



Sustainable Financing Framework

Introduction

Indiabulls Housing Finance Ltd. (IBHFL) is amongst India's largest Housing Finance Companies (HFC). HFCs are non-bank lenders focused on mortgage-backed lending. IBHFL, like other HFCs, is regulated by the Reserve Bank of India (RBI), India's central bank.

IBHFL is a non-deposit taking HFC and has a balance sheet size of ~\$8.8 billion¹ (₹ 0.73 trillion) as of 31st December, 2023. IBHFL has serviced more than 1.5 million customers and cumulatively disbursed loans of over ~\$38.4¹ billion (₹ 3.18 trillion). It has a strong nationwide presence with 217 branches spread across 150 towns and cities. As of 31st December, 2023, IBHFL had a workforce of 4,793 employees, of which ~1,600 employees were part of the direct sales team located across the country.

IBHFL primarily offers Housing Loans to salaried and self-employed individuals for construction/purchase/renovation/reconstruction of houses, with particular focus on the affordable housing segment; and business loans to Micro, Small and Medium Enterprises (MSMEs), self-employed individuals and proprietorships for working capital or business expansion needs in India². Within the wider MSME segment, IBHFL is focused on the micro- and small-enterprises, which constitutes over 95% of the loans to MSMEs. IBHFL also offers loans to real estate developers in India for the construction of residential/ commercial buildings, and Lease Rental Discounting (LRD) loans against the hypothecation of rent receivables from an operational commercial property.

A majority of IBHFL's Loan Book comprises of Housing Loans, including loans in the affordable housing segment (as defined by the RBI). As of September 30, 2023, Housing Loans and non-Housing Loans constituted 52% and 48%, respectively of IBHFL's Standalone Loan Book.

Focus on ESG to drive sustainable growth

India is one of the world's fastest growing economies. Access to affordable housing is crucial for India to achieve its social objectives, including but not limited to, poverty alleviation and contributing to the United Nations' Sustainability Development Goals (SDGs). However, there remains a lack of supply and access to affordable housing with the Ministry of Urban Affairs' demand-based assessment estimating that demand for affordable housing is around 11.22 million homes (November 2021). The importance of addressing the affordable housing shortage in India is the focus of the Government's flagship mission of Pradhan Mantri Awas Yojana [PMAY], which translates as Prime Minister's Housing Plan. PMAY aims to provide housing to mid-, low-, and economically weaker sections of the population. PMAY's Credit-Linked Subsidiary Scheme (CLSS) offers interest subsidy to those [in its target segments] applying for a Housing Loan. It also supports women empowerment by requiring woman member of the household to be one of the legal, registered owners of the house. PMAY also extends financial and technological assistance to other industry participants.

Climate change and the environment are also topics of focus for the Indian Government. At COP26, Prime Minister Narendra Modi announced a target for net-zero carbon emissions by 2070, going beyond targets previously set under India's Nationally Determined Contribution³ (NDC) under the Paris Agreement. The target will be achieved through a number of measures such as installing non-fossil fuel electricity capacity of 500GW by 2030; Sourcing 50% energy requirements from renewables by 2030; reducing 1 billion tonnes of projected emissions between 2021 and 2030; and achieving a carbon emissions intensity reduction of 45% by 2030 against a 2005 baseline. Many corporates recognize the role they can play in helping India achieve its vision. Corporate

¹ All currencies given in USD have been converted from INR using a conversion rate of 82.87 (USD/INR) as of 06th March 2024. The conversion rate as of this date (06th March 2024) will remain applicable in the context of this Framework. USD amounts have been rounded.

² The loans are appraised against business cash flow and secured against residential or commercial property. The end use of the loan is only for deployment in business and not for consumption.

The definition of MSMEs will be as per Government of India (GoI). Gazette Notification S.O. 2119 (E) dated June 26, 2020 read with circular RBI/2020-2021/10 FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 read with FIDD.MSME & NFS. BC. No.4/06.02.31/2020-21 dated July 2, 2020, August 21, 2020 respectively on 'Credit flow to Micro, Small and Medium Enterprises Sector' and updated from time to time. Further, such MSMEs should be engaged in the manufacture or production of goods, in any manner, pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 or engaged in providing or rendering of any service or services. All bank loans to MSMEs conforming to the above guidelines qualify for classification under priority sector lending.

³ In the NDC, India has promised to create an additional carbon sink of 2.5 billion to 3 billion tonnes of carbon dioxide equivalent through forest and tree cover by the year 2030.

investment in the renewable energy sector will be required to meet national renewable energy capacity targets and green buildings can play a significant role in reducing Green-House Gas (GHG) emissions associated with the real estate sector. A combined effort across both the public and private sector will be required to meet the nation's accelerated ambition to address climate change.

The COVID-19 pandemic also completely re-shaped the way businesses look at the economy. As the pandemic unrolled, businesses and investors across the world have shifted focus from profits to people. These unprecedented circumstances in combination with the Indian national context have made IBHFL realize that the significance of sustainable and responsible practices cannot be over emphasized. IBHFL recognizes that it has a big responsibility to participate in and influence actions that help the environment and lead to social advancements of the communities around us.

As responsible corporate citizens, environmental and social considerations have always been key factors in the operations of IBHFL. To formalize its commitment, IBHFL pledged to embed ESG (Environment, Social and Governance) parameters into its institutional framework from this year (FY22) onwards. IBHFL believes that improvement on ESG parameters will also result in cost savings and improved operating efficiencies; help enhance the quality of service being offered to customers; and build stakeholder confidence, thus supporting IBHFL's vision of "sustainable growth".

Financing with Social Objectives

Affordable Housing

As a housing financier, IBHFL is in a unique position to help with one of humanity's basic needs – shelter. Loans towards Affordable Housing is not just a key business segment for IBHFL but is also a means by which it can make efficient funding available for purchase of Affordable Housing units to many first-time homebuyers. Aligned with the Government of India's mission of financial inclusion, IBHFL has pushed its way into new upcountry locations aiming to help more families buy their first house.

IBHFL's long-term goal is to meaningfully contribute towards increasing home ownership in India and it is particularly focused on the mid-income and low-income Affordable Housing Segment. IBHFL has served over 1.5 million customers and understands that the purchase of a house is the single largest investment that a person makes in his or her lifetime. Therefore, its key focus has been to provide a seamless experience to its customers in the Affordable-Housing Segment in urban and semi-urban markets. IBHFL has adopted a "Phygital" model which entails a mix of 'physical' and 'digital' means of loan fulfilment and on-going loan account management. The "Phygital" strategy also helps drive expansion into geographies with low competitive intensity, contributing to better margins at low cost-to income without dilution in credit standards. IBHFL's efforts are directed towards reduction of its environmental footprint by effective leverage of technology.

Loans to Micro, Small and Medium Enterprises

IBHFL also extends loans to small business owners and Micro, Small and Medium enterprises (MSMEs). These loans help small business owners unlock the value of their property by availing loan against their property; these funds are then used by the customers for productive deployment in their businesses. Within the larger MSME segment, the Company is primarily focussed on lending to micro-, and small-enterprises.

Loans to Priority Sector

Priority Sectors Lending (PSL) are loans to key sectors of the economy identified by the Reserve Bank of India (RBI) and the Government of India based on their social and economic importance. RBI mandates banks to direct a portion of their lending to these sectors, which include agriculture and allied activities, education, housing and food for the poorer population etc.

Extending Housing Loans to the priority sector (as defined by the banking regulator the Reserve Bank of India) is a key area of focus for IBHFL. The Reserve Bank of India defines Housing Loans under priority sector as loans to individuals up to ~\$47,000 (₹ 35 lakh) in metropolitan cities and up to ~\$33,700 (₹ 25 lakh) in other cities.

Housing Loans under PSL are towards Affordable Housing, and help families purchase their first house, thus helping address the country's vast housing gap.

Lending to small businesses and Micro, Small & Medium Enterprises (MSMEs) also constitutes PSL. MSMEs are a vital category accounting for 30% of India's GDP. Within the larger MSME segment, the Company is primarily focussed on lending to micro-, and small-enterprises, and these two constitute over 95% of the Company's loans to MSMEs. They are employment generating engines and employ about 110 million people. Many MSMEs are viewed as belonging to the "informal/ unorganised" sector and find it difficult to access efficient finance – timely finance at reasonable rates. IBHFL offers a means to these small businesses and MSMEs to unlock the value of their property and avail funding for their businesses at reasonable 'mortgage-backed finance' rates. Quick decision making also helps IBHFL offer timely financing solutions to these small businesses. IBHFL thus provides vital funding support to the economically and socially crucial small business and MSME sectors of the country's economy.

Environmental Considerations while Financing

To decarbonize the global economy in alignment with the Paris Agreement, all businesses need to reduce their direct/ indirect Green-House Gas (GHG) emissions or facilitate the reduction of greenhouse gas emissions.

IBHFL has been following the ISO 14001:2015 Environment Management System (EMS) since 2017 to drive reduction of its direct operational emissions. It is an effective framework for working towards the UN Sustainable Development Goals (SDG) and helps IBHFL manage its environmental responsibilities in a systematic manner.

IBHFL is carrying out activities in a manner consistent with the long-term goals of the Paris Agreement and commits to align all its operational decisions by adopting the following:

- Remain mindful that any action of IBHFL does not hinder the achievement of climate objectives
- Align actions to directly or indirectly support low-GHG climate-resilient development across its business areas

Since IBHFL provides loans to real estate developers in India for construction of residential and commercial buildings it will, through this Framework, apply the same principles stated above in its lending decisions by embedding categories like green buildings or businesses whose focus is in the renewable energy space⁴.

Sustainable Financing Framework

IBHFL has decided to publish a Sustainable Financing Framework ("the Framework") to support its wider sustainability efforts. IBHFL intends to use this Framework as the basis to issue green/social/sustainability bonds, loans or other financing instruments ("Sustainable Financing Instruments"). The Framework is aligned with the ICMA Sustainability Bond Guidelines ("SBG", 2021 edition)⁵ and in turn the key components of ICMA's Green Bond Principles ("GBP", 2021 edition (with June 2022 Appendix I) and Social Bond Principles ("SBP", 2023 edition), and the LMA/LTSA Green and Social Loan Principles ("GLP" and "SLP" respectively, 2023 editions) (collectively "the Principles"). The Principles are a set of voluntary guidelines that recommend transparency, disclosure and promote integrity in the development of the sustainable finance market.

The Framework is presented through the following key pillars:

- Use of Proceeds
- Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

⁴ As defined in the section "Use of Proceeds".

⁵ As outlined in the Sustainability Bond Guidelines (SBG), this means that the Framework also aligns with the key components of ICMA's Green Bond Principles (GBP 2021 edition) and Social Bond Principles (SBP 2023 edition). <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Social-Bond-Principles-SBP-June-2023-220623.pdf>

This Framework may be amended from time to time to reflect market developments, including changes to relevant environmental and social taxonomies, and major updates to the Principles, with the aim of adapting to, and aligning with, best market practices.

Use of Proceeds


An amount equal to the net proceeds raised through any Green, Social or Sustainable Bonds issued will be exclusively allocated to finance or re-finance eligible Green and/or Social assets/expenditures that align with the eligibility criteria as detailed in the Framework.

Eligible assets/expenditures may include, among others:

- Loans to businesses and/or projects that align with the eligibility criteria outlined below
- Loans for General Corporate Purposes (GCP) to businesses that derive 90% or more of revenues from activities that align with the eligible categories
- IBHFL’s own operating or capital expenditures for which use of proceeds meet the eligibility criteria

A look-back period of 36 months will be applied. IBHFL intends to fully allocate the net proceeds of any Sustainable Financing Instrument in line with the evaluation and selection process outlined above, within 36 months.

Eligible Social Project Categories:




SBP category	Eligible Projects	SDG mapping
Affordable Housing	<p>Housing loans to individuals for the purpose of Affordable Housing under Priority Sector Lending as defined by the RBI⁶</p> <ul style="list-style-type: none"> - Housing Loans to individuals up to ~\$47,000 (₹35 lakh) in metropolitan cities (with a population of 1 million and above) and up to ~\$33,700 (₹25 lakh) in other cities for purchase/construction of a dwelling unit per family provided the overall cost of the dwelling unit in the metropolitan city and at other cities does not exceed ~\$60,700 (₹45 lakh) and ~\$40,500 (₹30 lakh) respectively - Housing Loans up to ~\$13,500 (₹10 lakh) in metropolitan centres and up to ~\$8,000 (₹6 lakh) in other centres for repairs to damaged dwelling units conforming to the overall cost of the dwelling unit as described above <p>Affordable Housing under Priority Sector Lending as defined by the RBI⁸:</p>	 <p>SDG1: End poverty in all its forms everywhere</p>

⁶ As per the RBI Master Direction (https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959). Given RBI definitions of housing sector limits are subject to change, IBHFL will apply the most recent definitions in line with any updates made by the RBI.

IBHFL finances/ refinances housing loans to salaried and self-employed individuals for the construction or purchase of new dwelling units, the purchase of old dwelling unit or renovation/ reconstruction of existing dwelling units with a focus on the affordable housing, to the following target segments:

- a) Economically Weaker Section (EWS) and Low Income Groups (LIG) with an annual income level of up to ~\$8,000 (₹ 6 lacs) for affordable housing
- b) Economically Weaker Section (EWS), Low Income Groups (LIG) and Middle income Groups (MIG) with an annual income of up to ~\$24,200 (₹ 18 lacs) for purchase of the family’s first home

Also, support various schemes like PMAY etc. operated by various Governments and Public Agencies that may vary from time to time.

SBP category	Eligible Projects	SDG mapping
	<ul style="list-style-type: none"> - Housing projects using at least 50% of Floor Area Ratio (FAR)/Floor Space Index (FSI) for dwelling units with carpet area of no more than 60 sq.m. 	
Socioeconomic advancement and empowerment	<ul style="list-style-type: none"> - Housing loans to women for purchase of homes⁷ - Women founded start-ups/MSMEs which are majority owned or majority managed (at the most senior level) by women⁸ <p>These loans provide employment opportunities, promotion of small industries, contribute to manufacturing and exports, and support innovation and entrepreneurship.</p>	  <p>SDG5: Achieve gender equality and empower all women and girls SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>
Providing access to essential financial services for micro-, and small-enterprises	<p>IBHFL provides loans to Micro, Small and Medium Enterprises (MSMEs), self-employed individuals and proprietorships for working capital or business expansion needs in India⁹</p> <p>These loans are primarily to the micro and small enterprises with a loan ticket size varying from ~\$33,700 (₹ 10 lakh) to ~\$1,34,800 (₹ 10 Cr)¹⁰</p> <p>Eligible loans in this category for deployment of the proceeds of the issue will be only loans to micro-, and small-enterprises.</p>	 <p>SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>

⁷ It is well recognized that for women's empowerment, to enhance women's status in Indian society requires changes in ownership or control over property and other assets (only 16.3% of residence owning households with women as owners in FY11-12 <https://www.researchgate.net/publication/296873167> Not in her name women's property ownership in India pg 19, Table 4). Evidence shows that property in women's name is empowering and can have a transformative effect on their lives and of their families and children (Odoro et al 2015; Doss 2013; Swaminathan et al 2011). In order to provide social and financial security to women, IBHFL has always worked towards advocating this social need by incentivising and providing concessions in processing fee and/ or rate of interest for loans towards purchase of home where women are either the borrower or co-borrower under various campaigns from time to time.

⁸ Majority defined as >50%.



⁹ The loans are appraised against business cash flow and secured against residential or commercial property. The end use of the loan is only for deployment in business and not for consumption.

The definition of MSMEs will be as per Government of India (GoI). Gazette Notification S.O. 2119 (E) dated June 26, 2020 read with circular RBI/2020-2021/10 FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 read with FIDD.MSME & NFS. BC. No.4/06.02.31/2020-21 dated July 2, 2020, August 21, 2020 respectively on 'Credit flow to Micro, Small and Medium Enterprises Sector' and updated from time to time. Further, such MSMEs should be engaged in the manufacture or production of goods, in any manner, pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 or engaged in providing or rendering of any service or services. All bank loans to MSMEs conforming to the above guidelines qualify for classification under priority sector lending.

¹⁰ MSMEs are employment generating engines and employ about 110 million people. Many MSMEs are viewed as belonging to the "informal/ unorganised" sector and find it difficult to access efficient finance – timely finance at reasonable rates. IBHFL focuses on lending to non-metro/ up-country micro and small enterprises with a loan ticket size of ~\$13,500 (₹ 10 lacs) to ~\$0.2 million (₹1.5 Cr.) Even amidst the pandemic, micro & small enterprises (especially micro) were most impacted due to disruption of business cycle & had limited or no access to organised lending. Even though the government came up with schemes like Ex-gratia payment, moratorium or top-up under ECLGS, these were limited to businesses with existing loans.

SBP category	Eligible Projects	SDG mapping
	Loans to the micro- and small-enterprises are instrumental in bringing variety of people into the financial mainstream. By providing access to formal credit, these loans empowers borrowers to invest in their businesses, expand their operations, generate employment for both skilled and unskilled workers and thus participate in the nation's economic growth.	

Eligible Green Project Categories:

GBP category	Eligible Projects	SDG mapping
Green Buildings	<p>Financing and/or refinancing to real estate developers for construction, acquisition or refurbishment of residential or commercial buildings that meet the following criteria:</p> <ul style="list-style-type: none"> Green building certifications¹¹ such as LEED (Gold or above), BREEAM (Excellent or above)¹², Green Star (5 star or above)¹³, Green Rating for integrated Habitat Assessment (4 star or above), Indian Green Building Council (Gold or above)¹⁴ and IFC Edge (EDGE Certified, EDGE Advanced, Zero Carbon)¹⁵ Buildings that achieve an energy/ emissions performance improvement of at least 30% compared to a baseline¹⁶ <p>Funding green buildings company aims to help reduce negative impacts on the natural environment by various way of using less water, energy, and other natural resources; employing renewable energy sources and eco-friendly materials; and reducing emissions and other waste.</p>	 <p>SDG11: Make cities and human settlements inclusive, safe, resilient and sustainable</p>
Renewable Energy	<ul style="list-style-type: none"> Loans up to a limit of \$4.05 million (₹30 Cr) to developers and corporates for purposes of manufacturing, constructing, installing and/or developing renewable energy sources(e.g. solar panels and solar based power generators)¹⁷ 	 <p>SDG7: Ensure access to affordable,</p>

¹¹ Internationally recognised green building certifications serve as a proxy for the environmental performance of a building. Under ICMA's GBPs (June 2021), green buildings aligned with regional, national and internationally recognised certifications for environmental performance are an eligible green project. Minimum certification thresholds have been outlined to ensure only buildings with top green building certifications qualify as an eligible project under this Framework.

¹² <https://www.breeam.com/discover/how-breeam-certification-works/>

¹³ <https://gbca-web.s3.amazonaws.com/media/documents/introducing-green-star.pdf>

¹⁴ https://igbc.in/assets/html_pdfs/abridged/IGBC%20Green%20Homes%20Rating%20System%20Ver%203.0.pdf

¹⁵ <https://edgebuildings.com/certify/>

¹⁶ In line with the Climate Bond Initiative's (July 2020) requirement for a 30% minimum improvement in energy/emissions for a building upgrade. Baseline refers to pre-refurbishment energy/ emission performance.

¹⁷ Renewable energy (including the production, transmission, appliances and products) is an eligible green project as outlined in ICMA's GBPs (June 2021) and is one of the sectors outlined in RBI's priority sector lending paragraph 14. (https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959)

	<ul style="list-style-type: none"> – Loans to individual households, the loan limit will be \$13,485 (₹10 lakh) per borrower, to install renewable energy capacity (e.g. solar panels) within their household¹⁸ <p>The primary objective for deploying towards renewable energy is to advance economic development, improve energy security, improve access to energy, and mitigate climate change. Sustainable development is possible by use of sustainable energy and by ensuring access to affordable, reliable, sustainable, and modern energy for citizens</p>	reliable, sustainable and modern energy for all
--	--	---

IBHFL will not lend/ provide financing for projects or to MSMEs that are involved in the following operations and will therefore not be eligible for the Sustainable Project Portfolio:

- Large scale hydropower projects¹⁸
- Fossil fuel related activities including activities that are knowingly and intentionally dedicated to support the expansion of fossil fuel-based technologies
- Carbon intensive sectors such as steel and cement
- Production or trade in Palm oil
- Mining related activities
- Nuclear and nuclear related technologies
- Defense related activities (e.g. arms and ammunition)
- Weapons, alcohol, tobacco, gambling and adult entertainment
- Child labor and human trafficking

¹⁸ Master Directions – Priority Sector Lending (PSL) by RBI: https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959#Renewable_Energy

Process for Project Evaluation and Selection

IBHFL has in place an ESG Committee of the Board which comprises of its directors and members of its senior management team. The ESG Committee oversees the process of identification, measurement, and mitigation of the environmental and social risks. To help the ESG Committee drive all the sustainability related initiatives, IBHFL also has a Sustainability Committee comprising of senior members of key departments. With a special focus on initiatives related to sustainable lending, a Sustainable Lending Working Group (“SLWG”) has also been constituted, comprising of representatives from Treasury, Finance and Accounts and Business Credit teams. Both, the Sustainability Committee and SLWG work hand in hand and report to the ESG Committee.

For the purpose of assessment of eligible Green and Social Projects, the SLWG will meet on a quarterly basis. The ESG Committee is responsible for identifying and mitigating social and environmental risks associated with the Use of Proceeds as defined under this Framework and the eligible project list identified by the SLWG and Sustainability Committee will be approved by the ESG Committee. The Sustainability Committee along with the SLWG will report progress on various initiatives as well as progress on Use of proceeds.

The ESG Committee will govern the process and is responsible for:



Evaluating the compliance of proposed projects with the Eligibility Criteria, including the Look-back Principle (36 months) upon issuance of a Sustainable Financing Instrument, outlined in the “Use of Proceeds” section.



Approving the inclusion of pre-selected Eligible Projects in the Sustainable Project Portfolio (the ESG Committee has full discretion to object the inclusion of any project).



Monitoring and managing the Sustainable Project Portfolio and corresponding Sustainable Financing Instruments. IBHFL will maintain a virtual register, which captures the initial and continued assignment of Eligible Projects to the Sustainable Project Portfolio.



Replacing projects that no longer meet the Eligibility Criteria or due to any divestments.



Observing developments in the Sustainable Financing markets and approving updates to this Framework accordingly to reflect relevant changes in the company’s strategy or market developments.

Management of Proceeds

IBHFL will establish a Sustainable Project Portfolio and track the allocation of net proceeds from any Green, Social or Sustainable Bond issuances to Eligible Sustainable Projects. All Eligible Projects must meet the Eligibility Criteria throughout the term of the Green, Social or Sustainable Bonds. If an Eligible Project ceases to fulfil the Eligibility Criteria or exit IBHFL’s portfolio, IBHFL will, on a best effort basis, substitute the project as soon as reasonably practicable¹⁹.

Eligible Sustainable Projects financed by net proceeds of any Green, Social and/or Sustainable Bonds will not be affected by ex-ante changes to the Sustainable Financing Framework and will remain in the Sustainable Project Portfolio for as long as they meet the Eligibility Criteria prevailing at the time of the Green, Social and/or Sustainable Bond issuance and remain internally/virtually allocated to an outstanding Green, Social or Sustainable Bond. The SLWG will review and report to the ESG Committee on the Sustainable Project Portfolio on at least a quarterly basis.

¹⁹ This does not apply to the repayment of a loan -- [TO CLARIFY: LOANS THAT ARE REPAYED WILL NOT BE REPLENISHED? SUGGEST INCLUDING REPLENISHMENT ON A BEST EFFORTS BASIS]

IBHFL intends to fully allocate the net proceeds of any Sustainable Financing Instrument in line with the evaluation and selection process outlined above, within 36 months. Prior to full allocation, proceeds will be held in line with the IBHFL’s investment policy in conjunction with liquidity guidelines in cash, cash equivalents, and/or other liquid marketable instruments.

Reporting

IBHFL is committed to publish an Allocation and Impact Report of any Green, Social and/or Sustainable Bonds and these will be updated on an annual basis, until full allocation. On a best effort basis, IBHFL will align the reporting with the portfolio approach described in “The Green Bond Principles - Harmonised Framework for Impact Reporting (June 2023)”²⁰ and “The Social Bond Principles - Harmonised Framework for Impact Reporting for Social Bonds (June 2023)”²¹. This reporting is to be based on the IBHFL’s Sustainable Project Portfolio and the outstanding Sustainable Financing Instruments. Commencing one year from issuance, IBHFL will publish the allocation and impact report on their website (<https://www.indiabullshomeloans.com/>)

Allocation reporting

- Project Category
- Target Population
- Allocation information
- Total amount of outstanding Sustainable Financing Instruments and the share of proceeds used for financing vs. re-financing purposes on best effort basis
- Size of the common Sustainable Project Portfolio as well as a split by Project Categories
- Brief description of green projects, and associated target populations
- Any shortfall or amount of assets unallocated
- Illustrative examples describing Eligible Projects to which Sustainable Financing net proceeds have been allocated (subject to confidentiality commitments)

Impact reporting

SBP category	Potential impact indicators
Affordable Housing	<ul style="list-style-type: none"> - Total loan amount / number affordable housing loans disbursed under eligibility criteria - Number of dwellings financed -
Socioeconomic empowerment	<ul style="list-style-type: none"> - Total loan amount / number of loans disbursed to women for home purchase - Total loan amount / number of loans disbursed to women founded micro- and small-enterprises which are majority owned or majority managed by women - Number of women / micro- and small-enterprises financed
Providing access to essential financial services for micro-, and small-enterprises	<ul style="list-style-type: none"> - Total loan amount / number of loans disbursed to Micro- and small-enterprises - Number of micro- and small-enterprises financed - Number of people benefiting from improved employment

²⁰ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf>

²¹ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Harmonised-framework-for-impact-reporting-for-social-bonds-June-2023-220623.pdf>

GBP category	Potential impact indicators
Green Buildings	<ul style="list-style-type: none"> – Total loan amount / number of loans disbursed to green buildings – Type and number of certified green buildings financed – Annual energy savings – Annual avoidance/reduction of GHG emissions
Renewable Energy	<ul style="list-style-type: none"> – Total loan amount / number of loans disbursed to renewable energy sector – Renewable energy capacity financed – Annual generation of renewable energy and associated avoidance/reduction of GHG emissions

IBHFL will strive to report on the environmental and social impact of Eligible Projects financed by Sustainable Financing Instruments. On a best effort basis and subject to the availability of suitable data, the impact reporting may include, but not limited to, impact metrics as outlined in the table below. Assumptions on units in use as well as the relevant benchmark emissions will clearly be stated in the reporting.

External Review

Pre-issuance: Second Party Opinion (SPO):

IBHFL has engaged with to review the Sustainable Financing Framework. has provided an opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines has been received by The independent SPO will be published on the IBHFL website (<https://www.indiabullshomeloans.com/>)

Post-issuance: Verification:

IBHFL will seek to obtain a limited assurance report from an independent reviewer / auditor, which will be issued annually until full allocation of proceeds, confirming that an amount equal to the net proceeds of the Sustainable Financing Instruments has been allocated in compliance with all material respects of the eligibility criteria set forth in this Sustainable Financing Framework.

Disclaimer

This document (the Sustainable Financing Framework) is intended to provide non-exhaustive, general information. This document may contain or incorporate by reference public information not separately reviewed, approved or endorsed by IBHFL and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by IBHFL as to the fairness, accuracy, reasonableness or completeness of such information.

This document may contain statements about future events and expectations that are forward- looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document. IBHFL has and undertakes no obligation to update, modify or amend this document or the statements contained herein

to reflect actual changes in assumptions or changes in factors affecting these statements or to otherwise notify any addressee if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate.

This document is not intended to be and should not be construed as providing legal or financial advice. This document is provided for information purpose only and it does not constitute, or form part of any offer or invitation to sell or any solicitation of any offer to subscribe for or purchase or a recommendation regarding any securities of IBHFL and/or its subsidiaries and is not intended to provide the basis for any credit or any other third-party evaluation of securities. If any such offer or invitation is made, it will be done so pursuant to separate and distinct documentation in the form of a prospectus supplement, an accompanying prospectus or other equivalent document (the “**Offering Documents**”) and any decision to purchase or subscribe for any securities pursuant to such offer or invitation should be made solely on the basis of such Offering Documents and not this Sustainable Financing Framework. Nothing contained in this document shall form the basis of any contract or commitment whatsoever and it has not been approved by any security regulatory authority.

The distribution of this document and of the information it contains may be subject to legal restrictions in some countries. Persons who might come into possession of it must inquire as to the existence of such restrictions and comply with them. The information in this document has not been independently verified.

The addressee is solely liable for any use of the information contained herein and IBHFL shall not be held responsible for any damages, direct, indirect or otherwise, arising from the use of this document by the addressee.

This document and its contents are proprietary to the Company, and no part of it or its subject matter may be reproduced, redistributed, passed on, or the contents otherwise divulged, directly or indirectly or published in whole or in part for any purpose without the prior written consent of IBHFL.