

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

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

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

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

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

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

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

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

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

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

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

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