

SECTION II: RISK FACTORS

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

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

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

References to “our business” or “Company’s business” in this section refers to the business of the Company and its Subsidiary.

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

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

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

INTERNAL RISK FACTORS

RISKS RELATING TO OUR BUSINESS

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

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