

FINANCIAL INDEBTEDNESS

Our Company is an HFC focused on the low income housing segment (ticket size less than ₹1.5 million) and accordingly, has availed loans in the ordinary course of its business for the purposes of onward lending and general corporate purposes.

Pursuant to a resolution passed by our shareholders in their AGM held on August 9, 2023, and our Board in their meeting held on November 7, 2023, our Board is authorised to borrow from time to time all such sums of money together with the monies already borrowed by our Company (apart from the temporary loans, overdrafts obtained or to be obtained from our Company's bankers in the ordinary course of business), which may exceed the aggregate of the paid-up capital and free reserves of our Company (reserves not set apart for any specific purposes), provided that the total amount up to which monies may be borrowed by our Board shall not exceed ₹ 200,000 million or up to 12 times of the net owned fund of our Company or such multiples, whichever is lower, as per the relevant notifications, directions, circulars or guidelines issued by NHB in this regard.

The following table sets forth details of the aggregate outstanding borrowings of our Company as of March 31, 2024:

(₹ in million)		
Facility	Sanctioned Amount	Outstanding Amount
Term loans from banks	1,29,600.0	76,289.6
Term loans from NHB	61,989.4	35,310.4
Secured NCDs*	29,008.4	27,388.0
Unsecured NCDs*	600.0	596.0
Fixed Deposits	12.3	12.3
Total	2,21,210.1	1,39,596.3

* Certain NCDs are listed on the wholesale debt segment of BSE.

As certified by S K Patodia & Associates LLP pursuant to their certificate dated April 30, 2024.

Principal terms of the borrowings availed by our Company

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us.

1. **Interest:** The interest rate for term loans is typically from 7.3% to 10.0% per annum and for NHB sanctioned refinance is typically from 2.8% to 8.9% per annum, which is linked to the REPO, T-bill, marginal cost of funds-based lending rate or prime lending rates of the respective lenders. In terms of the cash credit facilities availed of by us, the interest rate is typically on a floating rate basis. Further, in terms of the refinance assistance availed from NHB, the refinance assistance is provided either on a fixed or floating interest rate depending upon NHB's lending rate prevailing for the respective refinance schemes on the date of each disbursement.

Our Company has also issued NCDs to various subscribers. For such borrowings, we enter into debenture trust deeds ("DTDs") and, in terms of such DTDs, a specified interest or coupon rate is to be paid per annum. The interest rate for the NCDs issued by our Company ranges from 6.9% to 10.0% per annum.

2. **Security:** In terms of our borrowings where security needs to be created, we are typically required to create security primarily by way of first hypothecation or *pari passu* charge, on our Company's book debts, receivables, current assets, investments, cash and bank balances, as the case maybe. There may be additional requirements for creation of security under the various borrowing arrangements entered into by us.
3. **Prepayment:** We have the option to prepay the lenders, subject to payment of prepayment charges at such rate as may be stipulated by the lenders which typically ranges up to 2% of the amount prepaid. Further, some loans may be prepaid without any prepayment charges subject to the fulfilment of conditions, including by providing prior notice to the lender. In relation to the NCDs, if the Company is required to redeem the NCDs prior to the expiry of redemption period, it is required to obtain all necessary approvals under applicable laws, including but not limited to, written approval from the RBI, in relation to such early redemption.
4. **Re-payment:** The cash credit facilities are typically repayable on demand. The repayment period for most term loans and NHB sanctioned refinance typically ranges from four to 16 years and five to 15 years, respectively. We are required to repay the amounts in such instalments as per the repayment schedule stipulated in the relevant loan documentation. Further, the redemption period for the NCDs ranges from three to 10 years.
5. **Key covenants:**

In terms of our facility agreements, sanction letters and the DTDs, we are required to comply with various financial covenants, restrictive covenants and conditions restricting certain corporate actions, and we are required to take the