from September 1, 2022.

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, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (except UPI Bidders). 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 Bank(s), as applicable at the time of submitting the Bid.

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 will be 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 resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]
Eligible Shareholders Bidding in the Shareholders Reservation Portion	[●]

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) *Electronic Bid cum Application forms and the Abridged Prospectus will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).*

(2) *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.*

(3) *Bid cum Application Forms for Eligible Employees shall be available at the Registered Office of the Company.*

In case of ASBA forms, the relevant 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 and the Stock Exchanges 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. The Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on application monies blocked. For UPI Bidders, the 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.

For UPI Bidders using 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 UPI Mandate Request to RIBs for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI mandate request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, 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 5:00 pm 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 of funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. 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. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Banks, NPCI or the bankers to an issue) 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 bankers to an issue.

The Sponsor Banks and Bankers to the Offer shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in circulars prescribed by SEBI, from time to time.

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format prescribed by SEBI or applicable law.

Pursuant to NSE circular dated August 3, 2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

(1) Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm 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.

(2) 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.

(3) Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.

(4) Exchanges shall display bid details of only successful ASBA blocked applications i.e., Application with latest status as RC 100 – Block Request Accepted by Investor/ Client.

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, subject to applicable laws.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges platform are considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 pm IST for Retail Individual Bidders and Eligible Employees and 4:00 pm for Non-Institutional Bidders and QIBs, 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.

d) QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

Participation by the Promoters and Promoter Group of the Company, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase/subscribe to 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.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLMs) or pension funds sponsored by entities which are associates of the BRLMs nor; (ii) any person related to the Promoters or Promoter Group shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoter or Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoter or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) 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 (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs. Further, persons related to our Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

Except to the extent of participation in the Offer for Sale by the Promoters, the Promoter Group will not participate in the Offer.

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 Book Running Lead Managers 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 the 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 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 Shareholders

Bids under the Shareholders Reservation Portion shall be subject to the following:

i. Only Eligible Shareholders as at the date of the Red Herring Prospectus would be eligible to apply in this Offer under the Shareholders Reservation Portion.

ii. The sole/ First Bidder shall be an Eligible Shareholder.

iii. Only those Bids, which are received at or above the Offer Price, would be considered under this category.

iv. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.

v. Bids by Eligible Shareholders in the Shareholders Reservation Portion (subject to Bid Amount being up to ₹200,000) and in the Net Offer portion shall not be treated as multiple Bids. To clarify, an Eligible Shareholder bidding in the Shareholders Reservation Portion above ₹200,000 cannot Bid in the Net Offer as such Bids will be treated as multiple Bids. Further, bids by Eligible Shareholders in Shareholders Reservation Portion (subject to Bid Amount being up to ₹ 200,000) and in the Employee Reservation Portion (as Eligible Employees), shall not be treated as multiple Bids. Therefore, Eligible Shareholders bidding in the Shareholders Reservation Portion (subject to the Bid Amount being up to ₹ 200,000) and bidding in the Employee Reservation Portion (as Eligible Employees) can also Bid under the Net Offer 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.

vi. 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 Shareholders to the extent of their demand.

vii. Under-subscription, if any, in any category including the Shareholders Reservation Portion and the Employee Reservation Portion, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange.

viii. Eligible Shareholders Bidding under the Shareholders Reservation Portion (subject to the Bid Amount being up to ₹200,000) are entitled to Bid at the Cut-off Price.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

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.

However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Allotment in the Employee Reservation Portion will be as detailed in the section "*Offer Structure*" on page 425.

However, Allotments to Eligible Employees in excess of ₹200,000 shall be considered on a proportionate basis, in the event of under-subscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. Subsequent under-subscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer.

Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

(i) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).

(ii) Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.

(iii) In case of joint bids, the Sole Bidder or the First Bidder shall be the Eligible Employee.

(iv) Bids by Eligible Employees may be made at Cut-off Price.

(v) Only those Bids, which are received at or above the Offer Price would be considered for allocation under this portion.

(vi) The Bids 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.

(vii) Eligible Employees bidding in the Employee Reservation Portion can Bid through the UPI mechanism

(viii) If the aggregate demand in this portion 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.

(ix) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall 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.

(x) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form or Revision Form

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, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure*" on page 430.

Bids by Eligible Non-resident Indians ("NRIs")

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] 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 Non- Resident External ("**NRE**") accounts, or FCNR 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 Non-Resident Ordinary ("**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 NDI 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.

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*" on page 451.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA NDI Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

Bids by Hindu Undivided Families ("HUFs")

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 ("FPIs")

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 the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our total paid-up Equity Share capital on a fully diluted basis. Further, in terms of the FEMA NDI Rules, the total holding by each FPI (or a group) shall be less than 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

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.

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 ([●] in colour).

As specified in 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 Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations ("**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.

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 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(1) 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 NDI 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, multiple 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 Draft 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 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 the 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, NBFC-ND-SI, insurance companies, insurance funds 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, in consultation with the BRLMs 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, subject to such terms and conditions that our Company, in consultation with the BRLMs, may deem fit.

Bids by Securities and Exchange Board of India ("SEBI") registered Venture Capital Funds ("VCFs"), Alternate Investment Funds ("AIFs") and Foreign Capital Investors ("FVCIs")

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 NDI 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 an investee company directly or through investment in the units of other AIF. A Category III AIFs cannot invest more than 10% of the investible funds in an investee company directly or through investment in the units of other AIF. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. 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, the Promoter Selling Shareholder, severally and not jointly, and the Book Running Lead Managers 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 NDI 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 RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason.

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 less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services, including overseas investments 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; (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services; or (iv) make any investment in a Category III AIFs and any investment by a bank's subsidiary in a Category III AIF shall be restricted to the regulatory minima prescribed by SEBI However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

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 investment in a (i) subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed); and (ii) non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended; and (iii) investment of more than 10% of the paid-up capital / unit capital in a Category I AIF or Category II AIF.

Bids by SCSBs

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, read with the Investments – Master Circular dated October 27, 2022, each amended ("**IRDAI Investment Regulations**") are broadly set forth below:

1. equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;
2. the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
3. the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

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 reserve 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 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 Book Running Lead Managers.

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 Book Running Lead Managers 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. 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 and the difference amount shall not be refunded to the Anchor Investors.

9. Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations. 50% Equity Shares allotted to Anchor Investors shall be locked–in for a period of 90 days from the date of Allotment, whereas, the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

10. Neither the (a) Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associate of the Book Running Lead Managers or insurance companies promoted by entities which are associate of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers) or pension fund sponsored by entities which are associate of the Book Running Lead Managers nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category.

11. 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.

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, the Promoter Selling Shareholder and/or the Book Running Lead Managers 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 Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges

General Instructions

QIB Bidders and Non-Institutional Bidders are not allowed 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. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date.

***Do's*:**

1. Ensure that your PAN is linked with Aadhar and you are in compliance with the notification of the Central Board of Direct Taxes dated February 13, 2020 and press release dated June 25, 2021, read with press release dated September 17, 2021 and CBDT circular no. 7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023;

2. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. 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 in the case of Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number) in the Bid cum Application Form if you are not an UPI Bidder in the Bid cum Application Form and if you are an UPI Bidder 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 GID;

8. Ensure that you mandatorily have funds equal to or higher than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

9. 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);

10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

11. 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;

12. The ASBA bidders shall ensure that bids above ₹ 500,000, are uploaded only by the SCSBs;

13. 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. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

14. 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;

15. 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;

16. 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;

17. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

18. 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;

19. 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;

20. Ensure that the Demographic Details are updated, true and correct in all respects;

21. 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;

22. 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;

23. 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;

24. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

25. 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 Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;

26. 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;

27. RIBs 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;

28. 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;

29. Bidders in the Shareholders Reservation Portion should ensure that they have a valid PAN and their PAN is updated with the register of shareholders maintained with the Promoters, as the case may be;

30. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

31. 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;

32. Bids by Eligible NRIs for a Bid Amount of less than ₹200,000 would be considered under the retail category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the non-institutional category for allocation in the Offer;

33. 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

34. 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).

35. 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 Bank(s) 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.

36. 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 Bank(s) 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.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

3. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

4. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

5. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

6. Do not submit the Bid for an amount more than funds available in your ASBA account;

7. 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;

8. In case of ASBA Bidders, do not submit more than one ASBA Form ASBA Account;

9. If you are an UPI Bidder, do not submit more than one Bid cum Application Form for each UPI ID;

10. Anchor Investors should not Bid through the ASBA process;

11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

13. Do not submit the General Index Register (GIR) number instead of the PAN;

14. 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;

15. 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;

16. 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);

17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

18. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

19. 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;

20. Do not Bid for Equity Shares more than what is specified for each category;

21. If you are a QIB, do not submit your Bid after 3 p.m. IST on the QIB Bid/Offer Closing Date (for online applications) and after 12:00 p.m. on the Bid/ Offer Closing Date (for physical applications);

22. 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 the Red Herring Prospectus;

23. 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 or Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

24. 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;

25. 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;

26. Do not Bid if you are an OCB;

27. 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;

28. Do not submit the Bid cum Application Forms to any non-SCSB bank;

29. 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);

30. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders) and ₹500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

31. 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

32. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹500,000.

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 list 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 is liable to be rejected.

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 maybe 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) ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

(e) Bids submitted without the signature of the First Bidder or Sole Bidder;

(f) The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

(g) 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;

(h) GIR number furnished instead of PAN;

(i) Bids by RIBs with Bid Amount of a value of more than ₹200,000;

(j) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

(k) Bids accompanied by stock invest, money order, postal order, or cash; and

(l) Bids uploaded by QIBs after 4.00 pm on the QIB Bid/Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/Offer Closing Date, and Bids by RIBs, Eligible Employees and Eligible Shareholders uploaded after 5.00 p.m. on the Bid/Offer Closing Date, unless extended by the Stock Exchanges. On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received from RIBs, Eligible Employees and Eligible Shareholders, after taking into account the total number of Bids received and as reported by the BRLMs 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 can reach out the Company Secretary and Compliance Officer. For further details of the Company Secretary and Compliance Officer, see "*General Information*" and "*Our Management*" on pages 74 and 232, 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, 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 Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular no. 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 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

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 Designated Stock Exchanges, along with the Book Running Lead Managers 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 the 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 Offer 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.

The allotment of Equity Shares to each RIBs shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to NIBs. The Equity Shares available for allocation to NIBs under the Non -Institutional Portion, shall be subject to the following: (i) one-third of the portion available to NIBs shall be reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1.0 million, and (ii) two-third of the portion available to NIBs shall be reserved for applicants with an application size of more than ₹ 1.0 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of NIBs. The allotment to each NIB shall not be less than ₹200,000, 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 basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

The allotment of Equity Shares to each RIB shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

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: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

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 the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and [●] edition of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, 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 the Stock Exchanges, 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 the Stock Exchanges is received post 9:00 p.m. IST on that date, 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 Book Running Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and [●] edition of [●], a Marathi daily newspaper (Marathi being the regional language of Rajasthan, 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, severally and not jointly 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 Draft 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, or as will be specified in the Red Herring Prospectus and the Prospectus.

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, but prior to filing of the Prospectus.

(b) After signing the Underwriting Agreement, a Prospectus will be filed with the RoC in accordance with applicable law. 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.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see "*Terms of the Offer*" on page 418.

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 shall be taken within three Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within three Working Days from the Bid/ Offer Closing Date or such other prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Promoters' 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;
- 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 Working Dats 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;
- 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 the Pre-IPO Placement, any allotment of Equity Shares upon any exercise of options vested pursuant to the ESOP Scheme, no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Promoter Selling Shareholder

The Promoter Selling Shareholder, in respect of itself as a selling shareholder and the Offered Shares, undertakes the following in respect of itself and the Offered Shares:

- its Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- it shall deposit its portion of Offered Shares in an escrow demat account in accordance with the Share Escrow Agreement;
- 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 is the legal and beneficial owner of the Offered Shares that such Offered Shares shall be transferred in the Offer, free from liens, charges and encumbrances;

- it shall not have recourse to the proceeds of the Offer, which shall be held in escrow in its favour, until the final approval for listing and trading of the Equity Shares from the Stock Exchanges where listing is sought has been received; and

- it shall provide assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the Offered Shares.

Utilisation of Offer 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.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who –*

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

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

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

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years 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 ₹1.0 million or 1% 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 ₹5.0 million or with both.

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. The DPIIT (formerly Department of Industrial Policy & Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the "**FDI Policy**"), which consolidates and supersedes all previous press note, 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 (Non-debt Instruments) 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 Non-debt Instruments Rules and FDI Policy read with Press Note, 100% foreign direct investment is permitted under the automatic route for NBFCs, 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.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible Non-resident Indians*" and "*Offer Procedure – Bids by Foreign Portfolio Investors*" on pages 437 and 438, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold within the United States to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act (referred to in this Draft Red Herring Prospectus as "**U.S. QIBs**"). The Equity Shares are being offered and sold 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 jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction. The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that 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. Except as disclosed below, there are no other material provisions of the Articles of Association that are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer:

The Articles of Association of our Company were amended pursuant to resolution of our Board dated June 6, 2024 and shareholders' resolution dated June 6, 2024.

Capital increase and reduction of Share Capital

Article 4 provides that, "The authorised share capital of the Company shall be the amount mentioned in Clause V of Memorandum of Association of the Company."

Article 13 provides that, "Subject to applicable rules and regulations, the Board may issue and allot shares as Sweat Equity shares or under Employees Stock Option Scheme."

Article 14 provides that, "The Company may from time to time, subject to Section 67 to 70 and other applicable provisions of the Act, as may be in force, and passing a Special Resolution at its general meeting, may buy-back its own shares or other specified securities."

Shares and Certificates

Article 20 provides that,

- "Where at any time, the Company proposes to increase its subscribed capital by the issue and allotment of further shares, such shares shall be offered-

(1) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions;

(a) The offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

(b) Unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;

(c) 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 of Directors may dispose of them in such manner which is not dis-advantageous to the shareholders and the company;

(2) To employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed;

or

(3) To any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), 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.

- The notice referred to in sub-clause (i) of clause (a) of sub-section (1) shall be despatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.

- Nothing in this section shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

  Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

- Notwithstanding anything contained in sub-section (3), where any debentures have been issued, or loan has been obtained from any Government by a company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

  Provided that where the terms and conditions of such conversion are not acceptable to the company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.

- In determining the terms and conditions of conversion under sub-section (4), the Government shall have due regard to the financial position of the company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

- Where the Government has, by an order made under sub-section (4), directed that any debenture or loan or any part thereof shall be converted into shares in a company and where no appeal has been preferred to the Tribunal under sub-section (4) or where such appeal has been dismissed, the memorandum of such company shall, where such order has the effect of increasing the authorised share capital of the company, stand altered and the authorised share capital of such company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into."

Article 22 provides that, "Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors, who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares 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 sanction of the Company in the General Meeting."

Article 25 provides that, "Every member shall be entitled, without payment, to one Certificate for all his shares, or several certificates in marketable lots, for all the shares of each class or denomination registered in his name upon payment of such fees as prescribed in the Act, or if the Directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares. The Company shall complete and have ready for delivery such certificates within two months from the date of allotment (six months in case of allotment of debentures), unless the conditions of issue thereof otherwise provide, within two months after incorporation in case of subscribers to the Memorandum of Association or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case maybe, or within such other period as the condition of issue. Every Certificate of shares shall be under the seal of the Company and shall specify the numbers and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the Directors may prescribe or approve, provided that in respect of a share or share held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders. The provisions of this Article shall mutatis mutandis apply to debentures of the Company."

Underwriting

Article 31 provides that, "Subject to provisions of Section 40 of the Act the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company; however the amount of commission shall not exceed, in the case of shares five percent of the price at which the shares are issued and in the case of debentures two and half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other."

Lien

Article 44 provides that, "The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created, expect upon the footing and condition that this Article will have full effect. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of Shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/ debentures wholly or in part to be exempt from the provisions of this clause."

Article 45 provides that, "For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice."

Article 46 provides that, "The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of sale."

<u>Forfeiture of Shares</u>

Article 47 provides that, "If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment."

Article 48 provides that, "The notice shall name a day (not being less than sixty days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate as the Board shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid The notice shall also state that, in the event of the non-payment on or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited."

Article 49 provides that, "If the of any such notice as aforesaid are not be complied with, every or any share in requirements respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture."

Article 51 provides that, "Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit."

Article 52 provides that, "Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture, until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, if it thinks fit."

Article 53 provides that, "The forfeiture of a share involves extinction, at the time of the forfeiture, of all the interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved."

Article 56 provides that, "Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto"

Article 57 provides that, "The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit."

<u>Transfer and Transmission of Shares</u>

Article 59 provides that, "The Company shall keep a "Register of Transfers", and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share."

Article 60 provides that, "The Instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The Instrument of

Transfer shall be accompanied by such evidence as the Board may require to prove the title of the transfer or and his right to transfer the shares and every registered Instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the shares must be delivered to the Company."

Article 61 provides that, "The Board shall have power on giving not less than seven days' previous notice by advertisement as required under Section 91 of the Act in newspapers circulating in the district in which the Registered Office of the Company is situate to close the Transfer Books, the Register of Members or Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as to it may deem expedient."

Article 62 provides that, "The provisions of Section 58 and 59 of the Companies Act, 2013, regarding powers to refuse registration of transfer and appeal against such refusal should be adhered to. Subject to the provisions of Section 59 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power or 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 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 that 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 when the Company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused."

Article 63 provides that, "Where in the case of partly paid shares, an application for registration of transfer of shares is made by the transferor; the Company shall give notice of the application to the transferee in accordance with the provisions of the Section 56 of the Act."

Borrowing Powers

Article 72 provides that, "Subject to the provisions of Section 73, 179 and 180 of the Act, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposit from members and generally raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company, provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up share capital of the Company and its free reserves the Board shall not borrow such moneys without the consent of the Company in General Meeting."

Article 73 provides that, "Subject to the provisions of these Articles, the payment or re-payment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respect as the Board shall prescribe including by the issue of debentures or debentures-stock 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."

Article 72 provides that, "Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise.

Debentures with the right to conversion into or allotment of shares be issued only with the consent of the Company in the General Meeting by a Special Resolution."

Meeting of Members

Article 79 provides that, "Subject to Section 126 of the Act, the Board may retain the dividends payable upon shares in respect of which any person, is entitled to become a Member, or which any person is entitled to transfer, until such person shall become a Member, in respect of such share or shares or shall duly transfer the same."

Article 80 provides that, "The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of the paid up capital as on that date or carries the right of voting in regard to the matter in respect of which the requisition has been made."

Article 81 provides that, "Upon receipt of any such requisition, the Board shall forthwith, call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from the date of requisition, the meeting may be called and held by requisitionists themselves within a period of three months from the date of requisition."

Article 82 provides that, "Any meeting called under the forgoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board."

Article 83 provides that, "Twenty-one days' notice at least of every General Meeting, Annual or Extraordinary, and by whomsoever called, specifying the day, place and hour of meeting, and the general nature of business to be transacted thereat, shall be given to such persons as are entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote there at and in case of any other meeting, with the consent of not less than ninety five percent of the Members entitled to vote at the Meeting, a meeting may be convened by a shorter notice. There shall be annexed to the notice of the Meeting, a statement setting out all material facts concerning each such item of special business, including in particular the nature of the concern or interest, if any, therein of every Director, Manager (if any), key managerial personnel and their relatives. Where any such item of business relates to, or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement."

Article 86 provides that, "A quorum for a General Meeting as provided under Section 103 of the Act. A body corporate being a Member shall be deemed to be personally present, if it is represented in accordance with the provisions of Section 113 of the Act."

Article 87 provides that, "If, at the expiration of half an hour from the time appointed for holding a meeting, the quorum is not present, if convened by or upon the requisition of Members, shall stand dissolved, but in any other case, the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day, which is not a public holiday at the same time and place or to such other day and at such other time and place as the Board may determine, and if at such adjourned meeting, a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the Members present shall be a quorum and may transact the business for which the meeting was called."

<u>Directors</u>

Article 116A provides that, "The Board of Directors shall appoint the person nominated by the debenture trustee(s) in terms of clause (e) of Regulation 15(1) of the SEBI (Debenture Trustees) Regulations, 1993 as a Director on the Board. Such appointment of a director shall be in accordance with the provisions of Debenture Trust Deed, provisions of Companies Act, 2013, RBI Regulations, SEBI Regulations and all other applicable provisions of law."

Article 121 provides that, "A Director shall not be required to hold any qualification shares."

Article 122 provides that,

9. "Subject to the provisions of the Act, a Managing Director or a Director, who is in the whole-time employment of the Company or a Manager may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

    *Inserted vide special resolution passed by the shareholders in the annual general meeting held on 24 July 2023.

10. Subject to the provisions of the Act, a Director, who is neither in the whole time employment of the Company nor a Managing Director may be paid remuneration either:

13. by way of monthly, quarterly or annual payment;

14. by way of commission, if the Company by a special resolution has authorised such payment.

11. The fee payable to a Director for attending a meeting of the Board or Committee thereof shall not be higher than the amount as prescribed by law or the Central Government from time to time or as per the provisions of the Act as amended from time to time."

Article 123 provides that, "The Board may allow and pay to any Director for the purpose of attending a meeting, such sum as the Board may consider for travelling, boarding, lodging and other expenses, in addition to the fee for attending such meetings as above specified; and if any Director be called upon to go or reside out of the ordinary place of his residence on Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with the business of the Company."

Article 125 provides that, "The office of director shall be vacated if he incurs any disqualification(s) as specified in Section 164 of the Act or in the circumstances as mentioned in Section 167 of the Act."

Article 126 provides that, "At every Annual General Meeting of the Company, one-third of total number of directors who for the time being are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. For this purpose, "total number of directors" shall not include independent directors, whether appointed under this Act or any other law for the time being in force, on the Board of a company.

Subject to Section 152 (6) of the Act, the Directors to retire by rotation under these Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot."

Article 129 provides that,

"Subject to the provisions of the Act and these Articles, the Board shall have power to appoint from time to time.

10. if the Board so desires, one or more of its members as Managing Director(s) or whole-time Directors , or one or more of its members or any other person as Manager, with such designation as the Board may decide upon such terms and conditions as the Board thinks fit, and subject to the provisions of these Articles, the Board may by resolution vest in such Managing Director(s), Whole-time Directors and Manager, such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of the Managing Director(s), Whole-time Directors and Manager may be by way of monthly payment, or participation in profits or by any one or both these modes or any other mode not expressly prohibited by the Act."

Proceedings of the Board of Directors

Article 132 provides that, "The Directors may meet together as a Board to transact the business from time to time and hold minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit."

Article 133 provides that, "At least seven days' notice of every meeting of the Board shall be given to every Director for the time being in India and at his usual residential address in India to every other Director and such notice shall be sent by hand delivery or by post or by electronic means."

Article 134 provides that, "Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength, the number of the remaining Directors who are not interested, present at the meeting, being not less than two, shall be the quorum during such meeting, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under this sub-section"

Article 140 provides that, "A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally."

Article 141 provides that, "Subject to restrictions contained in Section 179 of the Act, the Board may delegate any of their powers to one or more Committees of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part, and either as to persons or purposes; but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the effect as if done by the Board."

Article 142 provides that, "The meeting and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Director, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article."

Article 143 provides that, "No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board, or a Committee, as the case maybe), and to all other Directors or Members of the Committee, at their usual residential address in India, or by a majority of such of them as are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board."

Dividend

Article 152 provides that, “The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights but no dividends shall exceed the amount recommended by the Board.”

Article 153 provides that, “No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 123 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.”

Article 154 provides that, “The Board may, from time to time, pay to the Members such interim dividend as in their judgment the financial position of the Company justifies.”

Article 155 provides that, “The Company shall pay dividends in proportion to the amount paid up on each share.”

Article 156 provides that, “Subject to Section 126 of the Act, the Board may retain the dividends payable upon shares in respect of which any person, is entitled to become a Member, or which any person is entitled to transfer, until such person shall become a Member, in respect of such share or shares or shall duly transfer the same.”

Accounts

Article 163 provides that, “The Company shall prepare and keep at the registered office or at such other place in India as the Board thinks fit proper Books of Account and other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of the affairs of the Company in accordance with Section 128 of the Act.

Where the Board decides to keep all or any of the Books of Account at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

The Company shall preserve in good order the Books of Account relating to a period of not less than eight years immediately preceding the current year, together with the vouchers relevant to such entries in such Books of Account.

Where the Company has a branch office, whether in India or outside India, the Company shall be deemed to have complied with this Article, if proper Books of Account relating to the transaction effected at the branch office are kept at the branch office and proper summarized returns are sent by the branch office to the Company at its office or other place in India, at which the Company’s Books of Account are kept as aforesaid.

The Book of Account shall give a true and fair view of the state of the affairs of the Company or branch office as the case may be and explain its transactions. The Books of Account and other papers shall be open to inspection by any Director during business hours.”

Audit

Article 164 provides that, “Auditors shall be appointed and their rights and duties regulated in accordance with Section 139 to 148 of the Act.”

Winding Up

Article 170 provides that, “The Liquidator on any winding-up (whether voluntary, under supervision, or compulsory) may, with the sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.”

Indemnity and Responsibility

Article 171 provides that, “Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against all 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 discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.”

Secrecy Clause

Article 172 provides that,

(a) “Every Director, Manager, Secretary, Auditor, Treasurer, 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 Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the 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 so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

(b) No Member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interests of the Company to disclose."

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus filed with the RoC, and also the documents for inspection referred to hereunder may be inspected at our Registered Office, from 10.00 a.m. to 5.00 p.m. IST on Working Days and at www.bajajhousingfinance.in/offer-documents from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date (except for such documents or agreements executed after the Bid/ Offer Closing Date).

A. Material contracts for the Offer

1. Offer Agreement dated June 7, 2024 between our Company, the Promoter Selling Shareholder and the BRLMs.
2. Registrar Agreement dated June 7, 2024 between our Company, the Promoter Selling Shareholder and the Registrar to the Offer.
3. Cash Escrow and Sponsor Bank Agreement dated [●] between our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s).
4. Share Escrow Agreement dated [●] between the Promoter Selling Shareholder, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] between our Company, the Promoter Selling Shareholder, the BRLMs and the Syndicate Members.
6. Monitoring agency agreement dated [●] between our Company and the Monitoring Agency.
7. Underwriting Agreement dated [●] between our Company, the Promoter Selling Shareholder and the Underwriters.

B. Material documents

1. Certified copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of incorporation dated June 13, 2008, issued by the RoC to our Company, under the name ‘Bajaj Financial Solutions Limited’.
3. Certificate for commencement of business dated September 24, 2008 by the RoC.
4. Certificate of incorporation dated November 14, 2014, issued by the Assistant Registrar of Companies, Pune to our Company, consequent upon change of name from ‘Bajaj Financial Solutions Limited’ to ‘Bajaj Housing Finance Limited’.
5. Certificate of registration dated September 24, 2015 granted by the NHB, bearing registration number 09.0127.15 to carry on the business of a housing finance institution without accepting public deposits.
6. Resolutions of the Board of Directors and Shareholders’ each dated June 6, 2024 authorising the Offer and other related matters.
7. Resolutions of the Board of Directors dated June 7, 2024 approving this Draft Red Herring Prospectus.
8. Copies of the annual reports of our Company for the Financial Years 2024, 2023 and 2022.
9. License agreement dated April 13, 2018 entered into between our Company and Bajaj Finance Limited, as amended pursuant to addendum cum renewal to the license agreement dated July 15, 2023.
10. Bajaj Housing Finance Limited Employee Stock Option Scheme 2024, as amended.

11. Resolutions of the Board of Directors and the Shareholders dated April 25, 2022 and June 15, 2022 respectively, approving the appointment and terms of appointment of Atul Jain as the Managing Director of our Company.

12. Consent letter dated June 7, 2024 issued by the Promoter Selling Shareholder, authorising its participation in the Offer.

13. CRISIL consent letter dated June 6, 2024 for the CRISIL Report.

14. The report titled "*Analysis of Housing Finance Market in India*" dated June 2024 prepared by CRISIL, which has been commissioned by and paid for by our Company pursuant to an engagement letter with CRISIL dated May 6, 2024, exclusively for the purposes of the Offer.

15. The examination report of the Joint Statutory Auditors dated June 7, 2024 on our Company's Restated Financial Information, included in this Draft Red Herring Prospectus.

16. The report on statement of special tax benefits dated June 7, 2024 from the Joint Statutory Auditors.

17. Consent of the Directors, the BRLMs, the Syndicate Members, Domestic Legal Counsel to our Company, Registrar to the Offer, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s), Sponsor Bank(s), Monitoring Agency, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

18. Consent dated June 7, 2024 from S K Patodia & Associates LLP, Chartered Accountants, holding a valid peer review certificate from the ICAI, to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our independent chartered accountant.

19. Certificate dated June 7, 2024 issued by S K Patodia & Associates LLP, Chartered Accountants certifying the KPIs of the Company.

20. Resolution dated June 6, 2024 passed by the Audit Committee approving the KPIs for disclosure.

21. Consents each dated June 7, 2024 from the Joint Statutory Auditors, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated June 7, 2024 on our Restated Financial Information; and (ii) their report dated June 7, 2024 on the statement of tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

22. Due diligence certificate dated June 7, 2024 addressed to SEBI from the BRLMs.

23. In-principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.

24. Tripartite agreement dated January 3, 2019 amongst our Company, NSDL and Karvy Fintech Private Limited.

25. Tripartite agreement dated September 12, 2017 amongst our Company, CDSL and Karvy Computershare Private Limited.

26. SEBI observation letter dated [●].

27. Undertaking dated [●] submitted by the BRLMs to SEBI in relation to the utilization of the proceeds from the Pre-IPO Placement.

28. Undertaking dated [●] submitted by the BRLMs to SEBI in relation to disclosure of the Pre-IPO Placement by way of public advertisement and the Price Band advertisement.

Any of the contracts or documents mentioned in this Draft 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 the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

We confirm that there are no other agreements, arrangements and clauses or covenants which are material and which needs to be disclosed or the non-disclosure of which may have bearing on the investment decision, other than the ones which have already been disclosed in this DRHP.

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and 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 or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines and regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Sanjivnayan Bajaj
Chairman and Non-Executive Director

Place: Pune

Date: June 7, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and 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 or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines and regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Rajeev Jain
Vice Chairman and Non-Executive Director

Place: Pune

Date: June 7, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and 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 or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines and regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Anami Narayan Roy
Independent Director

Place: Mumbai

Date: June 7, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and 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 or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines and regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Dr. Arindam Kumar Bhattacharya
Independent Director

Place: Bangkok

Date: June 7, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and 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 or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines and regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Jasmine Arish Chaney
Independent Director

Place: Pune

Date: June 7, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and 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 or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines and regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Atul Jain
Managing Director

Place: Pune

Date: June 7, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and 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 or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines and regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

Signed by the Chief Financial Officer of our Company

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Gaurav Kalani
Chief Financial Officer

Place: Pune

Date: June 7, 2024

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

We, Bajaj Finance Limited, hereby confirm, and declare that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as the Promoter Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures or undertakings, including any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

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Signed for and on behalf of Bajaj Finance Limited

R Vijay	**Bhalchandra Deodhar**
Company Secretary	**Senior Head – Finance & Accounts**

Place: Pune

Date: June 7, 2024