

Date: December 7, 2023

To,

**The Board of Directors**  
**India Shelter Finance Corporation Limited**  
6<sup>th</sup> Floor, Plot No. 15  
Sector 44, Institutional Area, Gurgaon  
Haryana 122 002, India

**ICICI Securities Limited**  
ICICI Venture House  
Appasaheb Marathe Marg, Prabhadevi  
Mumbai 400 025  
Maharashtra, India

**Citigroup Global Markets India Private Limited**  
1202, 12<sup>th</sup> Floor  
First International Financial Center  
G-Block, C54 & 55, Bandra Kurla Complex  
Bandra (East), Mumbai 400098  
Maharashtra, India

**Kotak Mahindra Capital Company Limited**  
1<sup>st</sup> Floor, 27 BKC, Plot No. 27  
G Block, Bandra Kurla Complex  
Bandra (East), Mumbai 400 051  
Maharashtra, India

**Ambit Private Limited**  
Ambit House  
449, Senapati Bapat Marg  
Lower Parel, Mumbai 400 013  
Maharashtra, India

(ICICI Securities Limited, Citigroup Global Markets India Private Limited, Kotak Mahindra Capital Company Limited, Ambit Private Limited and any other book running lead managers which may be appointed in relation to the Offer are collectively referred to as the “**Book Running Lead Managers**” or the “**BRLMs**”)

**Re: Proposed initial public offering of equity shares of face value of ₹ 5 each (“Equity Shares”) by India Shelter Finance Corporation Limited (the “Company”) and such offering (the “Offer”)**

Dear Sirs/Madams,

We, B.B. & Associates, Chartered Accountants, have been informed that the Company proposes to file the red herring prospectus (“**RHP**”) and the prospectus (“**Prospectus**”) with the Registrar of Companies, Delhi and Haryana at New Delhi (“**Registrar of Companies**” or “**RoC**”) and thereafter file 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 (“**ICDR Regulations**”).

In relation to the Company and its subsidiary, we are an independent firm of chartered accountants, appointed by the Company in terms of our engagement letter dated June 13, 2023 in relation to the Offer. We have received a request from the Company to provide certain confirmations in relation to related party transactions of the Company (whether eliminated on consolidation or not).

# **B.B. & Associates**

## **Chartered Accountants**

We have reviewed and performed procedures in accordance with applicable auditing standards, on the restated consolidated financial statements of the Company for the six months period ended September 30, 2023 and September 30, 2022 and the financial years ended March 31, 2023, March 31, 2022 and restated standalone financial statement for the financial year ended March 31, 2021, prepared in accordance with the Companies Act, 2013, as amended and the rules framed thereunder, the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**Restated Consolidated Financial Statements**”).

Accordingly, based on the information and explanations provided by the Company, and on review of the following documents/information: (a) books of accounts, (b) agreements, (c) invoices, (d) terms of engagement and statutory records maintained by the Company, as required, (e) process note for identification of related party transactions and evaluation of arm’s length with respect to transactions entered into and reconciliation of balances, (f) basis of evaluation of transactions undertaken at arm’s length as certified by the management and supporting documents for justification of the arm’s length price for such related party transactions, (g) minutes of the meetings of the board of directors of the Company, audit committee, general meetings and extra-ordinary general meetings of the Company, (h) relevant statutory registers, (i) copies of arrangements/ work orders etc. executed between related parties for all material transactions, and (j) on enquiry with and written representation from Mr. Ashish Gupta, the Chief Financial Officer of the Company who is responsible for financial and accounting matters, on the nature of the related party transactions entered into by the Company, we hereby certify and confirm that:

- (i) the Company has entered into transactions with related parties, as defined under Section 2(76) of the Companies Act, 2013 and the Indian Accounting Standard 24 (“**Ind AS 24**”) (“**Related Parties**”) and the transactions being referred to as “**Related Party Transactions**”) as per the Restated Consolidated Financial Information, as mentioned in Note 40 of the Restated Consolidated Financial Information, and included here as **Annexure A**;
- (ii) all Related Party Transactions, as mentioned in **Annexure A**, are legitimate business transactions and the profits/ losses from the aforesaid related party transactions have arisen from legitimate business transactions;
- (iii) all Related Party Transactions, unless otherwise disclosed in the restated consolidated financial statements or audited financial statements of the Company, have been entered into in accordance with applicable law and on an “arm’s length basis”;
- (iv) there have been no transactions with parties with whom the Company has a relationship that enables such parties to negotiate terms that may not be available from other, more clearly independent, parties on an arm’s length basis;
- (v) related party transactions with the entities covered under the Companies Act requiring consents or approval from the Government of India or board of directors or shareholders of the Company have been duly obtained, as applicable;
- (vi) the aggregate amount of Related Party Transactions as a percentage of the consolidated revenue from operations of the Company has been included in **Annexure C** to this certificate; and
- (vii) all related party transactions entered into for the period disclosed in the red herring prospectus have been entered into by the Company in accordance with the applicable laws.

In addition to the processes carried out by us as mentioned above, at the request of the BRLMs, we have also read the unaudited management accounts of the Company for the period October 1, 2023 to October 31, 2023. In addition, we have (i) read the minutes of the meetings of the shareholders and the Board of Directors, the audit committee, the nomination and remuneration committee and the stakeholders’ relationship committee of the Company held since October 1, 2023, as set forth in the minute books through December 7, 2023, 2023; (ii) inquired of the Chief Financial Officer of the Company, Mr. Ashish Gupta, who is responsible for financial and

# **B.B. & Associates**

## **Chartered Accountants**

accounting matters, on the nature of the Related Party Transactions entered into by the Company, from October 1, 2023 until December 7, 2023 and if the profits arisen from such transactions have arisen pursuant to legitimate business transactions.

Based on the procedures carried out by us as mentioned above, we confirm and certify that from October 1, 2023 to December 7, 2023 (“**Review Period**”):

- (i) all Related Party Transactions, have been entered into in compliance with applicable law and such transactions have been entered into on an arm’s length basis as defined under Section 188 of the Companies Act, 2013;
- (ii) list of related parties for the period from October 1, 2023 to December 7, 2023 is included herewith as **Annexure B** to this certificate;
- (iii) the profits of the Company from Related Party Transactions have arisen pursuant to legitimate business transactions; and
- (iv) related party transactions with the entities covered under the Companies Act requiring consents or approval from the Government of India or board of directors or shareholders of the Company have been duly obtained, as applicable.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and 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, issued by the Institute of Chartered Accountants of India.

We confirm that the information in this certificate is complete, true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the red herring prospectus, prospectus and any other material issued in connection with the Offer (together, the “**Offer Documents**”) which may be filed by the Company with SEBI, Stock Exchanges, RoC and / or any other regulatory or statutory authority.

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 the SEBI, Registrar of Companies, Stock Exchanges and/or any other regulatory/statutory 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 and annexures may be relied on by the Company, the BRLMs, their affiliates and the legal counsel to each of the Company and the BRLMs appointed in relation to the Offer 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 immediately communicate in writing any changes to the above information/confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the BRLMs and the Company until the Equity Shares allotted in the Offer commence trading on the Stock Exchanges. In the absence of any such communication from us, the Company, the BRLMs and the legal advisors appointed with respect to Offer can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct.

*(this space has been intentionally left blank)*

# ***B.B. & Associates***

## ***Chartered Accountants***

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

Yours Sincerely,

**For B.B. & Associates**  
Chartered Accountants  
ICAI Firm Registration No: 023670N

**Balwan Bansal**  
Partner  
Membership No. 511341  
Peer Review Certificate No. 015429  
UDIN: 23511341BGVSBH5385

**CC:**

### **Legal Counsel to the Book Running Lead Managers**

**Cyril Amarchand Mangaldas**  
3<sup>rd</sup> Floor, Prestige Falcon Towers  
19, Brunton Road  
Off M.G. Road, Bengaluru 560 025  
Karnataka, India

### **Legal Counsel to the Company**

**Shardul Amarchand Mangaldas & Co**  
Amarchand Towers  
216, Okhla Industrial Estate Phase III  
New Delhi 110 020

**B.B. & Associates**  
Chartered Accountants

**Annexure A**

(Amount in INR millions)

Particulars	Six months period ended September 30, 2023		Six months period ended September 30, 2022		Fiscal Year 2023		Fiscal Year 2022		Fiscal Year 2021	
	Amount	As a % of total revenue*	Amount	As a % of total revenue*	Amount	As a % of total revenue*	Amount	As a % of total revenue*	Amount	As a % of total revenue*
<b>Rent Paid</b>										
Gaj Singh Mehta	Nil	Nil	Nil	Nil	Nil	Nil	0.34	Negligible	0.36	Negligible
Adit Mehta	Nil	Nil	0.24	Negligible	0.27	Negligible	Nil	Nil	Nil	Nil
<b>Transaction with KMP</b>										
<b>Short Term Benefits</b>	<b>21.15</b>		<b>16.76</b>		<b>76.33</b>		<b>83.67</b>		<b>55.58</b>	
Anil Mehta	Nil	Nil	Nil	Nil	Nil	Nil	30.09	0.7%	43.17	1.4%
Rupinder Singh	15.07	0.4%	11.98	0.5%	55.47	0.9%	39.27	0.9%	Nil	Nil
Ashish Gupta	4.69	0.1%	3.76	0.1%	17.48	0.3%	9.90	0.2%	9.49	0.3%
Mukti Chaplot	1.39	Negligible	1.02	Negligible	3.38	0.1%	4.41	0.1%	2.92	0.1%
<b>Contribution to pension fund and gratuity payment</b>										
<b>Contribution to pension fund and gratuity payment</b>	<b>1.55</b>		<b>1.81</b>		<b>3.22</b>		<b>17.20</b>		<b>1.53</b>	
Anil Mehta	Nil	Nil	Nil	Nil	Nil	Nil	14.96	0.3%	0.75	Negligible
Rupinder Singh	0.95	Negligible	1.27	Negligible	2.15	Negligible	1.39	Negligible	Nil	Nil
Ashish Gupta	0.54	Negligible	0.48	Negligible	0.96	Negligible	0.76	Negligible	0.69	Negligible
Mukti Chaplot	0.06	Negligible	0.06	Negligible	0.11	Negligible	0.09	Negligible	0.09	Negligible
<b>Fees paid to NE-Director- Mr. Anil Mehta</b>										
<b>Fees paid to NE-Director- Mr. Anil Mehta</b>	<b>9.33</b>	<b>0.2%</b>	<b>4.67</b>	<b>0.2%</b>	<b>18.67</b>	<b>0.3%</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Sitting fees paid to independent directors</b>										
<b>Sitting fees paid to independent directors</b>	<b>3.76</b>		<b>1.46</b>		<b>2.95</b>		<b>2.63</b>		<b>2.85</b>	
Anisha Motwani	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1.65	0.1%
Shailesh J Mehta	Nil	Nil	Nil	Nil	Nil	Nil	0.90	Negligible	1.12	Negligible
Rachna Dixit	1.18	Negligible	0.73	Negligible	1.46	Negligible	1.65	Negligible	0.08	Negligible
Sunil Bhumralkar	Nil	Nil	0.73	Negligible	1.06	Negligible	0.08	Negligible	Nil	Nil
Thomson kadantot Thomas	1.18	Negligible	Nil	Nil	0.43	Negligible	Nil	Nil	Nil	Nil
Ajay Narayan Jha	0.42	Negligible	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Parveen Kumar Gupta	0.66	Negligible	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Savita Mahajan	0.32	Negligible	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Proceeds from issue of equity</b>										
<b>Proceeds from issue of equity</b>	<b>7.89</b>		<b>Nil</b>		<b>0.27</b>		<b>0.80</b>		<b>1.23</b>	
Anil Mehta	4.63	0.1%	Nil	Nil	0.27	Negligible	0.75	Negligible	1.20	Negligible
Rupinder Singh	2.00	0.1%	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ashish Gupta	0.86	Negligible	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

# B.B. & Associates

## Chartered Accountants

Mukti Chaplot	0.40	Negligible	Nil	Nil	Nil	Nil	0.05	Negligible	0.03	Negligible
<b>Proceeds for security Premium</b>	<b>137.75</b>		<b>Nil</b>		<b>11.53</b>		<b>0.27</b>		<b>0.40</b>	
Anil Mehta	72.10	1.9%	Nil	Nil	11.53	0.2%	0.25	Negligible	0.39	Negligible
Rupinder Singh	37.56	1.0%	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ashish Gupta	17.12	0.4%	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mukti Chaplot	10.97	0.3%	Nil	Nil	Nil	Nil	0.02	Negligible	0.01	Negligible
Sale of Assets- Anil Mehta	Nil	Nil	Nil	Nil	Nil	Nil	0.86	Negligible	Nil	Nil

\* Total revenue refers to total revenue from operations as per Restated Consolidated Financial Information.

# **B.B. & Associates**

*Chartered Accountants*

## **Annexure B**

### **Statement of Related Parties from October 1, 2023 to December 7, 2023**

<b>S.N.</b>	<b>Name of related party</b>
1	WestBridge Crossover Fund, LLC (Holding Company)
2	Aravali Investment Holdings (wholly-owned subsidiary of WestBridge Crossover Fund, LLC) (collectively holding more than one-half of the total voting power)
3	Anil Mehta (Chairman and Non-Executive Director)
4	Rupinder Singh (Managing Director and Chief Executive Officer)
5	Ashish Gupta (Chief Financial Officer)
6	Mukti Chaplot (Company Secretary)
7	Anup Gupta (Nominee Director)
8	Sumit Chadha (Nominee Director)
9	Shailesh J. Mehat (Nominee Director)
10	Rachna Dikshit (Independent Director)
11	Sudhin Bhagwandas Choksey (Nominee Director)
12	Thomson Kadantot Thomas (Independent Director)
13	Nexus Ventures III Ltd, Mauritius (Holder of Equity Shares)
14	Nexus Opportunity Fund II, Ltd. (Holder of Equity Shares)
15	Ankit Aggarwal (Husband of Mukti Chaplot)
16	Praveen Kumar Gupta (Independent Director)

# ***B.B. & Associates***

*Chartered Accountants*

## **Annexure C**

As per the Restated Consolidated Financial Statements, the Related Party Transactions entered into by the Company aggregated to absolute total amounts of ₹ 181.43 million, ₹ 24.94 million, ₹ 113.24 million, ₹ 105.77 million and ₹ 61.95 million, representing, 4.7%, 0.9%, 1.9%, 2.4%, and 2.0%, respectively, of the revenue from operations in six months period ending September 2023, six months period ending September 2022 and Fiscals 2023, 2022, 2021 respectively.