

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

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

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

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

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

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

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

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

A majority of these approvals are granted for a limited duration and are subject to numerous conditions. We cannot assure