

Date: November 23, 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”)**

We, B.B. & Associates, Chartered Accountants, have been informed that the Company proposes to file the Red Herring Prospectus with respect to the Offer (the “**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**”)

We have received a request from the Company to provide certain calculation of the basis for the Offer Price of the Equity Shares in the Offer.

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In this regard, we have reviewed the Restated Consolidated Financial Information 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 Information 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 Information**”).

Accordingly, we certify that the following information is true, correct, and complete and not misleading:

### 1. Basic and Diluted Earnings Per Share (“EPS”):

Fiscal	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Fiscal 2023	17.75	17.47	3
Fiscal 2022	14.80	14.63	2
Fiscal 2021	10.19	9.93	1
<b>Weighted Average</b>	<b>15.51</b>	<b>15.27</b>	
Six Month Period ended September 30, 2023*	12.13	12.00	
Six Month Period ended September 30, 2022*	7.09	7.02	

\* Not annualized

#### Notes:

- (i) Pursuant to a resolution of the Company’s Board passed in their meeting held on July 12, 2023 and a resolution of the Company’s Shareholders passed in their extraordinary general meeting held on July 18, 2023, the authorised share capital of the Company comprising of 81,000,000 equity shares of face value ₹ 10 was split into 162,000,000 Equity Shares of face value ₹ 5 each. The impact of sub-division is retrospectively considered for the computation of earnings per share/ EPS in accordance with the requirement of Ind AS 33.
- (ii) Weighted average is calculated as the aggregate of year-wise weighted earnings per share divided by the aggregate of weights i.e. (earnings per share x weight) for each year/total of weights.
- (iii) Earnings per share/ EPS has been calculated in accordance with the Ind AS 33. The face value of Equity Shares of the Company is ₹ 5.
- (iv) Basic and diluted EPS are as per the Restated Consolidated Financial Information.
- (v) Basic and Diluted Earnings per Equity Share are computed in accordance with Ind AS 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended) as appearing in Restated Consolidated Financial Information. Pursuant to the Board resolution dated July 12, 2023 and the Shareholders’ resolution dated July 18, 2023, the face value of the equity shares of the Company was sub-divided from ₹10 each to ₹5 each. The sub-division of equity shares is retrospectively considered for the computation of basic and diluted earnings per equity share in accordance with Ind AS 33 for all years presented.

### 2. Price Earnings Ratio (P/E) in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the lower end of Price Band (no. of times) *	P/E at the higher end of Price band (no. of times) *
Based on Basic EPS for the financial year ended March 31, 2023	[●]	[●]
Based on Diluted EPS for the financial year ended March 31, 2023	[●]	[●]

\* To be updated upon finalisation of the Price Band.

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### 3. Industry price/earning (“P/E”) ratio:

Particulars	P/E Ratio
Highest	37.7x
Lowest	27.4x
Average	31.7x

Notes: The industry high and low has been considered from the industry peer set. The industry composite has been calculated as the arithmetic average P/E for industry peer set disclosed in para 8 of this certificate. The industry P/E ratio mentioned above has been computed based on the closing market price of the peer group’s equity shares on BSE as on November 16, 2023, divided by the diluted EPS for the year ended March 31, 2023.

### 4. Industry price/book (“P/B”) ratio:

Particulars	P/B Ratio
Highest	4.6x
Lowest	3.6x
Average	4.2x

Notes: The industry high and low has been considered from the industry peer set. The industry composite has been calculated as the arithmetic average P/B for industry peer set disclosed in para 8 of this certificate.

### 5. Average Return on Net Worth (“RoNW”):

Year ended	RoNW (%)	Weight
March 31, 2023	13.4%	3
March 31, 2022	12.8%	2
March 31, 2021	9.8%	1
<b>Weighted Average</b>	<b>12.6%</b>	
September 30, 2023*	8.2%	
September 30, 2022*	5.6%	

\* Not annualized

Notes:

- Return on Net Worth (%) is calculated as restated consolidated profit after tax attributable to the equity shareholders of the Company divided by average total equity as at respective year end. Total equity is calculated as the sum of equity share capital and other equity.
- Profit after tax, equity share capital and other equity numbers are as per the Restated Consolidated Financial Information.
- Weighted average return on net worth is calculated as the aggregate of year-wise weighted return on net worth divided by the aggregate of weights i.e. (return on net worth x weight) for each year/total of weights.

### 6. Net Asset Value (“NAV”) per Equity Share (Face value of ₹ 5):

NAV	(in ₹)
As on March 31, 2023	141.38
As on September 30, 2023	152.70
After the completion of the Offer*	
At floor price	●
At cap price	●
At Offer Price	●

\* To be updated upon finalisation of the Price Band. Offer Price will be determined on conclusion of the Book Building Process.

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### Notes:

- (i) Net asset value per equity share is computed as net worth as of the last day of the relevant period divided by the outstanding number of issued and subscribed equity shares as of the last day of such period.
- (ii) Pursuant to a resolution of the Company's Board passed in their meeting held on July 12, 2023 and a resolution of its Shareholders passed in their extraordinary general meeting held on July 18, 2023, the authorised share capital of the Company consisting of 81,000,000 equity shares of ₹ 10 each was split into 162,000,000 Equity Shares of face value ₹ 5 each.
- (iii) The impact of sub-division is retrospectively considered for the computation of NAV in accordance with the requirement of Ind AS 33.

### 7. Weighted average cost of acquisition ("WACA"), floor price and cap price

The floor price is [●]\* and the cap price is [●]\* times, respectively, the weighted average cost of acquisition of last five primary issuance by the Company or secondary transactions of the Equity Shares of the Company (secondary transactions where Promoters, members of the Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate Director(s) on the Company's Board, are a party to the transaction), not older than three years prior to the date of the DRHP/RHP irrespective of the size of transactions as set out below:

Past transactions	WACA in ₹	Floor Price ₹[●]*	Cap Price ₹[●]*
WACA of primary issuance by the Company	90.34	[●] times	[●] times
WACA of secondary transactions (sale of acquisition) of Equity Shares of the Company	302.04	[●] times	[●] times

\* To be updated upon finalisation of the Price Band.

### 8. Comparison with Listed Industry Peers:

The Company has confirmed that Aptus Value Housing Finance India Limited, Aavas Financiers Limited and Home First Finance Company India Limited have been identified as the listed peers of the Company. (the "Industry Peers"). Based on our review of the audited financial statements of such Industry Peers for their last audited financial year (i.e. financial year 2023), we confirm the additional details as set forth below:

Name of the company	Face value per equity share (₹)	Total revenue from operations (₹ in million)	EPS (Basic) (₹)	EPS (Diluted) (₹)	NAV per Equity Share (₹)	Net Worth attributable to the owners of the company (in ₹ million)	P/E Ratio	P/B Ratio	Return on net worth (%)
India Shelter Finance Corporation Limited <sup>#</sup>	5	5,845.30	17.75	17.47	141.38	12,405.28	[●] <sup>@</sup>	[●] <sup>@</sup>	13.4%
<b>Listed Peers*</b>									
Aptus Value Housing Finance India Limited	2	10,933.57	10.11	10.08	67.05	33,393.31	29.9x	4.5x	16.1%
Aavas Financiers Limited	10	16,087.64	54.38	54.26	413.58	32,696.60	27.4x	3.6x	14.1%
Home First Finance Company	2	7,909.85	26.01	25.20	206.48	18,173.39	37.7x	4.6x	13.5%

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Name of the company	Face value per equity share (₹)	Total revenue from operations (₹ in million)	EPS (Basic) (₹)	EPS (Diluted) (₹)	NAV per Equity Share (₹)	Net Worth attributable to the owners of the company (in ₹ million)	P/E Ratio	P/B Ratio	Return on net worth (%)
India Limited									

# Financial information of the Company has been derived from the Restated Consolidated Financial Information as at or for the six months period ended September 30, 2023 and September 30, 2022 and the financial years ended March 31, 2023, 2022 and 2021.

@ To be updated upon finalisation of the Price Band.

\* Source for listed peers information included above:

- All the financial information for listed industry peers is on a consolidated basis and is sourced from the financial information of such listed industry peer as at and for the year ended March 31, 2023 available on the website of the stock exchanges.
- P/E Ratio for the listed industry peers has been computed based on the closing market price of equity shares on BSE as on November 16, 2023 divided by the diluted EPS for the year ended March 31, 2023.
- P/B ratio for the listed industry peers has been computed based on the closing market price of equity shares on BSE as on November 16, 2023 divided by the net asset value per equity share as of the last day of the year ended March 31, 2023.
- Return on net worth (%) is calculated as restated consolidated profit after tax attributable to the equity shareholders of the Company divided by average total equity as at respective year end. Total equity is calculated as the sum of equity share capital and other equity.
- Net asset value per equity share is computed as net worth as of the last day of the relevant period/year divided by the outstanding number of issued and subscribed equity shares as of the last day of such period/year. The impact of sub-division is retrospectively considered for the computation of Net Asset Value in accordance with the requirements of Ind AS 33. Net worth represents aggregate value of equity share capital and other equity and are based on Restated Consolidated Financial Information.

### 9. Key Performance Indicators and its comparison with Listed Industry Peers:

We confirm that all Key Performance Indicators (“KPIs”), as communicated by the Company to us, have been included in the table below. The agreed-upon-procedures and data provided for the KPIs and the definitions and assumptions in relation to these KPIs have been outlined in **Annexure A**. We further certify that all the KPIs pertaining to the Company disclosed to the investors who have invested during the three-year period prior to filing the DRHP have been included in the table below and are proposed to be included in the “Basis for Offer Price” section of the DRHP. The KPIs disclosed below have been approved and confirmed by a resolution of the Audit Committee dated November 23, 2023. Further, the members of the Audit Committee have verified the details of all KPIs pertaining to the Company and confirmed that there are no KPIs pertaining to the Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of the DRHP. Also, set forth below are the details of the comparison of key performance indicators with the Company’s listed industry peers for the six months period ended September 30, 2023 and September 30, 2022 and the Fiscal 2023, Fiscal 2022 and Fiscal 2021:

India Shelter Finance Corporation Limited					
Key Performance Indicators (KPIs)	Six months period ended September 30, 2023	Six months period ended September 30, 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
Operations	Number of states	15	15	15	15

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India Shelter Finance Corporation Limited						
Key Performance Indicators (KPIs)		Six months period ended September 30, 2023	Six months period ended September 30, 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
<b>(Scale)</b>	Number of branches	203	167	183	130	115
	Number of employees	2,997	2,456	2,709	2,200	1,576
	AUM (₹ in million)	51,806.89	36,148.74	43,594.31	30,732.93	21,985.27
	AUM Growth (%) <sup>(1)</sup>	43.3%	43.6%	41.8%	39.8%	44.7%
	Disbursements (₹ in million)	12,203.17	8,618.94	19,643.77	12,952.61	8,948.76
	Disbursements Growth (%) <sup>(2)</sup>	41.6%	83.2%	51.7%	44.7%	62.3%
	Average Ticket Size on Disbursements (₹ in million)	1.03	1.07	1.05	1.06	1.09
<b>Operations (AUM Split)</b>	Product Wise AUM (in terms of Amount) - Home Loan (%) <sup>(3)</sup>	57.6%	54.8%	56.5%	54.1%	57.0%
	Product Wise AUM (in terms of Amount) – Loan against property (%) <sup>(4)</sup>	42.4%	45.2%	43.5%	45.9%	43.0%
	AUM by Customer Occupation - Self Employed (%) <sup>(5)</sup>	70.6%	68.8%	69.6%	67.6%	64.2%
	AUM by Customer Occupation – Salaried (%) <sup>(6)</sup>	29.4%	31.2%	30.4%	32.4%	35.8%
	Average LTV (%)	50.9%	50.3%	50.7%	49.4%	48.3%
<b>Operations (Efficiency)</b>	Branch Productivity (AUM / Branch) (₹ in million) <sup>(7)</sup>	255.21	216.46	238.22	236.41	191.18
	AUM / Employee (₹ in million) <sup>(8)</sup>	17.29	14.72	16.09	13.97	13.95
<b>Capital</b>	Net Worth (₹ in million) <sup>(9)</sup>	13,749.66	11,420.09	12,405.28	10,761.27	9,372.69
	Capital Adequacy Ratio (%)	48.7%	49.2%	52.7%	55.9%	71.5%
	Leverage (Average Total Assets to Average Net Worth) <sup>(10)</sup>	3.5	3.1	3.2	2.8	2.4
	Average Cost of Borrowing (%) <sup>(11)</sup>	8.9%	8.3%	8.3%	8.3%	8.7%
<b>Profitability</b>	Net Income (Total Income – Finance Cost) (₹ in million) <sup>(12)</sup>	2,594.81	1,773.44	3,975.54	3,123.86	2,182.25
	Profit after tax (₹ in million)	1,073.54	620.21	1,553.42	1,284.47	873.89
<b>Return Ratios</b>	Average Yield on advances (%) <sup>(13)</sup>	14.9%	15.0%	14.9%	15.3%	14.8%
	Spread on advances (%) <sup>(14)</sup>	6.0%	6.7%	6.6%	7.0%	6.1%
	Net Income to Average Total Assets (%) <sup>(15)</sup>	11.5%	10.2%	10.6%	11.0%	10.2%

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India Shelter Finance Corporation Limited						
Key Performance Indicators (KPIs)		Six months period ended September 30, 2023	Six months period ended September 30, 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
	Operating Expenses to Average Total Assets (%) <sup>(16)</sup>	4.9%	5.0%	4.8%	4.7%	4.0%
	Profit after tax to Average Total Assets (ROA) (%) <sup>(17)</sup>	4.7%	3.6%	4.1%	4.5%	4.1%
	Profit after tax to Average Net Worth (ROE) (%) <sup>(18)</sup>	16.4%	11.2%	13.4%	12.8%	9.8%
Asset Quality	DPD 30+ <sup>(19)</sup>	3.15%	3.97%	2.41%	3.96%	3.98%
	Stage 3 Assets (%) <sup>(20)</sup>	1.00%	2.79%	1.13%	2.12%	1.92%
	Stage 3 Assets (Net) to Net Carrying Amount (%) <sup>(21)</sup>	0.72%	2.16%	0.85%	1.60%	1.37%
	Provision Coverage Ratio (%) <sup>(22)</sup>	28.7%	23.6%	26.0%	25.5%	29.6%
	Credit cost to Average Total Assets (%) <sup>(23)</sup>	0.4%	0.5%	0.4%	0.4%	0.9%
Others	Basic earnings per equity share / EPS (in ₹) <sup>(24)</sup>	12.13	7.09	17.75	14.80	10.19
	Diluted earnings per equity share / EPS (in ₹) <sup>(24)</sup>	12.00	7.02	17.47	14.63	9.93
	Credit Rating	ICRA A+ Stable; CARE A+ Positive	ICRA A+ Stable; CARE A+ Stable	ICRA A+ Stable; CARE A+ Stable	ICRA A Stable; CARE A Positive	ICRA A Stable; CARE A Stable

### Notes:

1. AUM Growth (%) represents the percentage growth in AUM as of the last day of the relevant period/year over AUM as of the last day of the corresponding previous period/year.
2. Disbursements Growth (%) represents the percentage growth in Disbursements for the relevant period/year over Disbursements of the corresponding previous period/year.
3. Product Wise AUM (in terms of Amount) - Home Loan (%) represents AUM for loan accounts classified as Home Loan at the time of sanction of loans as a percentage of AUM as of the last day of the relevant year.
4. Product Wise AUM (in terms of Amount) - Loan Against Property (%) represents AUM for loan accounts classified as Loan Against Property at the time of sanction of loans as a percentage of AUM as of the last day of the relevant year.
5. AUM by Customer Occupation - Self Employed (%) represents AUM for loan accounts classified as Self Employed at the time of sanction of loans as a percentage of AUM as of the last day of the relevant year.
6. AUM by Customer Occupation - Salaried (%) represents AUM for loan accounts classified as Salaried at the time of sanction of loans as a percentage of AUM as of the last day of the relevant year.
7. Branch Productivity (AUM / Branch) is the ratio of AUM as on last date of relevant year to Number of branches as of the last day of the relevant year.
8. AUM / Employee is the ratio of AUM as of the last day of the relevant year to number of employees as of the last day of the relevant year.
9. Net Worth is equivalent to the sum of equity share capital and other equity as per the Restated Consolidated Financial Information.
10. Leverage represents the ratio of Average Total Assets to Average Net Worth for the relevant period.

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11. *Average Cost of Borrowing represents Finance Costs (excluding interest on lease liabilities) for the relevant period/year as per Restated Consolidated Financial Information as a percentage of Average Interest-bearing liabilities as of the last day of such period/year.*
12. *Net Income represents the difference between Total Income and Finance Cost for the relevant period/year.*
13. *Average Yield on Advances represents the ratio of interest income on loans and advances for the relevant year as per Restated Consolidated Financial Information divided by Average Loan and Advances as per Restated Consolidated Financial Information.*
14. *Spread on advances represents Average Yield on Advances for the relevant year less Average Cost of Borrowings for such year.*
15. *Net Income to Average Total Assets represents net Income for the relevant period/year to Average Total Assets for such period/year.*
16. *Operating Expenses to Average Total Assets represents Operating Expenses for the relevant period/year to Average Total Assets for such period/year.*
17. *Profit After Tax to Average Total Assets (ROA) represents Profit After Tax for the relevant period/year to Average Total Assets for such period/year.*
18. *Profit After Tax to Average Net Worth (ROE) represents Profit After Tax for the relevant period/year to the Average Net Worth for such period/year.*
19. *DPD 30+ represents AUM outstanding for more than 30 days after the due date for the relevant period/year as a percentage of AUM as of the last day of the corresponding relevant period/year*
20. *Stage 3 Assets (%) represents the Stage 3 assets to the Gross Carrying Amount as of the last day of the relevant period, represented as a percentage.*
21. *Stage 3 Assets (Net) to Net Carrying Amount (%) represents Stage 3 Assets (Net) as of the last day of the relevant period/year upon Net Carrying Assets as of the last day of such period/year, represented as a percentage.*
22. *Provision coverage ratio (%) represents Impairment Loss Allowance for Stage 3 Assets as a percentage of total Stage 3 Assets (Gross) as of the last day of such period/year.*
23. *Credit Cost to Average Total Assets represents the impairment on financial instruments to simple average of Total Assets as of the last day of the relevant period/year and Total Assets as of the last day of the previous year, represented as a percentage.*
24. *Basic and Diluted Earnings per Equity Share are computed in accordance with Ind AS 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended) as appearing in Restated Consolidated Financial Information. Pursuant to the Board resolution dated July 12, 2023 and the Shareholders ' resolution dated July 18, 2023, the face value of the equity shares of our Company was sub-divided from ₹10 each to ₹5 each. The sub-division of equity shares is retrospectively considered for the computation of basic and diluted earnings per equity share in accordance with Ind AS 33 for all period/years presented.*

<b>Key Performance Indicators (KPIs)</b>	<b>Explanation for the Key Performance Indicators/ KPIs</b>
<b>Operations (Scale)</b>	
Number of states	Number of states represents the aggregate number of states where the Company has presence as of the last day of the relevant year.
Number of branches	Number of branches represents the aggregate number of branches as of the last day of the relevant period/year.
Number of employees	Number of employees represents the aggregate number of employees (that receive compensation, where all or a portion is fixed) as of the last day of the relevant period/year.
AUM (in ₹ million)	AUM represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes (i) loan assets held by the Company as of the last day of the relevant period/year (ii) loan assets which have been transferred by the Company by way of securitization or direct assignments and are outstanding as of the last day of the relevant period/year and excludes the partner share of loan assets originated under co-lending arrangements with the partner banks as of the last day of the relevant period/year.



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AUM Growth (%)	AUM Growth (%) represents the percentage growth in AUM as of the last day of the relevant period/year over AUM as of the last day of the corresponding previous period.
Disbursements (in ₹ million)	Disbursements represents the aggregate of all loan amounts extended by the Company to its customers in the relevant period/year.
Disbursements Growth (%)	Disbursements Growth (%) represents the percentage growth in Disbursements for the relevant period/year over Disbursements of the corresponding previous period/year.
Average Ticket Size on Disbursements (in ₹ million)	Average Ticket Size on Disbursements is calculated as total amount disbursed during the relevant year divided by count of disbursements during such year.
<b>Operations (AUM Split)</b>	
Product Wise AUM (in terms of Amount) - Home Loan (%)	Product Wise AUM (in terms of Amount) - Home Loan (%) represents AUM for loan accounts classified as Home Loan at the time of sanction of loans as a percentage of AUM as of the last day of the relevant year.
Product Wise AUM (in terms of Amount) - Loan Against Property (%)	Product Wise AUM (in terms of Amount) - Loan Against Property (%) represents AUM for loan accounts classified as Loan Against Property at the time of sanction of loans as a percentage of AUM as of the last day of the relevant year.
AUM by Customer Occupation - Self Employed (%)	AUM by Customer Occupation - Self Employed (%) represents AUM for loan accounts classified as Self Employed at the time of sanction of loans as a percentage of AUM as of the last day of the relevant year.
AUM by Customer Occupation - Salaried (%)	AUM by Customer Occupation - Salaried (%) represents AUM for loan accounts classified as Salaried at the time of sanction of loans as a percentage of AUM as of the last day of the relevant year.
Average LTV (%)	Average LTV (%) represents weighted average of LTV at the time of sanction of loan using total principal outstanding for particular loan as on the last day of relevant year as weights.
<b>Operations (Efficiency)</b>	
Branch Productivity (AUM / Branch) (in ₹ million)	Branch Productivity (AUM / Branch) represents AUM as on last date of relevant year to Number of branches as of the last day of the relevant year.
AUM per Employee (in ₹ million)	AUM per Employee is the ratio of AUM as of the last day of the relevant year to number of employees as of the last day of the relevant year.
<b>Capital</b>	
Net Worth (in ₹ million)	Net Worth is equivalent to the sum of equity share capital and other equity as per the Restated Consolidated Financial Information.
Capital Adequacy Ratio (%)	The capital to risk assets ratio (CRAR) is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI).
Leverage (Average Total Assets to Average Net Worth)	Leverage represents the ratio of Average Total Assets to Average Net Worth for the relevant period.
Average Cost of Borrowing	Average Cost of Borrowing represents Finance Costs (excluding interest on lease liabilities) for the relevant year as per Restated Consolidated Financial Information as a percentage of Average Interest-bearing Liabilities as of the last day of such year. Average Interest-bearing Liabilities is the simple average of Interest-bearing Liabilities as of the last day of the relevant year and Interest-bearing Liabilities as of the last day of the previous year. Interest-bearing Liabilities represents total outstanding borrowing in form of debt securities and borrowings (other

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	than debt securities) excluding lease liability as of the last day of the relevant year as per Restated Consolidated Financial Information.
<b>Profitability</b>	
Net Income (in ₹ million)	Net Income represents the difference between Total Income and Finance Cost for the relevant year. Total income and Finance Cost (excluding interest on lease liabilities) are as represented in Restated Consolidated Financial Information.
Profit after tax (PAT) (in ₹ million)	PAT represents the profit after tax for relevant period/year as per Restated Consolidated Financial Information.
<b>Return Ratios</b>	
Average Yield on Advances	Average Yield on Advances represents the ratio of interest income on loans and advances for the relevant year as per Restated Consolidated Financial Information divided by Average Loan and Advances as per Restated Consolidated Financial Information.
Spread on Advances	Spread on advances represents Average Yield on Advances for the relevant year less Average Cost of Borrowings for such year.
Net Income to Average Total Assets	Net Income to Average Total Assets represents Net Income for the relevant period/year to Average Total Assets for such period/year.
Operating Expenses to Average Total Assets	Operating Expenses to Average Total Assets represents Operating Expenses for the relevant period/year upon the simple Average of Total Assets as of the last day of the relevant period/year and total assets as of the last day of the previous year, represented as a percentage. Operating expenses represents the aggregate of employee benefit expenses, depreciation and amortization expense, other expenses and interest expense on lease liabilities and other expenses for the relevant period/year as per Restated Consolidated Financial Information.
Profit After Tax to Average Total Assets (ROA)	Profit After Tax to Average Total Assets (ROA) represents Profit After Tax for the relevant period/year to Average Total Assets for such period/year.
Profit After Tax to Average Net Worth (ROE)	Profit After Tax to Average Net Worth (ROE) represents Profit After Tax for the relevant period/year to the Average Net Worth for such period/year.
<b>Asset Quality</b>	
DPD 30+	DPD 30+ represents AUM outstanding for more than 30 days after the due date for the relevant period/year as a percentage of AUM as of the last day of the relevant period/year..
Stage 3 Assets (%)	Stage 3 Assets (%) represents the Stage 3 assets to the Gross Carrying Amount as of the last day of the relevant period, represented as a percentage. Stage 3 Assets (Gross) represents gross carrying amount pertaining to loans which are non-performing assets as per the Income Recognition, Asset Classification and Provisioning Norms issued and modified by RBI from time to time as appearing in Note 6 of the Restated Consolidated Financial Information.
Stage 3 Assets (net) to net carrying amount (%)	Stage 3 Assets (Net) to Net Carrying Amount (%) represents Stage 3 Assets (Net) as of the last day of the relevant period/year upon Net Carrying Assets as of the last day of such period/year, represented as a percentage. Stage 3 assets (Net) represent Stage 3 Assets (Gross) less Impairment Loss Allowance for stage 3 assets as of the last day of the relevant period/year.
Provision coverage ratio (%)	Provision coverage ratio (%) represents Impairment Loss Allowance for Stage 3 Assets appearing in Restated Consolidated Financial Information as a percentage of total Stage 3 Assets (Gross) as of the last

# B.B. & Associates

## Chartered Accountants

	day of such period/year. Impairment Loss Allowance represents expected credit loss (ECL) made on Gross Carrying Amount - Loans as per ECL methodology under Ind AS guidelines as appearing in Note 6 of Restated Consolidated Financial Information.
Credit cost to Average Total Assets (%)	Credit Cost to Average Total Assets represents the impairment on financial instruments to simple average of Total Assets as of the last day of the relevant period/year and Total Assets as of the last day of the previous year, represented as a percentage.
<b>Others</b>	
Basic earnings per equity share (in ₹)	Basic Earnings per Share are computed in accordance with Ind AS 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended) as appearing in Restated Consolidated Financial Information.
Diluted earnings per equity share (in ₹)	Diluted Earnings per Share are computed in accordance with Ind AS 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended) as appearing in Restated Consolidated Financial Information.

Aavas Financiers Limited						
Key Performance Indicators (KPIs)		Six months period ended September 30, 2023	Six months period ended September 30, 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
Operations (Scale)	Number of states	13	13	13	13	11
	Number of branches	350	321	346	314	280
	Number of employees	NA	NA	6,034	5,222	5,679
	AUM (₹ in million)	1,53,195.00	1,25,437.00	1,41,667.00	1,13,502.10	94,542.90
	AUM Growth (%)	22.1%	23.6%	24.8%	20.1%	21.3%
	Disbursements (₹ in million)	23,267.00	22,404.00	50,245.00	36,022.40	26,568.50
	Disbursements Growth (%)	3.9%	64.2%	39.5%	35.6%	-9.3%
	Average Ticket Size on Disbursements (₹ in million)	0.93	0.88	0.89	0.86	0.85
Operations (AUM Split)	Product Wise AUM (in terms of Amount) - Home Loan (%)	69.7%	70.9%	69.9%	72.1%	73.5%
	Product Wise AUM (in terms of Amount) – LAP (%)	30.3%	29.1%	30.1%	27.9%	26.5%
	AUM by Customer Occupation - Self Employed (%)	59.9%	60.2%	60.1%	60.0%	60.4%
	AUM by Customer Occupation – Salaried (%)	40.1%	39.8%	39.9%	40.0%	39.6%
	Average LTV (%)	NA	NA	NA	NA	NA
Operations (Efficiency)	Branch Productivity (AUM / Branch) (₹ in million)	437.70	390.77	409.44	361.47	337.65
	AUM / Employee (₹ in million)	NA	NA	23.48	21.74	16.65
Capital	Net Worth (₹ in million)	35,136.21	30,288.42	32,696.60	28,064.30	24,008.10
	Capital Adequacy Ratio (%)	48.2%	50.4%	47.0%	51.9%	54.4%
	Leverage (Average Total Assets to Average Net Worth)	4.2	3.9	4.0	3.8	3.7

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Aavas Financiers Limited						
Key Performance Indicators (KPIs)		Six months period ended September 30, 2023	Six months period ended September 30, 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
	Average Cost of Borrowing (%)	7.4%	6.6%	6.6%	6.6%	7.8%
Profitability	Net Income (Total Income - Finance Cost) (₹ in million)	5,777.36	4,742.73	10,234.67	8,313.38	6,494.57
	PAT (₹ in million)	2,314.90	1,956.93	4,296.44	3,551.81	2,889.19
	Average Yield on Advances (%)	14.0%	13.7%	12.6%	12.8%	13.1%
Return Ratios	Spread on advances (%)	6.6%	7.1%	6.0%	6.2%	5.3%
	Net Income to Average Total Assets (%)	8.1%	8.3%	8.4%	8.3%	7.8%
	Operating Expenses to Average Total Assets (%)	3.8%	3.8%	3.8%	3.6%	3.1%
	PAT to Average Total Assets (ROA) (%)	3.3%	3.4%	3.5%	3.6%	3.5%
	PAT to Average Net Worth (ROE) (%)	13.7%	13.4%	14.1%	13.6%	12.8%
	DPD 30+ (%)	NA	NA	NA	NA	NA
Asset Quality	Stage 3 Assets (%)	1.04%	1.10%	0.92%	0.99%	0.98%
	Stage 3 Assets (Net) to Net Carrying Amount (%)	0.76%	0.84%	0.68%	0.77%	0.71%
	Provision Coverage Ratio (%)	27.5%	23.8%	26.9%	23.1%	27.2%
	Credit cost to Average Total Assets (%)	0.2%	0.0%	0.1%	0.2%	0.4%
	Basic EPS	29.27	24.78	54.38	45.10	36.86
Others	Diluted EPS	29.25	24.71	54.26	44.81	36.54
	Credit Ratings	CARE AA Stable	ICRA AA Stable; CARE AA Stable	ICRA AA Stable; CARE AA Stable	ICRA AA Positive; CARE AA Positive	ICRA AA Stable; CARE AA Stable

Note: The above numbers are traced/computed from the annual reports, investor presentation, earnings conference call presentations and other publicly available information on the Peer Company's and Stock Exchanges' website. We have not performed any independent procedure on the above numbers

Home First Finance Company India Limited						
Key Performance Indicators (KPIs)		Six months period ended September 30, 2023	Six months period ended September 30, 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
Operations (Scale)	Number of states	13	13	13	13	12
	Number of branches	120	101	111	80	72
	Number of employees	NA	951	993	851	687
	AUM (₹ in million)	83,654.00	62,754.00	71,980.00	53,800.00	41,410.70
	AUM Growth (%)	33.3%	35.9%	33.8%	29.9%	14.5%
	Disbursements (₹ in million)	18,543.00	13,634.00	30,129.00	20,310.00	10,970.00
	Disbursements Growth (%)	36.0%	66.3%	48.3%	85.1%	-32.2%

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Home First Finance Company India Limited						
Key Performance Indicators (KPIs)		Six months period ended September 30, 2023	Six months period ended September 30, 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
	Average Ticket Size on Disbursements (₹ in million)	1.07	1.09	1.10	1.05	1.00
Operations (AUM Split)	Product Wise AUM (in terms of Amount) – Home Loan (%)	87.0%	89.0%	88.0%	91.0%	92.0%
	Product Wise AUM (in terms of Amount) – LAP (%)	12.0%	10.0%	11.0%	7.0%	6.0%
	AUM by Customer Occupation – Self Employed (%)	31.0%	29.0%	30.0%	27.0%	25.0%
	AUM by Customer Occupation – Salaried (%)	69.0%	71.0%	69.5%	72.0%	74.0%
	Average LTV (%)	NA	NA	56.0%	57.2%	59.0%
Operations (Efficiency)	Branch Productivity (AUM / Branch) (₹ in million)	697.12	621.33	648.47	672.50	575.15
	AUM / Employee (₹ in million)	67.35	65.99	72.49	63.22	60.28
Capital	Net Worth (₹ in million)	19,467.32	16,856.19	18,173.39	15,736.85	13,805.43
	Capital Adequacy Ratio (%)	45.5%	50.7%	49.4%	58.6%	56.2%
	Leverage (Average Total Assets to Average Net Worth)	3.9	3.4	3.5	3.3	3.5
	Average Cost of Borrowing (%)	8.3%	6.9%	7.3%	6.6%	7.8%
Profitability	Net Income (Total Income – Finance Cost) (₹ in million)	3,144.80	2,273.78	4,923.42	3,808.86	2,725.77
	PAT (₹ in million)	1,434.30	1,055.21	2,282.92	1,860.98	1,001.42
Return Ratios	Average Yield on Advances (%)	13.9%	13.1%	13.3%	12.5%	12.8%
	Spread on advances (%)	5.6%	6.2%	5.9%	5.9%	5.0%
	Net Income to Average Total Assets (%)	8.5%	8.2%	8.3%	7.9%	6.8%
	Operating Expenses to Average Total Assets (%)	3.0%	3.0%	3.0%	2.7%	2.7%
	PAT to Average Total Assets (ROA) (%)	3.9%	3.8%	3.9%	3.9%	2.5%
	PAT to Average Net Worth (ROE) (%)	15.2%	13.0%	13.5%	12.6%	8.7%
Asset Quality	DPD 30+ (%)	2.90%	3.30%	2.70%	3.70%	4.10%
	Stage 3 Assets (%)	1.74%	1.93%	1.61%	2.33%	1.84%
	Stage 3 Assets (Net) to Net Carrying Amount (%)	1.22%	1.43%	1.07%	1.77%	1.20%
	Provision Coverage Ratio (%)	30.3%	26.4%	34.0%	24.9%	36.0%
	Credit cost to Average Total Assets (%)	0.4%	0.3%	0.4%	0.5%	0.8%
Others	Basic EPS	16.28	12.04	26.01	21.26	12.37
	Diluted EPS	15.78	11.62	25.20	20.54	12.18
	Credit Ratings	ICRA AA- Stable; CARE AA- Stable	ICRA AA- Stable; CARE AA- Stable	ICRA AA- Stable; CARE AA- Stable	ICRA A+ Positive; CARE A+ Stable	ICRA A+ Stable; CARE A+ Stable

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Note: The above numbers are traced/computed from the annual reports, investor presentation, earnings conference call presentations and other publicly available information on the Peer Company's and Stock Exchanges' website. We have not performed any independent procedure on the above numbers

Aptus Value Housing Finance India Limited						
Key Performance Indicators (KPIs)		Six months period ended September 30, 2023	Six months period ended September 30, 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
Operations (Scale)	Number of states	5	5	5	5	4
	Number of branches	250	213	231	208	190
	Number of employees	2,584	2,359	2,405	2,271	1,910
	AUM (₹ in million)	76,037.00	59,320.00	67,380.00	51,800.00	40,680.00
	AUM Growth (%)	28.2%	32.3%	30.1%	27.3%	27.8%
	Disbursements (₹ in million)	13,910.00	11,290.00	23,940.00	16,410.00	12,980.00
	Disbursements Growth (%)	23.2%	69.0%	45.9%	26.4%	1.4%
	Average Ticket Size on Disbursements (₹ in million)	0.80	0.80	1.00	NA	NA
Operations (AUM Split)	Product Wise AUM (in terms of Amount) - Home Loan (%)	59.0%	58.0%	58.0%	56.0%	NA
	Product Wise AUM (in terms of Amount) – LAP (%)	NA	NA	NA	NA	NA
	AUM by Customer Occupation - Self Employed (%)	72.0%	72.0%	71.0%	72.0%	72.0%
	AUM by Customer Occupation – Salaried (%)	28.0%	28.0%	29.0%	28.0%	28.0%
	Average LTV (%)	NA	NA	NA	NA	NA
Operations (Efficiency)	Branch Productivity (AUM / Branch) (₹ in million)	304.15	278.50	291.69	249.04	214.11
	AUM / Employee (₹ in million)	29.00	25.15	28.02	22.81	21.30
Capital	Net Worth (₹ in million)	35,399.46	31,748.00	33,393.31	29,161.63	19,794.52
	Capital Adequacy Ratio (%)	71.0%	80.3%	77.4%	85.6%	73.6%
	Leverage (Average Total Assets to Average Net Worth)	2.2	2.1	2.1	2.1	2.2
	Average Cost of Borrowing (%)	8.9%	7.5%	8.5%	8.0%	9.1%
Profitability	Net Income (Total Income - Finance Cost) (₹ in million)	4,789.65	4,043.72	8,538.64	6,323.15	4,523.95
	PAT (₹ in million)	2,902.76	2,421.48	5,030.15	3,701.40	2,669.45
Return Ratios	Average Yield on Advances (%)	NA	18.0%	17.7%	17.2%	17.2%
	Spread on advances (%)	NA	10.5%	9.2%	9.3%	8.1%
	Net Income to Average Total Assets (%)	12.7%	12.8%	13.3%	12.4%	10.9%
	Operating Expenses to Average Total Assets (%)	2.6%	2.4%	2.6%	2.3%	2.5%
	PAT to Average Total Assets (ROA) (%)	7.7%	7.7%	7.8%	7.3%	6.5%
	PAT to Average Net Worth (ROE) (%)	16.9%	15.9%	16.1%	15.1%	14.5%
Asset Quality	DPD 30+ (%)	5.99%	6.50%	5.90%	9.91%	9.38%
	Stage 3 Assets (%)	1.19%	1.47%	1.15%	1.21%	0.69%

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Aptus Value Housing Finance India Limited						
Key Performance Indicators (KPIs)		Six months period ended September 30, 2023	Six months period ended September 30, 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
	Stage 3 Assets (Net) to Net Carrying Amount (%)	0.91%	1.12%	0.87%	0.91%	0.50%
	Provision Coverage Ratio (%)	25.0%	25.0%	25.6%	25.3%	27.5%
	Credit cost to Average Total Assets (%)	0.2%	0.6%	0.5%	0.7%	0.1%
Others	Basic EPS	5.82	4.87	10.11	7.58	5.56
	Diluted EPS	5.80	4.85	10.08	7.53	5.55
	Credit Ratings	CARE AA-Stable;	ICRA AA-Stable; CARE AA- Stable	ICRA AA-Stable; CARE AA- Stable	ICRA AA-Stable; CARE A+ Positive	ICRA A+ Stable; CARE A+ Stable

*Note: The above numbers are traced/computed from the annual reports, investor presentation, earnings conference call presentations and other publicly available information on the Peer Company's and Stock Exchanges' website. We have not performed any independent procedure on the above numbers*

The computation of P/E ratio for the each of the industry peers above has been set out at as **Annexure B**.

We confirm that the information in this certificate is 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 and will enable investors to make a well-informed decision.

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.

This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the draft red herring prospectus, red herring prospectus, prospectus and any other material used in connection with the Offer (together, the "**Offer Documents**") which may be filed by the Company with Securities and Exchange Board of India ("**SEBI**"), BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**"), Registrar of Companies, Delhi and Haryana at New Delhi ("**Registrar of Companies**") 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 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 letter 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.

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

## ***Chartered Accountants***

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.

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: 23511341BGVSAE9794

Encl: As above

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



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**Annexure A**

KPI	Unit	September 2023	September 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
Number of states	Count	15	15	15	15	15
Number of branches	Count	203	167	183	130	115

**1. KPI Definition:**

For this KPI, we were requested to certify the following indicators:

- a) Number of states in which the Company has its branches during the six months period ended September 30, 2023 and September 30, 2022 and Fiscal 2023, 2022 and 2021.
- b) Number of branches of the Company during the six months period ended September 30, 2023 and September 30, 2022 and Fiscal 2023, 2022 and 2021.

**2. Data provided:**

- a) Restated Consolidated Financial Information as on and for the six months period ended September 30, 2023 and September 30, 2022 and years ended March 31, 2023, 2022 and 2021.
- b) Standalone Financial Statements of the Company and its subsidiary as on and for the six months period ended September 30, 2023 and September 30, 2022 and years ended March 31, 2023, 2022 and 2021.
- c) Schedule of leases containing details of rent paid by the Company during the six months period ended September 30, 2023 and September 30, 2022 and Fiscal 2023, 2022 and 2021.
- d) Sample lease agreements entered by the Company.
- e) Reconciliation of rent paid as per lease schedule with Restated Consolidated Financial Information.

**3. Risks analysed and procedures performed to mitigate the risk:**

- a) Ensured completeness of schedule provided by the management of the Company by reconciling the rent amount as per schedule with the Restated Consolidated Financial Information.
- b) Ensured correctness of lease schedule by verification of details from the lease agreements selected on sample basis.
- c) Traced the output of the metrics provided by the management with the output derived from the above-mentioned procedures and found them to be in agreement.

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KPI	Unit	Six months Period ended September 2023	Six months Period ended September 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
Number of employees	Count	2,997	2,456	2,709	2,200	1,576

**1. KPI Definition:**

For this KPI, we were requested to certify the following indicators:

- a) Number of employees as on last date of six months period ended September, 2023 and September, 2022 and Fiscal 2023, 2022 and 2021.

**2. Data provided:**

- a) Restated Consolidated Financial Information as on and for the six months period ended September 30, 2023 and September 30, 2022 and years ended March 31, 2023, 2022 and 2021.
- b) Salary sheets for the following months
  - i. September 2023 and October 2023
  - ii. September 2022 and October 2022
  - iii. March 2023 and April 2023
  - iv. March 2022 and April 2022
  - v. March 2021 and April 2021
- c) List of joinees and resignees during the six months period ended September 30, 2023 and September 30, 2022 and Fiscal 2023, 2022 and 2021.
- d) Total GL Dump of employee benefit expense for the six months period ended September 2023 and Fiscal 2023, 2022 and 2021.
- e) Reconciliation of Dump provided with Restated Consolidated Financial Information.
- f) Reconciliation of salary sheet of September 2023, 2022 and March 2023, 2022 and 2021 with dump of respective month.

**3. Risks analysed and procedures performed to mitigate the risk:**

- a) Ensured completeness of GL Dump of salary expense by reconciling the same with the Restated Consolidated Financial Information.
- b) Ensured correctness of salary sheet by reconciling the same with the GL dump of respective months.
- c) Performed reconciliation of headcount for six months period ended September 30, 2023 and September 30, 2022 and Fiscal 2023, 2022 and 2021 to reach out to number of employees as on the last date of respective fiscal year.
- d) Traced the output of the metrics provided by the management with the output derived from the above-mentioned procedures and found them to be in agreement.

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KPI	Unit	Six months period ended September 30, 2023	Six months period ended September 30, 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
AUM	₹ in million	51,806.89	36,148.74	43,594.31	30,732.93	21,985.27
AUM Growth	%	43.3%	43.6%	41.8%	39.8%	44.7%
Disbursements	₹ in million	12,203.17	8618.94	19,643.77	12,952.61	8,948.76
Disbursements Growth	%	41.6%	83.2%	51.7%	44.7%	62.3%
Average Ticket Size on Disbursements	₹ in million	1.03	1.07	1.05	1.06	1.09
Average LTV	%	50.9%	50.3%	50.7%	49.4%	48.3%
Product Wise AUM (in terms of Amount) - Home Loan	%	57.6%	54.8%	56.5%	54.1%	57.0%
Product Wise AUM (in terms of Amount) - LAP	%	42.4%	45.2%	43.5%	45.9%	43.0%
AUM by Customer Occupation - Self Employed	%	70.6%	68.8%	69.6%	67.6%	64.2%
AUM by Customer Occupation – Salaried	%	29.4%	31.2%	30.4%	32.4%	35.8%
Branch Productivity (AUM / Branch)	₹ in million	255.21	216.46	238.22	236.41	191.18
AUM per Employee	₹ in million	17.29	14.71	16.09	13.97	13.95

### 1. KPI Definition:

For this KPI, we were requested to certify the following indicators:

- Asset Under Management (AUM) of the Company as on last date of September, 2023 and September, 2022 and Fiscal 2023, 2022 and 2021.
- AUM Growth (%) during the six months period ended September 30, 2023 and September 30, 2022 and Fiscal 2023, 2022 and 2021.
- Disbursements done by the Company during the six months period ended September 30, 2023 and September 30, 2022 and Fiscal 2023, 2022 and 2021.
- Disbursements Growth (%) during the six months period ended September 30, 2023 and September 30, 2022 and Fiscal 2023, 2022 and 2021.
- Average ticket size on disbursements during the six months period ended September 30, 2023 and September 30, 2022 and Fiscal 2023, 2022 and 2021.
- Average Loan to Value (LTV) % as on last date of September, 2023 and September, 2022 and Fiscal 2023, 2022 and 2021.
- Product wise AUM (%) of Home Loan as on last date of September, 2023 and September, 2022 and Fiscal 2023, 2022 and 2021.
- Product wise AUM (%) of Loan Against Property (LAP) as on last date of September, 2023 and September, 2022 and Fiscal 2023, 2022 and 2021.
- AUM by Customer Occupation (%) of Self-employed customers as on last date of September, 2023 and September, 2022 and Fiscal 2023, 2022 and 2021.
- AUM by Customer Occupation (%) of Salaried customers as on last date of September, 2023 and September, 2022 and Fiscal 2023, 2022 and 2021.

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- k) Branch productivity during the six months period ended September 30, 2023 and September 30, 2022 and Fiscal 2023, 2022 and 2021.
- l) AUM per employee during the six months period ended September 30, 2023 and September 30, 2022 and Fiscal 2023, 2022 and 2021.

### **2. Definition of term used in this KPI:**

- a) **AUM** represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes (i) loan assets held by the Company as of the last day of the relevant year (ii) loan assets which have been transferred by the Company by way of securitization or direct assignments and are outstanding as of the last day of the relevant period/year; excludes the partner share of loan assets originated under co-lending arrangement with the partner bank as of the last day of the relevant period/year
- b) **AUM Growth** represents the percentage growth in AUM as of the last day of the relevant period/year over AUM as of the last day of the corresponding previous period/year.
- c) **Disbursements** represents the aggregate of all loan amounts extended by the Company to its customers in the relevant period/year.
- d) **Disbursements Growth** represents the percentage growth in Disbursements for the relevant period/year over Disbursements of the corresponding previous period/year.
- e) **Average Ticket Size on Disbursements** is calculated as total amount disbursed during the relevant year divided by count of disbursements during such year.
- f) **Average LTV (%)** represents weighted average of LTV at the time of sanction of loan using total principal outstanding for particular loan as on the last day of relevant year as weights.
- g) **Product Wise AUM (in terms of Amount) - Home Loan (%)** represents AUM for loan accounts classified as Home Loan at the time of sanction of loans as a percentage of AUM as of the last day of the relevant year.
- h) **Product Wise AUM (in terms of Amount) - Loan Against Property (%)** represents AUM for loan accounts classified as Loan Against Property at the time of sanction of loans as a percentage of AUM as of the last day of the relevant year.
- i) **AUM by Customer Occupation - Self Employed (%)** represents AUM for loan accounts classified as Self Employed at the time of sanction of loans as a percentage of AUM as of the last day of the relevant year.
- j) **AUM by Customer Occupation - Salaried (%)** represents AUM for loan accounts classified as Salaried at the time of sanction of loans as a percentage of AUM as of the last day of the relevant year.
- k) **Branch Productivity (AUM / Branch)** represents AUM as on last date of relevant year to Number of branches as of the last day of the relevant year.
- l) **AUM per Employee** is the ratio of AUM as of the last day of the relevant year to number of employees as of the last day of the relevant year.

### **3. Data provided:**

- a) Restated Consolidated Financial Information as on and for the six months period ended September 30, 2023 and September 30, 2022 and years ended March 31, 2023, 2022 and 2021.
- b) Standalone Financial Statements of the Company and its subsidiary as on and for the six months period ended September 30, 2023 and September 30, 2022 and years ended March 31, 2023, 2022, 2021 and 2020.
- c) Portfolio sheets of the Company for the six months period ended September 30, 2023 and September 30, 2022 and Fiscal 2023, 2022, 2021 and 2020 extracted from the Loan Management System “FinnOne Neo Loan Management System” (“LMS”).
- d) Disbursement sheet of the Company for the six months period ended September 30, 2023 and September 30, 2022 and Fiscal 2023, 2022, 2021 and 2020 extracted from the LMS.
- e) Reconciliation of AUM as per LMS with Restated Consolidated Financial Information for the six months period ended September 30, 2023 and September 30, 2022 and Fiscal 2023, 2022 and 2021.
- f) Supporting documents of selected sample of loan accounts such as loan agreements, income proofs, bank statements, income tax return, salary slips, LMS screenshots, valuation report of collateral property, etc.

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#### **4. Risks analysed and procedures performed to mitigate the risk:**

- a) Ensured completeness of portfolio sheets obtained from LMS by reconciling the same with the Restated Consolidated Financial Information.
- b) Ensured completeness of disbursement sheets obtained from LMS by reconciling the same with the portfolio sheets. Reasons for differences between disbursement sheets and portfolio sheets were inquired from management and documented along with required supportings.
- c) Ensured correctness of data in the portfolio sheets by verifying the details of loan accounts selected on sample basis from the documents submitted by the borrower at the time of sanction of loan. Sample of loan accounts were taken for different customers and for multiple states and branches in the period of review.
- d) Performed substantive procedures such as test of details, re-computation, etc. Also, performed analytical review procedures on the LMS data to identify any material misstatements.
- e) Ensured correctness of customer occupation by verifying documents such as income tax returns, salary slips, employer's declaration and bank statements for the selected samples.
- f) Ensured correctness of product type such as home loan or loan against property by verifying the same from the loan agreement entered with the customers for the selected samples
- g) Ensured arithmetical accuracy of the KPIs which are derived from other KPIs such as AUM Growth, Disbursement Growth, Branch productivity, AUM per employee, etc. by recalculating the KPIs as per the formula used.
- h) Traced the output of the metrics provided by the management with the output derived from the above-mentioned procedures and found them to be in agreement.

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## **Annexure B**

### **Calculation of P/E Ratio**

<b>Name of the Company</b>	<b>Closing price as on November 16, 2023</b>	<b>EPS (Diluted) (₹)</b>	<b>P/E Ratio</b>
Aptus Value Housing Finance India Limited	301.45	10.08	29.9x
Aavas Financiers Limited	1,489.15	54.26	27.4x
Home First Finance Company India Limited	948.95	25.20	37.7x

*(this space has been intentionally left blank)*