DRAFT RED HERRING PROSPECTUS
Dated: May 1, 2024
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

(Please scan this QR code to view the Draft Red Herring Prospectus)

SK FINANCE LIMITED
CORPORATE IDENTITY NUMBER: U65923RJ1994PLC009051

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
G 1-2, New Market, Khasa Kothi, Jaipur 302 001, Rajasthan, India	Plot No. 36, Dhuleshwar Garden C-Scheme, Jaipur 302 001, Rajasthan, India	Anagha Bangur, *Company Secretary and Compliance Officer*	**Email:** cs@skfin.in **Telephone:** +91 141 416 1300 / +91 141 416 1652	www.skfin.in

THE PROMOTERS OF OUR COMPANY: RAJENDRA KUMAR SETIA, YASH SETIA AND RAJENDRA KUMAR SETIA HUF

DETAILS OF THE OFFER TO THE PUBLIC

TYPE	FRESH ISSUE SIZE^	OFFER FOR SALE SIZE	TOTAL OFFER SIZE^	ELIGIBILITY AND SHARE RESERVATION AMONG QUALIFIED INSTITUTIONAL BIDDERS, RETAIL INDIVIDUAL BIDDERS, NON-INSTITUTIONAL BIDDERS AND ELIGIBLE EMPLOYEES
Fresh Issue and Offer for Sale	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹5,000.00 million	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹17,000.00 million	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹22,000.00 million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). For further details, see *"Other Regulatory and Statutory Disclosures – Eligibility for the Offer"* on page 447. For details in relation to the share reservation among Qualified Institutional Buyers ("**QIBs**"), Retail Individual Bidders ("**RIBs**"), Non-Institutional Bidders ("**NIBs**") and Eligible Employees (*as defined hereinafter*), see "*Offer Structure*" on page 475.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED / AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)#
Rajendra Kumar Setia	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹1,800.00 million	26.62
Rajendra Kumar Setia HUF	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹200.00 million	100.00
Evolvence Coinvest I	Investor Selling Shareholder	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹750.00 million	110.14
Evolvence India Fund III Ltd	Investor Selling Shareholder	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹250.00 million	310.76
Norwest Venture Partners X - Mauritius	Investor Selling Shareholder	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹7,000.00 million	182.66
TPG Growth IV SF Pte. Ltd.	Investor Selling Shareholder	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹7,000.00 million	253.97

#As certified by Shah Patni & Co., Chartered Accountants, by way of their certificate dated May 1, 2024.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹1 each. The Floor Price, Cap Price and Offer Price as determined by our Company, in consultation with the Book Running Lead Managers ("**BRLMs**"), and on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations and as stated in *"Basis for Offer Price"* on page 113 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 28.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly and specifically made by them in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholders assumes no responsibility, as a Selling Shareholder, for any other statement in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company or our Company's business or any other Selling Shareholder.

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**" together with BSE, the "**Stock Exchanges**"). For the purposes of the Offer, [●] shall be the Designated Stock Exchange. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC (*as defined hereinafter*) in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 502.

BOOK RUNNING LEAD MANAGERS

NAME AND LOGO OF THE BRLMS		CONTACT PERSON	TELEPHONE AND E-MAIL
	Kotak Mahindra Capital Company Limited	Ganesh Rane	**Tel**: +91 22 4336 0000 **E-mail:** skfinance.ipo@kotak.com
	Jefferies India Private Limited	Suhani Bhareja	**Tel**: +91 22 4356 6000 **E-mail:** skfinance.ipo@jefferies.com
	Motilal Oswal Investment Advisors Limited	Ritu Sharma	**Tel**: +91 22 7193 4380 **E-mail:** skf.ipo@motilaloswal.com
	Nomura Financial Advisory and Securities (India) Private Limited	Vishal Kanjani / Pradeep Tewani	**Tel**: +91 22 4037 4037 **E-mail:** skfinanceipo@nomura.com

REGISTRAR TO THE OFFER

NAME OF THE REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE
KFin Technologies Limited	M. Murali Krishna	**Tel**: +91 40 6716 2222 **E-mail:** skfinance.ipo@kfintech.com

BID/ OFFER PERIOD

ANCHOR OFFER PORTION OPENS/ CLOSES ON	[●][(1)]
BID/OFFER OPENS ON	[●]
BID/OFFER CLOSES ON	[●][(2)*]

(1) *Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.*

(2) *Our Company, in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

^ *Our Company, in consultation with the BRLMs, may consider issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("**Pre-IPO Placement**"). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended.*

* *The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.*

DRAFT RED HERRING PROSPECTUS
Dated: May 1, 2024
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

SK FINANCE LIMITED

Our Company was incorporated as 'Ess Kay Auto Finance Private Limited' at Jaipur, Rajasthan as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 21, 1994, issued by the RoC. Thereafter, our Company was converted to a public limited company and the name of our Company was changed to 'Ess Kay Auto Finance Limited', pursuant to a resolution passed by our Shareholders dated September 30, 1996 and a fresh certificate of incorporation issued by the RoC on October 18, 1996. Subsequently, our Company was converted to a private limited company and the name of our Company was changed to 'Ess Kay Auto Finance Private Limited', pursuant to a resolution passed by our Shareholders dated March 11, 1998 and a fresh certificate of incorporation issued by the RoC on March 20, 1998. The RBI had granted a certificate of registration dated October 16, 1998, allotting registration number 10.00080, pursuant to which our Company (under its erstwhile name, '*Ess Kay Auto Finance Private Limited*') was registered as an NBFC under Section 45-IA of the RBI Act. The name of our Company was further changed to 'Ess Kay Fincorp Private Limited' to align it with our business activities pursuant to a resolution passed by our Shareholders dated September 21, 2016 and a fresh certificate of incorporation issued by the RoC on October 7, 2016. The RBI had granted a certificate of registration dated October 26, 2016 to our Company (under its erstwhile name, '*Ess Kay Fincorp Private Limited*'), designated our Company as a NBFC-ND-AFC and allotted registration number bearing B-10.00080. Thereafter, our Company was converted to a public limited company and the name of our Company was changed to 'Ess Kay Fincorp Limited' pursuant to a resolution passed by our Shareholders dated December 8, 2016 and a fresh certificate of incorporation issued by the RoC on September 4, 2017. As on June 30, 2017, our Company (under its erstwhile name, '*Ess Kay Fincorp Private Limited*') was designated as a NBFC-ND-SI by the RBI. The RBI had granted a certificate of registration dated September 25, 2017 to our Company (under its erstwhile name, '*Ess Kay Fincorp Limited*') and designated our Company as a NBFC-ND-AFC. Subsequently, the name of our Company was changed to 'SK Finance Limited' to align it with the registered trademark of our Company pursuant to a resolution passed by our Shareholders dated August 18, 2021 and a fresh certificate of incorporation was issued by the RoC on September 7, 2021. The RBI had granted a certificate of registration dated September 14, 2021 to our Company (under our current name) and designated our Company as a NBFC-ICC. Further, we have been categorised as NBFC-Middle Layer as per the Scale Based Regulations.For further details, see "*History and Certain Corporate Matters – Brief History of our Company*" on page 239.

Registered Office: G 1-2, New Market, Khasa Kothi, Jaipur 302 001, Rajasthan, India; **Corporate Office:** Plot No. 36, Dhuleshwar Garden, C-Scheme, Jaipur 302 001, Rajasthan, India
Tel: +91 141 416 1300/ +91 141 416 1652 **Website**: www.skfin.in; **Contact person**: Anagha Bangur, Company Secretary and Compliance Officer; **E-mail**: cs@skfin.in
Corporate Identity Number: U65923RJ1994PLC009051

THE PROMOTERS OF OUR COMPANY: RAJENDRA KUMAR SETIA, YASH SETIA AND RAJENDRA KUMAR SETIA HUF

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹1 EACH ("EQUITY SHARES") OF SK FINANCE LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹22,000.00 MILLION COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹5,000.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹17,000.00 MILLION ("OFFERED SHARES") BY THE SELLING SHAREHOLDERS, CONSISTING OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹1,800.00 MILLION BY RAJENDRA KUMAR SETIA, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹200.00 MILLION BY RAJENDRA KUMAR SETIA HUF ("THE PROMOTER SELLING SHAREHOLDERS"), UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹750.00 MILLION BY EVOLVENCE COINVEST I, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹250.00 MILLION BY EVOLVENCE INDIA FUND III LTD, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹7,000.00 MILLION BY NORWEST VENTURE PARTNERS X – MAURITIUS AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹7,000.00 MILLION BY TPG GROWTH IV SF PTE. LTD. (THE "INVESTOR SELLING SHAREHOLDERS") (THE PROMOTER SELLING SHAREHOLDERS AND INVESTOR SELLING SHAREHODLERS, COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS") AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS ("OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER").

OUR COMPANY, IN CONSULTATION WITH THE BRLMS, MAY CONSIDER ISSUE OF SPECIFIED SECURITIES, AS MAY BE PERMITTED UNDER THE APPLICABLE LAW, AGGREGATING UP TO ₹1,000.00 MILLION, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED.

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●] % AND [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

THE FACE VALUE OF EQUITY SHARES IS ₹1 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.

THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER AND ALL EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER (HINDI ALSO BEING THE REGIONAL LANGUAGE OF RAJASTHAN, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLMs, may for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to and by intimation to Self-Certified Syndicate Banks ("**SCSBs**"), the Designated Intermediaries and the Sponsor Banks, as applicable.

This Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process and is in compliance with Regulation 6(1) of the SEBI ICDR Regulations wherein in terms of Regulation 32(1) of the SEBI ICDR Regulations, not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**") provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which at least one-third shall be available for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one-third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders ("**RIBs**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank accounts (including UPI ID for UPI Bidders using UPI Mechanism) (*as defined hereinafter*) in which the Bid amount will be blocked by the SCSBs or the Sponsor Banks, as applicable, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion of the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 478.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹1 each. The Floor Price, Cap Price and Offer Price as determined by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, and on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in "*Basis for Offer Price*" on page 113 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" on page 28.

COMPANY'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly and specifically made by them in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholders assumes no responsibility, as a Selling Shareholder, for any other statement in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company or our Company's business or any other Selling Shareholder.

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 502.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
kotak® Investment Banking	Jefferies	MOTILAL OSWAL INVESTMENT BANKING	NOMURA	KFINTECH
Kotak Mahindra Capital Company Limited 27BKC, 1st Floor, Plot No. C – 27 "G" Block, Bandra Kurla Complex Bandra (East), Mumbai – 400 051 Maharashtra, India **Tel:** +91 22 4336 0000 **E-mail:** skfinance.ipo@kotak.com **Website:** https://investmentbank.kotak.com **Investor Grievance ID:** kmccredressal@kotak.com **Contact Person:** Ganesh Rane **SEBI Registration Number:** INM000008704	**Jefferies India Private Limited** Level 16, Express Towers, Nariman Point Mumbai 400 021 Maharashtra, India **Tel:** +91 22 4356 6000 **E-mail:** skfinance.ipo@jefferies.com **Website:** www.jefferies.com **Investor Grievance ID:** jipl.grievance@jefferies.com **Contact Person:** Suhani Bhareja **SEBI Registration Number:** INM000011443	**Motilal Oswal Investment Advisors Limited** Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel:** +91 22 7193 4380 **E-mail:** skf.ipo@motilaloswal.com **Website:** www.motilaloswalgroup.com **Investor Grievance ID:** moiaplredressal@motilaloswal.com **Contact Person:** Ritu Sharma **SEBI Registration Number:** INM000011005	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018, Maharashtra, India **Tel:** : +91 22 4037 4037 **E-mail:** skfinanceipo@nomura.com **Website:** www.nomuraholdings.com/company/group/asia/india/index.html **Investor Grievance ID:** investorgrievances-in@nomura.com **Contact Person:** Vishal Kanjani / Pradeep Tewani **SEBI Registration Number:** INM000011419	**KFin Technologies Limited** Selenium Tower B, Plot No. 31 and 32, Financial District, Nanakramguda, Serilingampally Hyderabad-500 032, Telangana, India **Tel**: +91 40 6716 2222/18003094001 **E-mail**: skfinanceltd.ipo@kfintech.com **Investor grievance e-mail**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact Person**: M. Murali Krishna **SEBI Registration No.**: INR000000221

BID/ OFFER PERIOD	
BID/ OFFER OPENS ON	[●][(1)]
BID/ OFFER CLOSES ON	[●][(2)*]

(1) *Our Company in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.*
(2) *Our Company in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*
* *The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.*

(*This page is intentionally left blank)*

TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies shall be to such legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

The words and expressions used in this Draft Red Herring Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI Act, the SEBI Listing Regulations, the Companies Act, the SCRA, the SCRR, the Depositories Act and the rules and regulations notified thereunder, as applicable. Further, the Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document (as defined hereinafter). In case of any inconsistency between the definitions used in this Draft Red Herring Prospectus and the definitions included in the General Information Document, the definitions used in this Draft Red Herring Prospectus shall prevail.

Notwithstanding the foregoing, the terms not defined herein but used in "Basis for Offer Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "History and Certain Corporate Matters", "Restated Summary Statements", "Financial Indebtedness", "Outstanding Litigation and Material Developments", "Other Regulatory and Statutory Disclosures", "Offer Procedure" and "Description of Equity Shares and Terms of Articles of Association" on pages 113, 133, 137, 226, 239, 312, 435, 439, 447, 478 and 498, respectively, shall have the meanings ascribed to such terms in the relevant sections.

General Terms

Term	Description
"our Company" or "the Company"	SK Finance Limited, a public limited company incorporated under the Companies Act, 1956, having its Registered Office at G 1-2, New Market, Khasa Kothi, Jaipur 302 001, Rajasthan, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
"Articles of Association" or "AoA" or "Articles"	The Articles of Association of our Company, as amended from time to time
Audit Committee	The Audit Committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, guidelines issued by RBI from time to time and as described in "*Our Management – Committees of our Board – Audit Committee*" on page 252
"Board" or "Board of Directors"	The board of directors of our Company or a duly constituted committee thereof where applicable or implied by context
CCPS	Compulsorily convertible preference shares of our Company of face value ₹100 each
"Chief Executive Officer" or "CEO"	Chief executive officer of our Company, namely, Rajendra Kumar Setia
"Chief Financial Officer" or "CFO"	Chief financial officer of our Company, namely, Atul Arora
Committee(s)	Duly constituted committee(s) of our Board
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company, namely, Anagha Bangur
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in "*Our Management – Committees of the Board – Corporate Social Responsibility Committee*" on page 261
Corporate Office	The corporate office of our Company, situated at Plot No. 36, Dhuleshwar Garden, C-Scheme, Jaipur 302 001, Rajasthan, India
Director(s)	The directors on our Board, as appointed from time to time
Equity Shares	Unless otherwise stated, equity shares of face value of ₹1 each of our Company
"ESOP 2018" or "ESOP Scheme"	SK Finance Limited Employee Stock Option Plan, 2018
Group Company	The group company of our Company in accordance with Regulation 2(1)(t) of SEBI ICDR Regulations, as described in "*Our Group Companies*" on page 274
HUF Promoter	Rajendra Kumar Setia HUF
Independent Director(s)	The independent director(s) of our Company, appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, as described in "*Our Management*" on page 246
Individual Promoters	Collectively, Rajendra Kumar Setia and Yash Setia
Investor Selling Shareholders	Collectively, Evolvence Coinvest I, Evolvence India Fund III Ltd, Norwest and TPG
IPO Committee	The IPO committee of our Board, as described in "*Our Management – Committees of the Board - IPO Committee*" on page 262

Term	Description
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, as described in "*Our Management - Key Managerial Personnel*" on page 266
"Managing Director" or "MD"	Managing Director on our Board, as described in "*Our Management*" on page 246
"Memorandum of Association" or "MoA"	The Memorandum of Association of our Company, as amended from time to time
Norwest	Norwest Venture Partners X – Mauritius
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, guidelines issued by RBI from time to time and as described in "*Our Management – Committees of the Board - Nomination and Remuneration Committee*" on page 256
Nominee Director(s)	Nominee directors on our Board, as described in "*Our Management*" on page 246
Non-Executive Director(s)	Non-executive directors on our Board, as described in "*Our Management*" on page 246
Previous Statutory Auditor	B S R & Co. LLP, Chartered Accountants
Promoters	Promoters of our Company, namely, Rajendra Kumar Setia, Yash Setia and Rajendra Kumar Setia HUF
Promoter Group	Individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 271
Promoter Selling Shareholders	Collectively, Rajendra Kumar Setia and Rajendra Kumar Setia HUF
Registered Office	The registered office of our Company, situated at G 1-2, New Market, Khasa Kothi, Jaipur 302 001, Rajasthan, India
"Registrar of Companies" or "RoC"	The Registrar of Companies, Rajasthan at Jaipur
Restated Summary Statements	The Restated Summary Statements of the Company comprising the Restated Statement of Assets and Liabilities as at December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022, and March 31, 2021 and Restated Statement of Profit and Loss (including Other Comprehensive Income), and Restated Statement of Cash Flows and Restated Statement of Changes in Equity for each of the nine month periods ended December 31, 2023 and December 31, 2022 and for each of the years ended March 31, 2023, March 31, 2022, and March 31, 2021, Summary of material accounting policies and other explanatory information for each of the nine month periods ended December 31, 2023 and December 31, 2022 and for each of the years ended March 31, 2023, March 31, 2022 and March 31, 2021, derived from the audited financial statements (i) as at and for each of the nine month periods ended December 31, 2023 and December 31, 2022 prepared in accordance with Ind AS 34; and (ii) as at and for each of the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with Ind AS and restated in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time.
Risk Management Committee	The risk management committee of our Board constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, guidelines issued by RBI from time to time and as described in "*Our Management – Committees of the Board – Risk Management Committee*" on page 259
"Senior Management Personnel" or "SMP"	Senior Management Personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as described in "*Our Management – Senior Management Personnel*" on page 266
"SHA" or "Shareholders' Agreement"	The amended and restated shareholders' agreement dated November 3, 2023 (including the deeds of accession and deeds of adherence executed in terms thereof) entered into by and among our Company, Norwest, Karma Holdings Mauritius Limited, Baring Private Equity India AIF 2, Evolvence Coinvest I, TPG, Evolvence India Fund III Ltd., 360 One Special Opportunities Fund– Series 9, Massachusetts Institute Of Technology, 238 Plan Associates LLC, 360 One Special Opportunities Fund – Series 10, Baring Private Equity India AIF 2 Co-Invest, DC Ikka Ltd., DC Uno Ltd., Axis Growth Avenues AIF – I, Ananta Capital Ventures Fund – 1, Mirae Asset Late Stage Opportunities Fund, India Business Excellence Fund IV and Rajendra Kumar Setia, as amended pursuant to the amendment agreement to the SHA dated April 24, 2024
Shareholder(s)	The shareholder(s) of our Company from time to time
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, guidelines issued by RBI from time to time and as described in "*Our Management – Committees of the Board - Stakeholders' Relationship Committee*" on page 259
"Statutory Auditors" or "Auditors"	The current statutory auditors of our Company, namely, S.R. Batliboi & Associates LLP, Chartered Accountants
Tier I Capital	Tier I capital includes (i) paid-up capital (ordinary shares), statutory reserves, and other disclosed free reserves, if any; (ii) perpetual non-cumulative preference shares eligible for inclusion as Tier I capital, subject to laws in force from time to time; (iii) innovative perpetual debt instruments eligible for inclusion as Tier I capital; and (iv) capital reserves representing surplus arising out of sale proceeds of assets, as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances, including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10.00% of the owned fund as defined in the Master Circular on Prudential Norms on Capital Adequacy, Basel I Framework dated July 1, 2015 issued by the RBI

Term	Description
Tier II Capital	Tier II capital includes undisclosed reserves, revaluation reserves, general provisions and loss reserves, hybrid capital instruments, subordinated debt and investment reserve account to the extent the aggregate does not exceed Tier I Capital
TPG	TPG Growth IV SF Pte. Ltd.
Whole-time Director	Whole-time director on our Board, as described in "*Our Management*" on page 246

Offer Related Terms

Term	Description
Abridged Prospectus	The memorandum containing such salient features of a prospectus as may be specified by SEBI in this regard
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the BRLMs during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Managers will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLMs
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/ Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
"Application Supported by Blocked Amount" or "ASBA"	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorise an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders where the Bid Amount will be blocked by the SCSB upon acceptance of the UPI Mandate Request by UPI Bidders
ASBA Account	Bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an UPI Bidders which is blocked upon acceptance of a UPI Mandate Request in relation to a Bid made by the UPI Bidders
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bankers to the Offer	Collectively, Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure*" on page 478
Bid(s)	Indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto in accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term "Bidding" shall be construed accordingly

Term	Description
Bid Amount	In relation to each Bid, the highest value of Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid. Eligible Employees applying in the Employee Reservation Portion can apply at the Cut Off Price and the Bid amount shall be Cap Price, multiplied by the number of Equity Shares Bid for such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be notified in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Rajasthan, where our Registered Office is located), each with wide circulation. Our Company, in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be widely disseminated by notification to the Stock Exchanges by issuing a public notice, and also by notifying on the websites of the BRLMs and at the terminals of the Syndicate Members and communicating to the Designated Intermediaries and the Sponsor Banks, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be notified in all editions of [●], an English national daily newspaper, all editions of [●] and a Hindi national daily newspaper (Hindi also being the regional language of Rajasthan, where our Registered Office is located), each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company, in consultation with the Book Running Lead Managers may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
“Bidder” or “Applicant”	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
“Book Running Lead Managers” or “BRLMs”	Book running lead managers to the Offer, namely, Kotak Mahindra Capital Company Limited, Jefferies India Private Limited, Motilal Oswal Investment Advisors Limited and Nomura Financial Advisory and Securities (India) Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
“CAN” or “Confirmation of Allocation Note”	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid/ Offer Period
Cap Price	Higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	The cash escrow and sponsor banks agreement to be entered into amongst our Company, the Selling Shareholders, the BRLMs, the Bankers to the Offer, the Syndicate Member(s) and Registrar to the Offer for, inter alia, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refund of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars

Term	Description
Client ID	Client identification number maintained with one of the Depositories in relation to dematerialised account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and other applicable circulars issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
CRISIL MI&A	CRISIL Market Intelligence and Analytics (MI&A), a division of CRISIL Limited
CRISIL Report	The report titled "*Analysis of NBFC Sector and Select Asset Classes in India*" dated April 2024 prepared by CRISIL MI&A, appointed by our Company pursuant to an engagement letter dated January 30, 2024, commissioned for by our Company. The CRISIL Report is available on the website of our Company at www.skfin.in/investor/investor-services and has also been included in "*Material Contracts and Documents for Inspection – Material Documents*" on page 502
Cut-off Price	Offer Price, finalised by our Company, in consultation with the BRLMs, which shall be any price within the Price Band. Only RIBs Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details, PAN and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from relevant Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where relevant ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders, instruction issued through the Sponsor Banks) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Offer. In relation to ASBA Forms submitted by RIBs Bidding in the Retail Portion, Eligible Employees Bidding in the Employee Reservation Portion by authorising an SCSB to block the Bid Amount in the ASBA Account and HNIs bidding with an application size of up to ₹500,000 (not using the UPI Mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs (excluding Anchor Investors) and Non-Institutional Bidders (not using the UPI mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated May 1, 2024 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible Employees	Permanent employees, working in India or outside India (excluding such employees who are not eligible to invest in the Offer under applicable laws), of our Company; or a Director of our Company, whether whole-time or not, as on the date of the filing of the Red Herring Prospectus with the RoC and on date of submission of the Bid cum Application Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company; and (iv) Independent Directors. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of under-

Term	Description
	subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000
Eligible FPI(s)	FPI(s) that are eligible to participate in the Offer in terms of the applicable law and from such jurisdictions outside India where it is not unlawful to make an offer/invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares (comprising up to [●]% of our post Offer Equity Share capital), aggregating up to ₹[●] million available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5.00% of the post- Offer Equity Share capital of our Company
Escrow Account(s)	The ‘no-lien’ and ‘non-interest bearing’ account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding ASBA Bidders) will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●]
“First Bidder” or “Sole Bidder”	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of the Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fraudulent Borrower	A company or person, as the case may be, categorised as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrowers issued by the RBI and as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹5,000.00 million by our Company. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document or GID	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running Lead Managers
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company
Jefferies	Jefferies India Private Limited
Kotak	Kotak Mahindra Capital Company Limited
Materiality Policy	The policy adopted by our Board in its meeting dated April 18, 2024 for determining identification of Group Companies, material outstanding civil litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Monitoring Agency	[●], being a credit rating agency registered with SEBI
Monitoring Agency Agreement	The agreement dated [●] to be entered into between and amongst our Company and the Monitoring Agency prior to filing of the Red Herring Prospectus
Motilal	Motilal Oswal Investment Advisors Limited
Mutual Fund Portion	Up to 5% of the Net QIB Portion or [●] Equity Shares which shall be available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer, less the Employee Reservation Portion
Net Proceeds	The proceeds of the Fresh Issue less our Company’s share of the Offer related expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see “*Objects of the Offer*” on page 107
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Nomura	Nomura Financial Advisory and Securities (India) Private Limited
“Non-Institutional Bidders” or “NIBs”	All Bidders that are not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer comprising [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, in the following manner:

Term	Description
	(a) One-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) Two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹1,000,000. Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Bidders
"Non-Resident Indians" or "NRI(s)"	A non-resident Indian as defined under the FEMA Non-debt Instruments Rules
Offer	The initial public offer of up to [●] Equity Shares for cash consideration at a price of ₹[●] each, aggregating up to ₹22,000.00 million comprising the Fresh Issue and the Offer for Sale, comprising Net Offer and Employee Reservation Portion. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. For further information, see "*The Offer*" on page 70
Offer Agreement	The offer agreement dated May 1, 2024 entered into amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements have been agreed upon in relation to the Offer
Offer for Sale	Offer for Sale of up to [●] Equity Shares aggregating up to ₹17,000.00 million by the Selling Shareholders consisting of up to [●] Equity Shares aggregating up to ₹1,800.00 million by Rajendra Kumar Setia, up to [●] Equity Shares aggregating up to ₹200.00 million by Rajendra Kumar Setia HUF, up to [●] Equity Shares aggregating up to ₹750.00 million by Evolvence Coinvest I, up to [●] Equity Shares aggregating up to ₹250.00 million by Evolvence India Fund III Ltd, up to [●] Equity Shares aggregating up to ₹7,000.00 million by Norwest and up to [●] Equity Shares aggregating up to ₹7,000.00 million by TPG
Offer Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders (except for the Anchor Investors) in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company, in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company, in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and in terms of the Red Herring Prospectus.
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the respective Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" on page 107
Offered Shares	Up to [●] Equity Shares aggregating to ₹17,000.00 million offered by the Selling Shareholders in the Offer for Sale
Pre-IPO Placement	Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. On utilization of proceeds from the Pre-IPO Placement (if undertaken) prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus
Price Band	Price band of a minimum price of ₹[●] per Equity Share (i.e., the Floor Price) and the maximum price of ₹[●] per Equity Share (i.e., the Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] edition of [●](Hindi also being the regional language of Rajasthan, where our Registered Office is located), each with wide circulation and will be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company, in consultation with the BRLMs will finalise the Offer Price
Prospectus	Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	The 'no-lien' and 'non-interest bearing' account to be opened with the Public Offer Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts maintained with the SCSBs on the Designated Date
Public Offer Account Bank(s)	A bank which is a clearing member and which is registered with SEBI as a banker to an issue and with which the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being [●]

Term	Description
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to QIBs (including Anchor Investors in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price
"Qualified Institutional Buyers" or "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" or "RHP"	Red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Offer and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	The stock brokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The registrar agreement dated April 29, 2024 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	The registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and available on the websites of NSE at www.nseindia.com and BSE at www.bseindia.com
"Registrar to the Offer" or "Registrar"	KFin Technologies Limited
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Resident Indian	A person resident in India, as defined under FEMA
Retail Portion	Portion of the Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price)
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
"Self-Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, which offer the facility (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=4 0) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019
Selling Shareholders	Collectively, the Promoter Selling Shareholders and the Investor Selling Shareholders
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	The share escrow agreement to be entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
Sponsor Banks	[●] and [●], being the Bankers to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and/or

Term	Description
	payment instructions of the UPI Bidders and carry out other responsibilities, in terms of the UPI Circulars
Sub Syndicate	The sub syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms
"Syndicate" or "Members of the Syndicate"	Collectively, the BRLMs and the Syndicate Members
Syndicate Agreement	The syndicate agreement to be entered into amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar, in relation to collection of Bids by the Syndicate
Syndicate Member(s)	Intermediaries (other than BRLMs) registered with SEBI who are permitted to carry out activities in relation to collection of Bids and as underwriters, namely, [●]
Underwriters	[●]
Underwriting Agreement	The underwriting agreement to be entered into amongst our Company, the Selling Shareholders, and the Underwriters on or after the Pricing Date, but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders Bidding in the Retail Portion, (ii) Eligible Employees Bidding in Employee Reservation Portion; and (iii) Non-Institutional Bidders with an application size of up to ₹500,000, Bidding in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use UPI Mechanism and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/ HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022, and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by an UPI Bidders in accordance with the UPI Circulars to make an ASBA Bid in the Offer
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI

Technical, Industry Related Terms or Abbreviations

Term	Description
ALCO	Asset liability management committee
ALM	Asset-liability management
AUM	Asset under management

Term	Description
BBPS	Bharat Bill Payment System
CNG	Compressed natural gas
CRAR	Capital adequacy ratio
CSR	Corporate social responsibility
CVs (excluding M&HCVs)	Commercial vehicles, excluding medium and heavy commercial vehicles
DPD	Days past due
DRT	Debt Recovery Tribunal
DSA	Direct sales agents
ECL	Expected credit loss
EMI	Equated monthly instalments
eNACH	Electronic National Automated Clearing House
EPS	Earnings per Equity Share
FMO	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.
FOS	Feet on street
IBC	Insolvency and Bankruptcy Code, 2016, as amended
IT	Information technology
KYC	Know Your Customer
LOS	Loan origination system
LMS	Loan management software
LTECL	Lifetime expected credit loss
MoRTH	Ministry of Road Transport and Highways
MSME	Micro, small and medium enterprise
NII	Net interest income
NPA	Non-performing asset
NTC	New to credit
PAT	Profit after tax
PTC	Pass through certificate
RoA	Return on assets ratio
RoE	Return on equity ratio
RSA	Rate sensitive assets
RSL	Rate sensitive liabilities
UPI	Unified Payment Interface
12mECL	12 months' expected credit loss

Conventional and General Terms or Abbreviations

Term	Description
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupees
AIFs	Alternative Investment Funds, as defined in, and registered under the SEBI AIF Regulations
AGM	Annual general meeting
AUM	AUM represents the aggregate of future principal outstanding and principal overdue held in books as on the last day of the relevant period/ year and loan assets which has been transferred/ sourced by our Company by way of securitization and pool buy out/ assignment/ our share of co-lending loans and are outstanding as on last day of the relevant period/ year.
AUM growth	AUM growth represents the growth percentage in AUM as of the last day of the relevant period/ year over AUM as of the last day of the previous period/ year.
AUM per branch	AUM per branch represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.
AUM per employee	AUM per employee represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our employees as of the last day of relevant period/ year.
Average Cost of borrowings	Average cost of borrowing is Adjusted finance cost divided by average Total borrowings. Average Total Borrowings is the simple average of our total Borrowings outstanding as at the end of the previous year and the last day of the relevant period/ year. Total borrowing represents the aggregate of debt securities, borrowing (other than debts securities) and subordinated liabilities. Adjusted finance cost represents the finance costs reduced by interest on lease liability for the relevant period/ year.
Average LTV	Average LTV is Property/ asset value taken for the loan extended to our customer to loan amount extended to our customer for the disbursements during relevant period/ year.
Average ticket size on Disbursement	Average ticket size represents the aggregate of all loan amounts extended to our customers in the relevant period/ year divided by number of loan accounts extended in the relevant period/ year.
BSE	BSE Limited
Category I AIFs	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II AIFs	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
Category III AIFs	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate identification number

Term	Description
Companies Act, 1956	The erstwhile Companies Act, 1956, along with the relevant rules, regulations, clarifications and modifications made thereunder
"Companies Act" or "Companies Act, 2013"	Companies Act, 2013, along with the relevant rules made thereunder, as amended
CPC	Code of Civil Procedure, 1908, as amended
CrPC	Code of Criminal Procedure, 1973, as amended
CRAR	CRAR is computed by dividing our Tier I and Tier II capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.
DA	Direct assignment
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996, as amended
DIN	Director Identification Number
Disbursements	Disbursements is the aggregate of all loan amounts extended to customers in the relevant period/ year.
Disbursement Growth	Disbursement growth represents the percentage growth in disbursement for the relevant period/ year over disbursement for the previous period/ year.
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
DP ID	Depository Participant Identification
DP/ Depository Participant	Depository participant as defined under the Depositories Act
Earnings per share (basic)	Earnings Per Share (Basic) represents the earnings per Equity Share of ₹ 1 each – Basic, which is computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Earnings per share (basic) is calculated by dividing the profit for the period/year attributable to equity holders by the weighted average number of equity shares outstanding during the period/year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up
Earnings per share (diluted)	Earnings Per Share (Diluted) represents the earnings per Equity Share of ₹ 1 each – Diluted, which is computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Earnings per share (diluted) is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the period/year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares
EBITDA	Earnings before interest, taxes, depreciation, and amortisation. EBITDA, which is a Non-GAAP measure, represents profit for the period/year after adding back of total tax expenses, finance costs and depreciation and amortization of the relevant period/ year.
ECBs	External commercial borrowings
EGM	Extraordinary general meeting
ESOP	Employee Stock Option Plan
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020, as amended
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder, as amended
FEMA Non-debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended
FEMA Regulations	FEMA Non-debt Instruments Rules, the Foreign Exchange Management (Mode of Payment and Reporting of Non debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable, as amended
"Financial Year" or "Fiscal" or "FY" or "Fiscal Year"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIR	First information report
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
"GoI" or "Government" or "Central Government"	Government of India
Gross Loans – Regulatory Stage 3 Ratio	Gross Loans – Regulatory Stage 3 ratio (%) is calculated as Gross Loans – Regulatory Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021. The lifetime Expected Credit Loss for these assets is calculated based on the repayment status of its overdue as of the reporting date.
Gross Loans - Stage 1 / Gross Loans	Gross Loans - Stage 1 represents ratio of gross Loans - Stage 1 to Gross Loans as at the end of the relevant period/ year.
Gross Loans - Stage 3 ratio	Gross Loans - Stage 3 ratio is calculated as Gross Loans - Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. Gross Loans – Stage 3 refer to accounts of more than 90 DPD, which includes all customers loan accounts which have been tagged as Stage 3.
Gross Loans – Regulatory Stage 3 Ratio	Gross Loans – Regulatory Stage 3 ratio is calculated as Gross Loans – Regulatory Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year.

Term	Description
	Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021.
Gross non-performing assets Ratio	Gross non-performing assets ratio is Gross non-performing assets divided by Gross Loans outstanding as of the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as of the end of the relevant period/ year.
GST	Goods and services tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
Impairment on financial instruments / Average Total Assets	Impairment on financial instruments to average total assets represents impairment on loans, bad debts written off (net of recoveries) for the relevant period/ year to the average total assets for the relevant period/ year.
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP/ IGAAP	Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
IPC	Indian Penal Code, 1860, as amended
IPO	Initial public offering
IST	Indian Standard Time
IT	Information Technology
IT Act	The Information Technology Act, 2000, as amended
Income Tax Act	The Income Tax Act, 1961, as amended
Interest Margin	Interest Margin represents the difference between interest income and finance costs for the period/ year to the average total assets for the period/ year.
MCA	Ministry of Corporate Affairs
MLD	Market-Linked Debentures
Mutual Fund(s)	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
"N/A" or "NA"	Not applicable
"NAV" or "Net Asset Value"	Net asset value
NBFC	Non-Banking Financial Company
NBFC-ICC	Non-Banking Financial Company - Investment and Credit Company
"NBFC-ND-SI" or "Systemically Important NBFCs"	A non-banking financial company registered with the Reserve Bank of India and recognised as systemically important non-banking financial company by the Reserve Bank of India
NCD	Non-convertible debentures
NEFT	National Electronic Funds Transfer
Net Income (in ₹ million)	Net Income represents the difference between total income and finance costs for the relevant period/ year.
Net Interest Income (in ₹ million)	Net interest income represents the difference between interest income and finance costs for the period/ year. Interest income represents the sum of interest income on financial assets measured at amortized cost, interest on deposits with Bank and income on investment, for the relevant period/ year.
Net Loans – Regulatory Stage 3 Ratio	Net Loans – Regulatory Stage 3 Ratio represents Gross Loans – Regulatory stage 3 reduced by Impairment loss allowance – Gross Loans – Regulatory Stage 3 as of the last day of relevant period/ year divided by Gross Loans reduced by Impairment loss allowance – Gross Loans – Regulatory Stage 3 as at the end of relevant period/ year.
Net Loans – Stage 3 ratio	Net Loans – Stage 3 Ratio represents Gross Loans - stage 3 reduced by Impairment loss allowance – Gross Loans – Stage 3 as of the last day of relevant period/ year divided by Gross Loans reduced by Impairment loss allowance – Gross Loans – Stage 3 as at the end of relevant period/ year.
Net NPAs to net advances (Net NPA Ratio)	Net NPAs to net advances (Net NPA Ratio) represents our Net Non-performing assets to our Gross Loans reduced by impairment loss allowance on Gross Non-performing assets as of the end of the relevant period/ year. Net NPA represents Gross non-performing assets reduced by provisions for NPAs (excluding provisions on standard assets) as at the end of relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year.
Net worth	Net worth, which is a Non-GAAP measure, means the aggregate value of the Equity Share capital and Other equity, after deducting the prepaid expenses as at the end of relevant period/ year.
NPCI	National Payments Corporation of India
NRE	Non Resident External
NRI	Individual resident outside India, who is a citizen of India
NRO	Non Resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
Number of Branches	Number of branches represents aggregate number of live branches as of the last day of relevant period/ year.
Number of Employees	Number of employees represents aggregate number of employees as of the last day of relevant period/ year.

Term	Description
Number of MSME Branches	Number of MSME branches represents aggregate number of branches as at the end of the relevant period/ year which are extending MSME loans to customers.
Number of States & UTs	Number of States and UTs represents the aggregate number of states and UTs where Company has presence as at the end of the relevant period/ year.
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
Operating Expenditure	Operating expenditure represents the aggregate of employee benefits expenses, depreciation and amortization and other expenses for the relevant period/ year.
Operating Expenditure / Average Total Assets	Operating expenditure to average total assets represents aggregate of employee benefits expense, depreciation and amortization expense, other expenses for the relevant period/ year divided by the average total assets for the relevant period/ year.
Operating Expenditure to Net Income Ratio	Operating expenditure to Net Income represents operating expenditure for the relevant period/ year divided by the Net Income for the relevant period/ year.
PAN	Permanent account number
Pre Provisioning Operating Profit	Pre provisioning operating profit represents the aggregate of Profit before tax and Impairment on financial instruments for the relevant period/ year.
Product Wise AUM	Product wise AUM represents AUM split between products (Vehicle, MSME, Others) of the company outstanding as of last day of the relevant period/ year.
Product Wise Disbursement	Product wise Disbursement represents Disbursement split between loan products (Vehicle, MSME, Others) of the company in the relevant period/ year.
Profit for the period/year	Profit for period/ year represents the profit for relevant period/ year as per our Restated Summary Statements.
Provision Coverage Ratio on Gross Loans – Regulatory Stage 3	Provision Coverage Ratio on Gross Loans – Regulatory Stage 3 (%) is calculated as Impairment loss allowance - Gross Loans - Regulatory Stage 3 divided by Gross Loans – Regulatory Stage 3 as of the end of the relevant period/ year. Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021.
Provision Coverage Ratio on Gross Loans – Regulatory Stage 3	Provision Coverage Ratio on Gross Loans – Regulatory Stage 3 (%) is calculated as Impairment loss allowance - Gross Loans - Regulatory Stage 3 divided by Gross Loans – Regulatory Stage 3 as of the end of the relevant period/ year. Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021.
Provision Coverage Ratio on Gross Loans – Stage 3	Provision Coverage Ratio on Gross Loans – Stage 3(%) is calculated as Impairment loss allowance - Gross Loans – Stage 3 divided by Gross Loans – Stage 3 as at the end of the relevant period/ year. Gross Loans – Stage 3 refer to accounts of more than 90 DPD, which includes all customers loan accounts which have been tagged as Stage 3.
Provision Coverage Ratio on Gross Non Performing Assets	Provision Coverage Ratio on Gross Non Performing assets is calculated as provisions for NPAs (excluding provisions on standard assets) divided by Gross Non-Performing Assets as at the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year.
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
RBIA	Risk-based internal audit
Regulation S	Regulation S under the U.S. Securities Act, as amended
Return on Average Net worth (RoNW)	Return on Average Net Worth (RoNW) is calculated as the profit for the period/ year as a percentage of Average Total Net Worth for such period/ year.
Return on average Total Assets (RoTA)	Return on Average Total assets (RoTA) represents profit for the period/ year divided by average of total assets as at the end of the relevant period/ year and our total assets as at the end of the previous year.
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended

Term	Description
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations, as amended
Spread	Spread is the difference between yield on average gross loans and Adjusted Finance Costs to Average Total Borrowings (average cost of borrowing).
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
TAN	Tax deduction account number
TDS	Tax Deducted at Source
Total Assets to Net Worth	Total Assets to Net Worth (in Times) represents total assets as at the end of relevant period/ year divided by net worth as at the end of such period/ year.
Total Borrowings	Total Borrowings is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year.
Total interest-earning assets	Total interest-earning assets represents the aggregate of gross loans, investments, balances with banks other than cash and cash equivalent as at the end of the previous period/ year. Balances with banks other than cash and cash equivalent is aggregate of balances with banks in term deposits with original maturity of 3 months or less, bank balance other than cash and cash equivalents.
Total Income	Total Income represents the Total Income for the relevant period/ year.
U.S./USA/United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
USD/US$	United States Dollars
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. Securities Act	U.S. Securities Act of 1933, as amended
UTs	Union Territories
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Yield on average Gross Loans	Yield on average gross loans is Interest income on financial assets measured at amortised cost divided by average gross loans.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to the "U.S.", "US","USA" or the "United States" are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Unless stated otherwise, all references in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year, are to the 12 months period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless stated otherwise or where the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus is derived from the Restated Summary Statements.

The Restated Summary Statements of the Company comprising the Restated Statement of Assets and Liabilities as at December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022, and March 31, 2021 and Restated Statement of Profit and Loss (including Other Comprehensive Income), and Restated Statement of Cash Flows and Restated Statement of Changes in Equity for each of the nine month periods ended December 31, 2023 and December 31, 2022 and for each of the years ended March 31, 2023, March 31, 2022, and March 31, 2021, Summary of material accounting policies and other explanatory information for each of the nine month periods ended December 31, 2023 and December 31, 2022 and for each of the years ended March 31, 2023, March 31, 2022 and March 31, 2021, derived from the audited financial statements (i) as at and for each of the nine month periods ended December 31, 2023 and December 31, 2022 prepared in accordance with Ind AS 34; and (ii) as at and for each of the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with Ind AS and restated in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time.

The financial statements of our Company as at and for the years ended March 31, 2023 and March 31, 2022, and as at and for the nine month periods ended December 31, 2023 and December 31, 2022 were audited by the current Statutory Auditors, being S.R. Batliboi & Associates LLP, Chartered Accountants. The financial statements of our Company as at and for the year ended March 31, 2021 were audited by the Previous Statutory Auditor, being B S R & Co. LLP, Chartered Accountants.

Financial information for the nine month periods ended December 31, 2023 and December 31, 2022 may not be indicative of the financial results for the full year and are not comparable with financial information for the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021. Further, financial information for the nine months ended December 31, 2023 and nine months ended December 31, 2022, has not been annualized.

For further information, see "*Restated Summary Statements*", "*Other Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 312, 401 and 402, respectively.

There are significant differences between the Ind AS, the IFRS and the Generally Accepted Accounting Principles in the United States of America (the "**U.S. GAAP**"). Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with accounting standards in India, the Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify or identify the impact of the differences between the financial data (prepared under Ind AS and IFRS/ U.S. GAAP), nor have we provided a reconciliation thereof. We urge you to consult your own advisors regarding such differences and their impact on our financial data included in this Draft Red Herring Prospectus.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Unless the context otherwise indicates, any percentage, amounts, or ratios (excluding certain operational metrics), relating to the financial information of our Company as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and*

Analysis of Financial Condition and Results of Operations" on pages 28, 201 and 402, respectively, and in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Summary Statements.

Non-GAAP Financial Measures

Certain Non-GAAP measures relating to our financial performance, such as, net worth, average net worth, net asset value per Equity Share, total borrowings, average total borrowings, Gross Loans net of impairment loss allowance – Gross Loans – Stage 3, Gross Loans – Stage 3 ratio, Net Loans – Stage 3 ratio, provision coverage ratio on gross loans – stage 3, net loans regulatory stage 3 ratio, Gross Loans net of Impairment loss allowance – Gross Loans - Regulatory Stage 3, Gross Loans - Regulatory Stage 3 ratio, Provision Coverage Ratio on Gross Loans - Regulatory Stage 3, gross non-performing assets ratio, Provision Coverage Ratio on Gross Non-Performing Assets, adjusted finance costs, average cost of borrowings, net interest income, interest margin, operating expenditure, operating expenditure/ average total assets, net income, operating expenditure to net income ratio, Total Assets to Net Worth, return on average total assets, return on average net worth, total borrowings to net worth ratio, average total assets , interest income/ average total assets, finance costs / average total assets, Fees and commission income/ Average Total Assets, Net gain on fair value changes/ Average Total Assets, Net gain on de-recognition of financial instruments under amortized cost category/ Average Total Assets, other income/ average total assets, net income/ average total assets, pre provisioning operating profit, pre provisioning operating profit/ average total assets, impairment on financial instruments/ average total assets, profit before tax/ average total assets, total interest-earning assets, average interest-earning assets, average interest-earning assets/ average total assets, average interest-earning assets/ average total borrowings, average total borrowings /average total assets, net yield on interest-earning assets, yield on average Gross Loans, EBITDA, Spread total capital expenditure, total capitalisation and total borrowing/ total equity (together, "**Non-GAAP Measures**"), and other industry metrics relating to our operations and financial performance presented in this Draft Red Herring Prospectus are a supplemental measure of our performance that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures and other industry metrics are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures and other industry metrics are not standardised terms, hence a direct comparison of similarly titled Non-GAAP Measures and other industry metrics between companies may not be possible. Other companies may calculate the Non-GAAP Measures and other industry metrics differently from us, limiting its utility as a comparative measure. Although the Non-GAAP Measures and other industry metrics are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance. For further details see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 402 and "*Other Financial Information*" on page 401. For further details see "*Risk Factors – We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**").*" on page 59.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures (other than per share and percentage figures) derived from our Restated Summary Statements in decimals have been rounded off to the two decimal places.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and USD:

Currency	As at and for the period/year ended				
	December 31, 2023*	December 31, 2022*	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.12	82.79	82.22	75.81	73.50

Source: www.rbi.org.in and www.fbil.org.in

* *The previous working day, not being a public holiday, has been considered.*

Industry and Market Data

Unless stated otherwise, information pertaining to the industry in which our Company operates in and market data used in this Draft Red Herring Prospectus has been obtained or derived from the CRISIL Report and publicly available information as well as other industry publications and sources.

CRISIL is an independent agency which has no relationship with our Company, our Promoters, any of our Directors, KMPs, SMPs or the Book Running Lead Managers. The CRISIL Report has been commissioned by and paid for by our Company pursuant to an engagement letter with CRISIL dated January 30, 2024, exclusively for the purposes of confirming our understanding of the industry in which the Company operates, in connection with the Offer. The CRISIL Report is available on the website of our Company at www.skfin.in/investor/investor-services and has also been included in "*Material Contracts and Documents for Inspection – Material Documents*" on page 502.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from the report titled 'Analysis of NBFC Sector in India and Select Asset Classes' dated April 2024, ("**CRISIL Report**") which has been commissioned and paid for by us exclusively for the purpose of the Offer. The CRISIL Report, prepared and issued by CRISIL, is not exhaustive and is based on certain assumptions and parameters / conditions and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.*", on page 59. Accordingly, investment decision should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" on page 113 includes information relating to our peer group companies. Such information has been obtained from publicly available sources believed to be reliable and verified by Shah Patni & Co., Chartered Accountants, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information.

References to segments in "*Industry Overview*" beginning on page 137 and information derived from the CRISIL Report are in accordance with the presentation, analysis and categorisation in the CRISIL Report. The segment reporting in the Restated Summary Statements is based on the criteria set out in Ind AS 108 (Operating Segments). Our Company does not prepare its financial statements based on the segments outlined in the "*Industry Overview*" beginning on page 137.

Disclaimer of CRISIL

The CRISIL Report is subject to the following disclaimer:

"CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. SK Finance Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

Notice to Prospective Investors

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring

Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of this Offer, including the merits and risks involved.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold within the United States solely to persons who are reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act (referred to in this Draft Red Herring Prospectus as "**U.S. QIBs**") that are qualified purchasers ("**QPs**") as defined in Section 2(a)(51) of the U.S. Investment Company Act. The Equity Shares are being offered and sold outside the United States to investors that are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

Our Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act. Our Company is relying on the exemption provided by Section 3(c)(7) of the U.S. Investment Company Act, and as a result the Equity Shares are being offered and sold in the United States and to U.S. Persons only to persons who are both a U.S. QIB and a QP.

Our Company may be a "covered fund" for purposes of the "Volcker Rule" contained in the Dodd-Frank Act (Section 619: Prohibitions on Proprietary Trading and Certain Relationships with Hedge Funds and Private Equity Funds). Accordingly, entities that may be "banking entities" for the purposes of the Volcker Rule may be restricted from holding the Company's securities and should take specific advice before making an investment in our Company.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are "forward-looking statements".

These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "seek to", "shall", "objective", "plan", "project", "propose" "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our expected financial condition, results of operations, business, prospects, strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions, in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry, incidence of natural calamities and/or acts of violence.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. Our business is primarily focused on used vehicle financing.

2. A majority of our business operations involve transactions with mid to low-income retail customers in rural and semi-urban areas of India who are susceptible to adverse economic conditions.

3. Non-payment or default by our customers.

4. Our inability to recover the full value of vehicle collateral or amounts outstanding under defaulted vehicle financing loans in a timely manner or at all.

5. We require substantial capital for our business.

6. As an NBFC, we are subject to periodic inspections by the RBI. Non-compliance with observations made by the RBI during these inspections could expose us to penalties and restrictions.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 28, 137, 201 and 402, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. None of our Company, the Selling Shareholders, our Promoters, our Directors, the BRLMs or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the requirements of SEBI ICDR Regulations, our Company shall ensure that Bidders in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by them in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer. Further, each Selling Shareholder shall, severally and not jointly (solely to the extent of statements specifically made or confirmed by such Selling Shareholder in relation to its portion of Offered Shares in this Draft Red Herring Prospectus), ensure that Bidders in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings specifically made or confirmed by such Selling Shareholder in the Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

OFFER DOCUMENT SUMMARY

The following is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", "Restated Summary Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Description of Equity Shares and Terms of Articles of Association" on pages 28, 70, 84, 107, 137, 201, 271, 312, 402, 439, 478 and 498, respectively.

Summary of the primary business of our Company

We are a non-deposit taking non-banking finance company middle layer ("**NBFC ML**"), operating in vehicle financing vertical and Micro, Small and Medium Enterprises ("**MSME**") financing vertical. In our vehicle financing vertical, we primarily have a secured, granular and retail loan portfolio for financing used and new commercial vehicles (excluding medium and heavy commercial vehicles) ("**CVs (excluding M&HCVs)**"), cars and tractors as well as new two-wheelers. In addition, we have identified specific businesses in the MSME sector to which we offer loans fully backed by assets to mid to low-income category of customers that are predominantly self-employed, unbanked or underbanked individuals.

Summary of the industry in which our Company operates

Overall NBFC credit witnessed a CAGR of approximately 10% during Fiscals 2019 to 2023. As of Fiscal 2023, NBFCs accounted for the highest share in credit outstanding in the vehicle financing market. NBFCs are expected to maintain their leadership in commercial vehicles ("**CVs**"), specifically in the CVs (excl. M&HCVs) and used vehicle finance segments. Further, NBFCs have managed to carve out a strong presence in MSME loans. The share of NBFCs in total credit to MSMEs has increased to 12.30% at end of 5M Fiscal 2024 from 9.17% as of Fiscal 2019. (*Source: CRISIL Report*)

Our Promoters

Rajendra Kumar Setia, Yash Setia and Rajendra Kumar Setia HUF are the Promoters of our Company. For further details, see "*Our Promoters and Promoter Group*" on page 271.

Offer size

The details of the Offer are set out below:

Offer of Equity Shares[(1)(2)(3)(4)]	Up to [●] Equity Shares aggregating up to ₹22,000.00 million
of which:	
(i) Fresh Issue[(1)(4)]	Up to [●] Equity Shares aggregating up to ₹5,000.00 million
(ii) Offer for Sale[(2)(3)]	Up to [●] Equity Shares aggregating up to ₹17,000.00 million
The Offer comprises:	
Employee Reservation Portion [(5)]	Up to [●] Equity Shares aggregating up to ₹[●] million
Net Offer	Up to [●] Equity Shares aggregating up to ₹[●] million

[(1)] *The Offer has been approved by our Board pursuant to the resolution passed at its meeting held on April 18, 2024 and our Shareholders have authorized the Fresh Issue pursuant to a special resolution passed at their meeting held on April 25, 2024.*

[(2)] *Our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated April 30, 2024. For further details, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 70 and 447, respectively.*

[(3)] *The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale in the terms of SEBI ICDR Regulations. Each of the Selling Shareholders, severally and not jointly, has confirmed and authorized its participation in the Offer for Sale in relation to its portion of the Offered Shares. The details of such authorisations are provided below:*

Name of the Selling Shareholder	*Aggregate proceeds from Offer for Sale*	*Maximum number of Offered Shares*	*Date of board resolution/ authorization*	*Date of consent letter*
Promoter Selling Shareholders				
Rajendra Kumar Setia	*Up to ₹1,800.00 million*	*Up to [●] Equity Shares*	-	*April 29, 2024*
Rajendra Kumar Setia HUF	*Up to ₹ 200.00 million*	*Up to [●] Equity Shares*	*April 29, 2024*	*April 29, 2024*
Investor Selling Shareholders				
Evolvence Coinvest I	*Up to ₹ 750.00 million*	*Up to [●] Equity Shares*	*April 16, 2024*	*April 29, 2024*
Evolvence India Fund III Ltd	*Up to ₹ 250.00 million*	*Up to [●] Equity Shares*	*April 16, 2024*	*April 29, 2024*
Norwest	*Up to ₹ 7,000.00 million*	*Up to [●] Equity Shares*	*April 15, 2024*	*April 29, 2024*
TPG	*Up to ₹ 7,000.00 million*	*Up to [●]Equity Shares*	*April 3, 2024*	*April 29, 2024*

[(4)] *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.*

[(5)] *Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. For further details, see "Offer Procedure" and "Offer Structure" beginning on page 478 and 475, respectively.*

The Offer and Net Offer shall constitute [●]% and [●]%, respectively, of the post-Offer paid-up Equity Share capital of our Company. For further details, see "*The Offer*" and "*Offer Structure*" beginning on pages 70 and 475, respectively.

Objects of the Offer

The objects for which the Net Proceeds from the Offer shall be utilized are as follows:

Particulars	Amount[(1)] (₹ in million)
Augmenting our capital base to meet future business requirements of our Company toward onward lending	3,750.00
General corporate purposes[(2)]	[●]
Total	[●]

(1) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.*

(2) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to the filing of the Prospectus with the RoC. The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

For further details, see "*Objects of the Offer*" on page 107.

Aggregate pre-Offer shareholding of our Promoters, members of our Promoter Group, and Selling Shareholders as a percentage of our paid-up Equity Share capital

The aggregate pre-Offer shareholding of our Promoters and the Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

Sr. No.	Name	Number of Equity Shares as on the date of this Draft Red Herring Prospectus	Percentage of the pre-Offer paid-up Equity Share capital (%)^	Percentage of the post-Offer paid-up Equity Share capital (%)^
Promoters				
1.	Rajendra Kumar Setia#	43,070,524	32.07	[●]
2.	Yash Setia	2,600	Negligible	
3.	Rajendra Kumar Setia HUF#	250,000	0.19	[●]
Promoter Group				
1.	Shalini Setia	2,600	Negligible	[●]
2.	Bhajan Devi Setia	2,600	Negligible	[●]
3.	Raj Kumar Setia	765,224	0.57	[●]
4.	Sameer Arora	219,000	0.16	[●]
Investor Selling Shareholders				
1.	Evolvence Coinvest I	3,308,260	2.46	[●]
2.	Evolvence India Fund III Ltd	1,608,980	1.20	[●]
3.	Norwest	32,069,840	23.88	[●]
4.	TPG	24,223,896	18.04	[●]
Total		**105,523,524**	**78.57**	**[●]**

^ *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares including Equity Shares which will result upon conversion of outstanding vested options under the ESOP Scheme, as applicable.*

Also Selling Shareholders.

Summary of Selected Financial Information

The details of our Equity Share capital, Other equity, Net Worth, total income, Profit for the period/year, Earning per share (Basic and diluted), Net Asset Value per Equity Share and total borrowings for the nine months period ended December 31, 2023 and December 31, 2022 and financial years ended March 31, 2023, 2022 and 2021 derived from the Restated Summary Statements are as follows:

(₹ in million, unless otherwise stated)

Particulars	As at and for the nine months ended December 31,		As at and for the year ended March 31,		
	2023	2022	2023	2022	2021
Equity Share capital	64.44	58.21	58.64	58.17	52.18
Other equity	27,318.52	17,389.08	18,278.76	15,906.22	9,662.59
Net Worth (1)	27,322.10	17,415.74	18,319.34	15,930.17	9,691.92
Total Income	13,152.26	9,283.92	13,142.41	8,206.87	6,824.92
Profit for the period/year	2,171.01	1,388.83	2,227.86	1,428.74	910.83
- Earnings per share (basic) (₹) (2) #	17.78	11.94	19.13	12.62	9.04
- Earnings per share (diluted) (₹) (2) #	17.55	11.69	18.79	12.41	8.95
Net Asset Value per Equity Share (₹)(3)	212.01	148.95	155.53	136.34	92.42
Total borrowings (4)	78,910.40	64,067.16	70,431.42	44,977.27	32,243.53

Not annualised for the period ended December 31, 2023 and December 31, 2022

Notes:

1. *Net worth, which is a Non-GAAP measure, means the aggregate value of the Equity Share capital and Other equity, after deducting the prepaid expenses as at the end of relevant period/ year. For details on reconciliation, see 'Selected Statistical Information - Non-GAAP Reconciliation' on page 304.*
2. *Earnings per share (basic) and Earnings per share (diluted) represent the earnings per Equity Share of ₹1 each – Basic and the earnings per Equity Share of ₹1 each – Diluted, respectively, which are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Earnings per share (basic) is calculated by dividing the profit for the period/year attributable to equity holders by the weighted average number of equity shares outstanding during the period/year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Earnings per share (diluted) is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the period/year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The Board in its meeting held on February 1, 2024 and Shareholders in the extraordinary general meeting held on March 11, 2024 approved the sub-division of shares from ₹2 per share to ₹1 per share and also approved the bonus share in the ratio of 1:1 with effect from March 16, 2024. The number of shares used for the calculation of earnings per share, and the earnings per share(including that in the comparative periods), have been adjusted for pursuant to paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.*
3. *Net asset value per Equity Share, which is a Non-GAAP measure, is calculated as Net Worth as at the end of relevant period/ year divided by the outstanding number of equity shares including partly paid-up shares as at the end of such period/year after giving impact of sub-division of equity shares and bonus issue subsequent to period end in accordance with Ind AS 33 principles. For details on reconciliation, see 'Selected Statistical Information - Non-GAAP Reconciliation' on page 304.*
4. *Total Borrowings, which is a Non-GAAP measure, represents the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. For details on reconciliation, see 'Selected Statistical Information - Non-GAAP Reconciliation' on page 304.*

Auditor's qualifications which have not been given effect to in the Restated Summary Statements

There are no qualifications of Statutory Auditor which has not been given effect to in the Restated Summary Statements.

Summary table of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Promoters and Directors, if applicable, as disclosed in the section titled "*Outstanding Litigation and Other Material Developments*" in terms of the SEBI ICDR Regulations and the Materiality Policy as of the date of this Draft Red Herring Prospectus is provided below:

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five financial years, including outstanding action	Material civil litigation	Aggregate amount involved (₹ in million)[(1)]
Company						
By the Company	24,371	Nil	Nil	NA	Nil	6,695.26
Against the Company	7	10	Nil	NA	Nil	180.06
Directors (excluding Promoters)						
By the Directors	Nil	Nil	Nil	NA	Nil	Nil
Against the Directors	Nil	Nil	Nil	NA	Nil	Nil
Promoters						
By Promoters	2	Nil	Nil	Nil	Nil	Not quantifiable
Against Promoters	1	5	Nil	Nil	Nil	24.14

[(1)] *To the extent ascertainable and quantifiable*

Our Group Company is not party to any pending litigation which will have a material impact on our Company.

For further details, see "*Outstanding Litigation and Material Developments*" on page 439.

Risk Factors

The following is a summary of the top ten risk factors in relation to our Company.

1. Our business is primarily focused on used vehicle financing and any adverse development in this sector or in government policies affecting this industry could affect our business and results of operations.

2. A majority of our business operations involve transactions with mid to low-income retail customers in rural and semi-urban areas of India who are susceptible to adverse economic conditions. Any default from such customers could adversely affect our business, financial condition and results of operations.

3. The risk of non-payment or default by our customers may adversely affect our financial condition and results of operations.

4. Our inability to recover the full value of vehicle collateral or amounts outstanding under defaulted vehicle financing loans in a timely manner or at all could adversely affect our results of operations.

5. We require substantial capital for our business and any disruption in our sources of funding could adversely affect our liquidity, business, results of operations and financial condition.

6. As on December 31, 2023, 75.79% of our Assets Under Management were located in the states of Rajasthan, Madhya Pradesh and Gujarat in India. Accordingly, our operations are concentrated in these three states and any adverse developments in these regions could have an adverse effect on our business and results of operations.

7. We are subject to periodic inspection by the Reserve Bank of India. Non-compliance with the observations of the Reserve Bank of India could adversely affect our business, financial condition, results of operations and cash flows.

8. Though we have experienced growth in recent years, we may not be able to sustain our growth effectively.

9. System failures or inadequacy and security breaches in information technology systems may adversely affect our business and reputation.

10. We provide loans to micro, small and medium enterprises and any adverse development in this sector or in government policies affecting this sector could affect our business, cash flows and results of operations.

For further details of the risks applicable to us, see "*Risk Factors*" on page 28.

Summary table of contingent liabilities

The following is a summary table of our contingent liabilities as at December 31, 2023 as per Ind AS 37:

(₹ in million)

Particulars	As at December 31, 2023
Claims against the company not acknowledged as debt	
- Indirect tax matter	175.03
- Direct tax matter	3.35
Guarantees	
- Corporate guarantees towards securitization transaction	65.77
- towards law suits, claims and proceedings, including collection and repossession related matters, which arise in the ordinary course of business	0.53
Other money for which the company is contingently liable	7.50

For further details of contingent liabilities as at December 31, 2023 as per Ind AS 37, see "*Restated Summary Statements– Annexure V Note 38 Contingent Liabilities and Commitments*" on page 359.

Summary of related party transactions

Set out below is a summary of related party transactions with related parties for Financial Years 2021, 2022 and 2023 and for the nine months ended December 31, 2022 and December 31, 2023, as per Ind AS 24 read with the SEBI ICDR Regulations, as derived from the Restated Summary Statements:

(₹ in million except otherwise stated)

Name of the related party	Nature of transactions	As at and for the nine months ended		As at and for the year ended		
		December 31, 2023	December 31, 2022	March 31, 2023	March 31, 2022	March 31, 2021
i) Transactions during the period/year						
Directors						
Rajendra Kumar Setia (Managing Director & CEO)	Salary	49.62	33.92	39.56	29.55	22.66
Shalini Setia (Whole-time Director - Upto January 30, 2023)	Salary	-	0.88	0.97	1.17	1.17
Yash Setia (Whole-time Director - Since January 30, 2023)	Salary	13.52	-	1.01	-	-
Amar Lal Daultani (Independent Director)	Sitting Fees	1.66	1.08	1.54	1.86	0.79
Anand Raghavan (Independent Director)	Sitting Fees	1.61	1.08	1.49	1.86	0.84
Munish Dayal (Nominee Director)	Sitting Fees	-	-	-	-	0.36
Rajendra Kumar Setia (Managing Director & CEO)	Insurance Expenses	0.51	0.51	0.51	0.47	0.47
Shalini Setia (Whole-time Director - Upto January 30, 2023)	Rent	-	3.10	3.45	3.94	3.76
Rajendra Kumar Setia (Managing Director & CEO)	Issue of Share Capital #	736.21	-	-	220.00	2.03
Rajendra Kumar Setia (Managing Director & CEO)	Personal Guarantee received for Borrowings	3,500.00	1,000.00	1,000.00	7,050.00	7,615.00
Rajendra Kumar Setia (Managing Director & CEO) and Shalini Setia (Whole-time Director - Upto January 30, 2023) (Jointly)	Personal Guarantee received for Borrowings	-	2,000.00	2,000.00	1,500.00	795.00

Name of the related party	Nature of transactions	As at and for the nine months ended		As at and for the year ended		
		December 31, 2023	December 31, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Relative of directors						
Raj Kumar Setia (Brother of Managing Director & CEO)	Salary	18.23	7.27	9.10	6.65	3.85
Sameer Arora (Brother of Whole-time Director - Upto January 30, 2023) (Promoter Group - Since January 30, 2023)	Salary	-	8.05	10.04	8.39	5.94
Sanjeev Arora (Brother of Whole-time Director - Upto January 30, 2023) (Promoter Group - Since January 30, 2023)	Salary	-	-	-	1.04	1.04
Yash Setia (Son of Managing Director & CEO - Upto January 30, 2023)	Salary	-	1.77	2.11	1.63	1.47
Shalini Setia (Wife of Managing Director & CEO - Since January 30, 2023)	Rent	3.25	-	0.70	-	-
Sanjeev Arora (Brother of Whole-time Director - Upto January 30, 2023) (Promoter Group - Since January 30, 2023)	Legal and professional Charges	-	-	-	0.36	-
Sameer Arora (Brother of Whole-time Director - Upto January 30, 2023) (Promoter Group - Since January 30, 2023)	Issue of Share Capital	-	-	9.04	-	-
Sanjeev Arora (Brother of Whole-time Director - Upto January 30, 2023) (Promoter Group - Since January 30, 2023)	Issue of Share Capital	-	0.56	0.56	-	-
Raj Kumar Setia (Brother of Managing Director & CEO)	Issue of Share Capital ##	65.84	-	-	-	-
Key management personnel (excluding directors)						
Atul Arora (Chief Financial Officer)	Salary	9.16	7.12	8.87	8.21	4.26
Anagha Bangur (Company Secretary)	Salary	1.94	1.49	2.03	1.48	0.98
Atul Arora (Chief Financial Officer)	Issue of Share Capital	13.45	-	8.37	-	-
Anagha Bangur (Company Secretary)	Issue of Share Capital	0.19	-	0.56	-	-
Atul Arora (Chief Financial Officer)	Number of ESOP grant (in million)	-	0.04	0.04	-	-
Anagha Bangur (Company Secretary)	Number of ESOP grant (in million)	-	*	*	-	-
Entities controlled or jointly controlled by individual having significant influence or their relatives						
Shubham Leasing & Financial Company (Sole proprietorship)	Commission	-	-	-	0.17	0.91
Infrasoft Private Limited (Private Company)	Information Technology Expenses	1.58	0.53	0.84	0.65	1.00
SK Foundation (Trust)	CSR Expenses	27.23	20.79	30.34	0.41	17.67
SK Foundation (Trust)	Donation	1.50	1.30	1.70	0.17	-

* *Represents amounts less than ₹ 0.01 million.*

\# *The issue of share capital includes receipt of pending call money of partly paid up shares during period ended December 31, 2023.*

\## *The issue of share capital includes the sweat equity share issued during the period ended December 31, 2023.*

Financing Arrangements

Our Promoters, members of our Promoter Group, our Directors and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which the Equity Shares were acquired by our Promoters and the Selling Shareholders, in the one year preceding the date of this Draft Red Herring Prospectus is as follows:

Name	Number of Equity Shares acquired in the last one year	Weighted average price of acquisition per Equity Share*(in ₹)
Promoters		
Rajendra Kumar Setia #	32,302,893	0.00
Rajendra Kumar Setia HUF #	187,500	0.00
Yash Setia	1,950	0.00
Investor Selling Shareholders		
Evolvence Coinvest I	2,481,195	0.00
Evolvence India Fund III Ltd	1,206,735	0.00
Norwest	24,941,022	82.19
TPG	18,709,777	66.81

* *As certified by Shah Patni & Co., Chartered Accountants, by way of certificate dated May 1, 2024.*

\# *Selling Shareholders, in addition to being Promoters.*

Note:

(1) *10,17,447 equity shares were allotted to Rajendra Kumar Setia on March 31, 2021, which were partly paid and ₹ 2 per equity share (₹ 1.75 in face value and 0.25 paise in premium) was paid at the time of allotment of such equity shares, which were issued at an issue price of ₹ 725.59 ("**Partly Paid-up Shares**"). Of this 345,500 Partly Paid-up Shares were made fully paid up on September 6, 2023, and 671,947 Partly Paid-up Shares were made fully paid up on September 13, 2023. The balance amount paid for such partly paid up shares have not been taken into consideration for calculation of weighted average cost of acquisition.*

(2) *Equity shares were fully paid-up when issued except for 1,017,447 equity shares allotted to Rajendra Kumar Setia as mentioned in note (1) above.*

(3) *Pursuant to a sub-division of shares, the Company has sub-divided 33,436,266 equity shares of face value of ₹ 2 each to 66,872,532 Equity Shares of face value of ₹1 each. The number of incremental shares due to sub-division have taken into consideration for calculation of weighted average price of Equity Shares acquired in the last one year, eighteen months and three years. Such transaction is authorized by resolution passed by the Shareholders dated March 11, 2024, with the record date as March 16, 2024.*

(4) *The bonus issue of 66,872,532 equity shares of face value ₹ 1 each in the ratio of one Equity Share for every one Equity Shares held by the Shareholders, authorized by a resolution passed by the Shareholders dated March 11, 2024, with the record date as March 16, 2024, has been considered for calculation of weighted average price of Equity Shares acquired in the last one year, eighteen months and three years.*

Average cost of acquisition of Equity Shares of our Promoters and the Selling Shareholders

The average cost of acquisition of our Promoters and the Selling Shareholders as on the date of this Draft Red Herring Prospectus is as follows:

Name	Number of Equity Shares as on the date of this Draft Red Herring Prospectus	% of Pre issue Equity Share Capital on a fully diluted basis	Average cost of acquisition per Equity Share* (in ₹)
Promoters			
Rajendra Kumar Setia #	43,070,524	32.07	26.62
Rajendra Kumar Setia HUF #	250,000	0.19	100.00
Yash Setia	2,600	Negligible	0.00
Investor Selling Shareholders			
Evolvence Coinvest I	3,308,260	2.46	110.14
Evolvence India Fund III Ltd	1,608,980	1.20	310.76
Norwest	32,069,840	23.88	182.66
TPG	24,223,896	18.04	253.97

* *As certified by Shah Patni & Co., Chartered Accountants, by way of certificate dated May 1, 2024.*

\# *Selling Shareholders, in addition to being Promoters.*

Note:

(1) *10,17,447 equity shares were allotted to Rajendra Kumar Setia on March 31, 2021, which were partly paid and ₹ 2 per equity share (₹ 1.75 in face value and 0.25 paise in premium) was paid at the time of allotment of such equity shares, which were issued at an issue price of ₹ 725.59 ("**Partly Paid-up Shares**"). Of this 345,500 Partly Paid-up Shares were made fully paid up on September 6, 2023, and 671,947 Partly Paid-up Shares were made fully paid up on September 13, 2023. The balance amount paid for such partly paid up shares have not been taken into consideration for calculation of average cost of acquisition.*

(2) *Equity shares were fully paid-up when issued except for 1,017,447 equity shares allotted to Rajendra Kumar Setia as mentioned in note (1) above.*

(3) *Pursuant to a sub-division of shares, the Company has sub-divided 33,436,266 equity shares of face value of ₹ 2 each to 66,872,532 Equity Shares of face value of ₹1 each. The number of incremental shares due to sub-division have taken into consideration for calculation of weighted average price of Equity Shares acquired in the last one year, eighteen months and three years. Such transaction is authorized by resolution passed by the Shareholders dated March 11, 2024, with the record date as March 16, 2024.*

(4) *The bonus issue of 66,872,532 equity shares of face value ₹ 1 each in the ratio of one Equity Share for every one Equity Shares held by the Shareholders, authorized by a resolution passed by the Shareholders dated March 11, 2024, with the record date as March 16, 2024, has been considered for calculation of weighted average price of Equity Shares acquired in the last one year, eighteen months and three years.*

(5) *Cost/ Transfer price per equity share (including securities premium) in case of sale transactions shows the cost of shares sold using FIFO approach.*

Details of price at which specified securities were acquired by each of the Promoters, members of our Promoter Group, Selling Shareholders and Shareholders entitled with the right to nominate directors or other rights in the last three years

Except as stated below, there have been no specified securities that were acquired in the last three years preceding the date of this Draft Red Herring Prospectus, by the Promoters, members of our Promoter Group, Selling Shareholders and Shareholders entitled with the right to nominate directors or other rights in the Company.

The details of the price at which the acquisition of Equity Shares were undertaken in the last three years preceding the date of this Draft Red Herring Prospectus are stated below:

Sr. No.	Name	Date of acquisition of the equity shares	Number of equity shares acquired	Face value	Acquisition price per equity share (in ₹)
		Promoters			
1.	Rajendra Kumar Setia #	May 12, 2021	150,011	2	1,466.56
2.		March 11, 2024	10,767,631	1	-
3.		April 8, 2024	21,535,262	1	-
4.	Rajendra Kumar Setia HUF #	March 11, 2024	62,500	1	-
5.		April 8, 2024	125,000	1	-
6.	Yash Setia	March 11, 2024	650	1	-
7.		April 8, 2024	1,300	1	-
		Investor Selling Shareholders			
8.	Norwest	May 12, 2021	852,336	2	1,466.56
9.		September 13, 2023	888,642	2	2,306.89
10.		March 11, 2024	8,017,460	1	-
11.		April 8, 2024	16,034,920	1	-
12.	TPG	May 12, 2021	11,25,084	2	1,466.56
13.		September 13, 2023	5,41,855	2	2,306.89
14.		March 11, 2024	60,55,974	1	-
15.		April 8, 2024	1,21,11,948	1	-
16.	Evolvence Coinvest I	March 11, 2024	8,27,065	1	-
17.		April 8, 2024	16,54,130	1	-
18.	Evolvence India Fund III Ltd.	May 12, 2021	170,467	2	1,466.56
19.		March 11, 2024	402,245	1	-
20.		April 8, 2024	804,490	1	-
		Members of Promoter Group			
21.	Bhajan Devi Setia	March 11, 2024	650	1	-
22.		April 8, 2024	1,300	1	-
23.	Shalini Setia	March 11, 2024	650	1	-
24.		April 8, 2024	1,300	1	-
25.	Raj Kumar Setia	February 17, 2022	55,556	2	-
26.		March 31, 2022	2,000	2	2,197.98
27.		August 24, 2023	53,750	2	1,225.00
28.		March 14, 2024	80,000	2	2,306.89
29.		March 11, 2024	191,306	1	-
30.		April 8, 2024	382,612	1	-
31.	Sameer Arora	December 17, 2021	1,250	2	1,466.56
32.		January 7, 2022	1,000	2	1,466.56
33.		February 22, 2023	36,250	2	249.35
34.		June 29, 2023	18,750	2	249.35
35.		August 24, 2023	35,000	2	1,225.00
36.		March 14, 2024	17,500	2	2,306.89
37.		March 11, 2024	109,750	1	-
38.		April 8, 2024	219,500	1	-
39.	Sanjeev Arora	November 2, 2022	2,250	2	249.35
40.		May 30, 2023	750	2	249.35
41.		March 11, 2024	2,250	1	-
42.		April 8, 2024	4,500	1	-

* *As certified by Shah Patni & Co., Chartered Accountants, by way of certificate dated May 1, 2024.*

\# *Selling Shareholders, in addition to being Promoters.*

Notes:

*(1) 10,17,447 equity shares were allotted to Rajendra Kumar Setia on March 31, 2021, which were partly paid and ₹ 2 per equity share (₹ 1.75 in face value and 0.25 paise in premium) was paid at the time of allotment of such equity shares, which were issued at an issue price of ₹ 725.59 ("**Partly Paid-up Shares**"). Of this 345,500 Partly Paid-up Shares were made fully paid up on September 6, 2023, and 671,947 Partly Paid-up Shares were made fully paid up on September 13, 2023. The balance amount paid for such partly paid up shares have not been taken into consideration for calculation of average cost of acquisition.*

(2) Equity Shares were fully paid-up when issued except for 1,017,447 equity shares allotted to Rajendra Kumar Setia as mentioned in note (1) above.

(3) Pursuant to a sub-division of shares, the Company has sub-divided 33,436,266 equity shares of face value of ₹ 2 each to 6,68,72,532 Equity Shares of face value of ₹1 each. The number of incremental shares due to sub-division have taken into consideration for calculation of weighted average price of Equity Shares acquired in the last three years. Such transaction is authorized by resolution passed by the Shareholders dated March 11, 2024, with the record date as March 16, 2024.

(4) The bonus issue of 66,872,532 equity shares of face value ₹ 1 each in the ratio of one Equity Share for every one Equity Shares held by the Shareholders, authorized by a resolution passed by the Shareholders dated March 11, 2024, with the record date as March 16, 2024, has been considered for calculation of weighted average price of Equity Shares acquired in the last three years.

For further details, see "History and Certain Corporate Matters" and "Description of Equity Shares and Terms of Articles of Association" on pages 239 and 498, respectively.

Weighted average cost of acquisition of all equity shares transacted in one year, eighteen months and three years preceding the date of this Draft Red Herring Prospectus:

(a) Weighted average cost of acquisition per Equity Share

Period	Weighted average cost of acquisition per Equity Share (in ₹)	Cap Price is 'x' times the weighted average cost of acquisition	Range of acquisition price per Equity Share: lowest price – highest price (in ₹)
Last one year preceding the date of this Draft Red Herring Prospectus	133.19	[●]	0.00 - 634.40
Last 18 months preceding the date of this Draft Red Herring Prospectus	133.92	[●]	0.00 - 634.40
Last three years preceding the date of this Draft Red Herring Prospectus	193.22	[●]	0.00 - 634.40

As certified by Shah Patni & Co., Chartered Accountants, by way of their certificate dated May 1, 2024.

Note:

*(1) 1,017,447 equity shares were allotted to Rajendra Kumar Setia on March 31, 2021, which were partly paid and ₹ 2 per equity share (₹ 1.75 in face value and 0.25 paise in premium) was paid at the time of allotment of such equity shares, which were issued at an issue price of ₹ 725.59 ("**Partly Paid-up Shares**"). Of this 345,500 Partly Paid-up Shares were made fully paid up on September 6, 2023, and 671,947 Partly Paid-up Shares were made fully paid up on September 13, 2023. The balance amount paid for such partly paid up shares have not been taken into consideration for calculation of weighted average cost of acquisition.*

(2) Equity shares were fully paid-up when issued except for 1,017,447 equity shares allotted to Rajendra Kumar Setia as mentioned in note (1) above.

(3) Pursuant to a sub-division of shares, the Company has sub-divided 33,436,266 equity shares of face value of ₹ 2 each to 66,872,532 Equity Shares of face value of ₹1 each. The number of incremental shares due to sub-division have taken into consideration for calculation of weighted average cost of acquisition of equity shares for shares acquired in last year, eighteen months and last three years.

(4) The bonus issue of 66,872,532 equity shares of face value ₹ 1 each in the ratio of one Equity Share for every one Equity Shares held by the Shareholders, authorized by a resolution passed by the Shareholders dated March 11, 2024, with the record date as March 16, 2024, has been considered for calculation of weighted average price of Equity Shares acquired in the last year, eighteen months and last three years. Such transaction is authorized by resolution passed by the Shareholders dated March 11, 2024, with the record date as March 16, 2024.

(5) The bonus issue and subdivision of shares from face value ₹ 2 to ₹ 1, authorized by a resolution passed by the Shareholders dated March 11, 2024 with the record date as March 16, 2024, has been considered for adjusting the highest acquisition price.

Details of the pre-IPO placement

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

On utilization of proceeds from the Pre-IPO Placement (if undertaken) prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

Issuance of Equity Shares in the last one year for consideration other than cash

Our Company has not issued any Equity Shares for consideration other than cash (excluding bonus issuance) in the last one year preceding the date of this Draft Red Herring Prospectus. For further details, see "*Capital Structure – Offer of shares for consideration other than cash or out of revaluation reserves (excluding bonus issuance)*" on page 93.

Any split/consolidation of Equity Shares in the last one year

Pursuant to a resolution passed by our Board on February 1, 2024 and a resolution passed by the Shareholders on March 11, 2024, each equity share of face value of ₹2 each has been split into two Equity Shares of face value of ₹1 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 33,436,266 equity shares of face value of ₹2 each to 66,872,532 Equity Shares of face value of ₹1 each. For further details, see "*Capital Structure – Notes to the Capital Structure*" on page 84.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

As on the date of this Draft Red Herring Prospectus, our Company has not sought any exemption from the SEBI from compliance with any provisions of securities laws including the SEBI ICDR Regulations.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described in this section are not the only risks relevant to us or our Equity Shares and the industry in which we operate or propose to operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also have an adverse effect on our business, prospects, results of operations, financial condition and cash flows. If any or a combination of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occurs, our business, financial condition, results of operations and cash flows could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Furthermore, some events may be material collectively rather than individually.

The financial and other implications of risks, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the effect is not quantifiable and hence have not been disclosed in the applicable risk factors. Prospective investors should read this section together with "Our Business", "Industry Overview", "Selected Statistical Information" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" beginning on pages 201, 137, 277 and 402, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors should rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares. Potential investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions and uncertainties where actual results could materially differ from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see "Forward-Looking Statements" beginning on page 19.

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Draft Red Herring Prospectus, each of which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with the Ind AS, Indian GAAP, IFRS or U.S. GAAP. Such measures and indicators are not defined under Ind AS, Indian GAAP, IFRS or U.S. GAAP, and therefore, should not be viewed as substitutes for performance, liquidity or profitability measures under Ind AS, Indian GAAP, IFRS or U.S. GAAP. In addition, such measures and indicators are not standardized terms, and a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For risks relating to non-GAAP measures, see "Risk Factors – We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Ind AS" on page 59.

Unless the context requires otherwise, the financial information used in this section is derived from our Restated Summary Statements on page 312. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Financial information for the nine months ended December 31, 2023 and December 31, 2022 may not be indicative of the financial results for the full year and are not comparable with financial information for the years ended March 31, 2023, March 31, 2022 and March 31, 2021. Further, financial information for the nine months ended December 31, 2023 and nine months ended December 31, 2022, has not been annualized.

*Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "Analysis of NBFC Sector in India and Select Asset Classes" dated April 2024 ("**CRISIL Report**") prepared by CRISIL Market Intelligence & Analytics ("**CRISIL MI&A**"), a division of CRISIL Limited (together with CRISIL MI&A, "**CRISIL**"), appointed by our Company pursuant to an engagement letter dated January 30, 2024, and such CRISIL Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. The CRISIL Report is available on the website of our Company at www.skfin.in/investor/investor-services and has also been included in "Material Contracts and Documents for Inspection – Material Documents" on page 502. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. References to segments in "Industry Overview" beginning on page 137 and information derived from the CRISIL Report are in accordance with the presentation, analysis and categorization in the CRISIL Report. The segment reporting in the Restated Summary Statements is based on the criteria set out in Ind AS 108 (Operating Segments). Our Company does not prepare its financial statements based on the segments outlined in the "Industry Overview" beginning on page 137.*

Internal Risk Factors

1. Our business is primarily focused on used vehicle financing and any adverse development in this sector or in government policies affecting this industry could affect our business, cash flows and results of operations.

We primarily provide finance for used commercial vehicles, excluding medium and heavy commercial vehicles ("**CVs (excluding M&HCVs)**"), cars and tractors. The following table sets forth the breakdown of AUM contributed by our vehicle financing vertical based on used / new vehicles, as of the dates indicated:

(₹ million, unless specified)

Product	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	AUM	% of vehicle financing vertical AUM	AUM	% of vehicle financing vertical AUM	AUM	% of vehicle financing vertical AUM	AUM	% of vehicle financing vertical AUM	AUM	% of vehicle financing vertical AUM
	(₹ in million, except percentages)									
– Used	57,477.84	77.41%	43,915.22	78.79%	47,518.10	78.63%	33,037.85	80.78%	24,921.96	82.07%
– New	16,770.69	22.59%	11,822.09	21.21%	12,913.19	21.37%	7,861.14	19.22%	5,444.50	17.93%
AUM(1) contributed by our vehicle financing vertical	74,248.53	100.00%	55,737.32	100.00%	60,431.29	100.00%	40,898.99	100.00%	30,366.47	100.00%

Note:

(1) AUM represents the aggregate of future principal outstanding and principal overdue held in our books as on the last day of the relevant period/ year and loan assets which has been transferred/ sourced by our Company by way of securitization and pool buy out/ assignment/ our share of co-lending loans and are outstanding as at the end of the relevant period/ year.

As a result, our business is significantly dependent on various factors that may impact the used vehicle sector, and more generally, the vehicle financing sector, such as:

- the demand for transportation services and last-mile connectivity needs in India;
- the market and penetration level for vehicles, including cost of raw materials for manufacture of vehicles;
- automobile emission and fuel economy standards;
- any changes in Indian regulations and policies affecting commercial vehicles and infrastructure; and
- natural disasters and calamities, and the macroeconomic conditions in India and globally.

For instance, the Ministry of Road Transport and Highways ("**MoRTH**") has proposed the introduction of a voluntary Vehicle Scrappage Policy, approved under the Finance Act, 2021, which requires commercial and personal vehicles to undergo a fitness test after 15 to 20 years, respectively, to evaluate the roadworthiness of commercial and personal vehicles. Further, the Bharat Stage Emission Standards, which have been developed for all vehicle categories and apply to vehicles manufactured since April 2020, regulate tailpipe emissions of air pollutants including particulate matter, sulphur oxides (SOx) and nitrogen oxides (NOx) as well as carbon monoxide, hydrocarbons and methane. Such policies may alter the demand for used vehicles. Further, a significant slowdown in the economy may affect transport operators' earnings negatively, resulting in higher delinquencies. Similarly, a high increase in interest rates or reduction in sales can have an impact on overall business volumes.

Such factors may result in the sales or value of used vehicles declining, thereby leading to a decrease in the demand for vehicle financing for such vehicles. A decline in demand for financing for used vehicles would adversely affect our business, financial condition, results of operations and cash flows.

For further details, see "*-Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, cash flows, prospects and results of operations.*" on page 64.

2. A majority of our business operations involve transactions with mid to low-income retail customers in rural and semi-urban areas of India who are susceptible to adverse economic conditions. Any default from such customers could adversely affect our business, cash flows, financial condition and results of operations.

We are primarily present in the rural and semi-urban areas of India. As of December 31, 2023, 18.32% and 46.17% of our branches are located in rural and semi-urban areas of India, which contributed to 45.52% and 36.32% of our AUM, respectively. See "*Selected Statistical Information – Geographical Metrics*" on page 299 for further details. The population in the rural and semi-urban areas of India include a granular customer base of mid to low-income customers that are predominantly self-employed, unbanked or underbanked individuals with limited access to organized lending channel, to whom we offer secured retail loans. We also extend credit to new to credit ("**NTC**") borrowers, who do not have prior experience of formal loan repayment, and may accordingly default in making timely payments. In addition, individual borrowers are generally less financially resilient than larger corporate borrowers or fleet owners, and as a result, may be more adversely affected by declining economic conditions. The following table sets forth details of our NTC customers for the relevant periods:

	For the nine months ended December 31,				For the year ended March 31,					
	2023		2022		2023		2022		2021	
	Number of NTC customers	NTC customers as a percentage of total customers	Number of NTC customers	NTC customers as a percentage of total customers	Number of NTC customers	NTC customers as a percentage of total customers	Number of NTC customers	NTC customers as a percentage of total customers	Number of NTC customers	NTC customers as a percentage of total customers
	(in numbers, except percentages)									
NTC customers	49,157	32.53%	45,156	34.09%	59,808	33.47%	36,817	32.80%	19,114	33.38%

While we follow the Know Your Customer ("**KYC**") guidelines prescribed by the Reserve Bank of India ("**RBI**"), such customers often do not have any credit history supported by tax returns and other related documents which would enable us to assess their creditworthiness. It may therefore be difficult to carry out precise risk analyses on these customers. Such customers typically have less financial wherewithal and may be particularly susceptible to adverse economic conditions, which may in turn adversely impact their ability to make timely payments or at all. As a result, we are more vulnerable to customer default risks including delay in repayment of principal or interest on our loans. Although we have an underwriting process, there can be no assurance that these measures are adequate to ensure a lower delinquency rate. Our profitability depends on our ability to evaluate the right income levels of our customers, assess the credit risks and to price our loans accordingly. Our customers may default on their obligations as a result of various factors. If our borrowers fail to repay loans in a timely manner or at all, our business, cash flows, financial condition and results of operations may be adversely impacted.

For further details, see "- *The risk of non-payment or default by our customers may adversely affect our business, financial condition, cash flows and results of operations.*" and "- *We may face difficulties and incur additional expenses in operating in rural and semi-urban markets, which may have limited infrastructure, particularly for transportation, electricity and internet connectivity.*" on pages 30 and 38, respectively.

3. The risk of non-payment or default by our customers may adversely affect our business, financial condition, cash flows and results of operations.

Our customers may default on their repayment obligations due to reasons such as slowdown in the economy, insolvency, lack of liquidity, increase in operating costs, business complications or failure, poor agricultural production (in the case of tractor financing) or personal emergencies such as the death of an income-generating family member. Further, we may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation by our customers or employees.

The following table sets forth our Gross Loans – Stage 3 as of the dates indicated:

Particulars	As of December 31,		As of March 31,		
	2023	2022	2023	2022	2021
Gross Loans – Stage 3 (₹ in million)	2,548.59	1,875.67	1,380.76	1,350.76	1,386.67
Gross Loans – Regulatory Stage 3 (₹ in million)[(1)]	1,539.58	1,156.52	836.79	-	-
Gross Loans – Stage 3 Ratio (%)[(2)]	2.87%	2.83%	1.94%	2.83%	4.03%
Gross Loans – Regulatory Stage 3 Ratio (%) [(3)]	1.73%	1.75%	1.17%	-	-

Note:

(1) Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021. The lifetime Expected Credit Loss for these assets is calculated based on the repayment status of its overdue as of the reporting date.

(2) Gross Loans - Stage 3 ratio, which is a Non-GAAP measure, is calculated as Gross Loans - Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(3) Gross Loans – Regulatory Stage 3 ratio, which is a Non-GAAP measure, is calculated as Gross Loans – Regulatory Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

If our customers fail to repay loans in a timely manner or at all, it may result in an increase in our Gross Loans - Stage 3. Any such increase may adversely affect our credit ratings and increase our borrowing costs, which in turn may adversely affect our interest margins, our business, financial condition, results of operations and cash flows. Further, if our provisioning requirements are insufficient to cover our existing or future levels of Gross Loans - Stage 3, or if future regulations require us to increase our provisions, our credit ratings and ability to raise additional capital and debt funds, as well as our business, results of operations, financial condition and cash flows could be adversely affected. Further, our Company is required to have a license to trade in such repossessed vehicles, which may entail additional compliance requirements for us to obtain and maintain. For further details see "*Government and Other Approvals – Material approvals in relation to our Company*" on page 444.

For further details, see "- *We depend on the accuracy and completeness of information provided by our customers and certain third party service providers and our reliance on any erroneous or misleading information may affect our judgement of their creditworthiness, as well as the value of and title to the collateral.*" on page 47.

4. Our inability to recover the full value of vehicle collateral or amounts outstanding under defaulted vehicle financing loans in a timely manner or at all could adversely affect our business, financial condition, cash flows and results of operations.

For our vehicle financing vertical, the vehicles purchased by our customers are hypothecated in our favor. For the nine months ended December 31, 2023, 100.00% of the loan disbursements in our vehicle financing loans are secured. The following table sets forth the breakdown of our loan-to-value ratio by category of financed vehicle in our vehicle financing vertical for the periods indicated:

Portfolio	For nine months ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
	(in percentage)				
CVs (excluding M&HCVs)	82.37%	83.11%	83.11%	79.43%	81.20%
Tractor	82.12%	81.82%	81.92%	80.06%	79.56%
Cars	77.71%	76.50%	76.34%	75.91%	76.58%
Two Wheelers	81.06%	80.13%	79.89%	79.63%	80.17%

The value of the vehicle is subject to depreciation, deterioration and/or reduction in the value on account of other extraneous reasons, over the course of time. Further, as the majority of these vehicles are used commercial vehicles, these are particularly vulnerable to deterioration in their value due to usage and passage of time. Any default in the repayment of the outstanding loans by our customers may expose us to losses. Furthermore, in case of a default, we may repossess the commercial vehicles financed and sell such vehicles. There can be no assurance that we will be able to sell such vehicles at prices sufficient to cover the amounts under default. In addition, the hypothecated vehicles, being movable property, may be difficult to locate or seize in the event of any default by our customers, and as a result there may be delays in selling such a hypothecated vehicle. A delay or failure to recover the expected value from sale of the hypothecated vehicles may expose us to costs associated with such recovery and a potential loss, thereby adversely affecting our business, financial condition, results of operations and cash flows.

Further, enforcing our legal rights by litigating against defaulting customers is generally a slow and expensive process in India. Also, given the profile of our customers, recovery through such litigation may not result in a viable outcome for us and result in us incurring high costs associated with such recovery proceedings.

For further details, see "- *A majority of our business operations involve transactions with mid to low-income retail customers in rural and semi-urban areas of India who are susceptible to adverse economic conditions. Any default from such customers could adversely affect our business, results of operations, financial condition and cash flows*." on page 29.

5. We require substantial capital for our business and any disruption in our sources of funding could adversely affect our liquidity, business, cash flows, results of operations and financial condition.

Our business, cash flows and results of operations depend on our ability to raise capital from various external sources on suitable terms and in a timely manner. Our funding requirements historically have been met from various sources, including secured and unsecured loans, such as rupee-denominated term loans, cash credit facilities and working capital demand loans from banks and financial institutions, non-convertible debentures, commercial paper, assignment of designated loans assets receivables and securitization of loan proceeds, and subordinated debt instruments. One of our Promoters, Rajendra Kumar Setia has also provided personal guarantees for certain loan facilities obtained by us. Set forth below are details of our Company's total borrowings and the average cost of such borrowings as of and for the periods/ years indicated:

Particulars	As of and for the nine-months ended December 31,		As of and for the years ended March 31,		
	2023	2022	2023	2022	2021
(₹ in millions, except otherwise stated)					
Debt securities (A)	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Borrowings (other than debt securities) (B)	61,141.20	45,412.85	53,281.82	30,037.82	16,637.38
Subordinated liabilities (C)	-	204.06	-	203.66	402.94
Total Borrowings [(1)] (D=A+B+C)	78,910.40	64,067.16	70,431.42	44,977.27	32,243.53
Average Cost of Borrowings (%)[(2)]	7.29%	6.95%	9.39%	8.84%	10.17%

Note:

(1) Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(2) Average cost of borrowing, which is a Non-GAAP measure, is adjusted finance costs for the relevant period/ year divided by average total borrowings. Adjusted finance costs represents the finance costs reduced by interest on lease liability for the relevant period/ year. Average total borrowings, which is a Non-GAAP measure, is the simple average of total borrowings as at the end of relevant period/ year and total borrowings as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

Our business thus depends on, and will continue to depend on, our ability to continually access these sources of capital and secure low cost funding at rates lower than the interest rates at which we lend to our customers. Our ability to raise funds on acceptable terms and at competitive rates depends on various factors such as:

- our current and future results of operations and financial condition;
- our risk management policies;
- the shareholding of our Promoters in our Company;
- our credit ratings;
- our brand equity;
- the regulatory environment; and
- policy initiatives in India and developments in the international markets affecting the Indian economy.

We also attempt to maintain diversified sources of funds to minimize borrowings costs and avoid risks associated with a concentration of lenders. As of December 31, 2023, we meet a majority of our funding requirements through financing arrangements from 61 lenders. We have not entered into inter-creditor arrangements with these lenders and have bilateral arrangements with each lender. As a result, we spend a significant amount of time in managing our relationships with these lenders. In the event of a significant corporate event, such as a merger, we will have to interact with each of these lenders individually to obtain approvals or waivers. Also, in the event of a default by us of the terms of any lending arrangement we may face multiple actions by these lenders separately, including as a result of cross-default or cross-acceleration clauses, which may result in us incurring substantial costs resolving each action and may result in a significant amount of management time being devoted to these actions. In the event any of these occur, our business, financial condition, results of operations and cash flows may be adversely affected.

While we have not faced any instances of delay in repayment in the nine months ended December 31, 2023 and Fiscals 2023, 2022 and 2021, we cannot assure you that our business will continue to generate sufficient cash to enable us to service our existing and future debt or to fund our other liquidity needs. In addition, we may raise equity financing in the future. Our access to the equity markets is required to maintain parameters such as our debt to equity ratio, which in turn affects our ability to raise funds at competitive costs. Further, changes in economic, regulatory and market conditions could adversely affect our ability to access funds at competitive rates, which could adversely affect our liquidity and financial condition. Our ability to raise debt to meet our financing requirements is also restricted by the limits prescribed under applicable regulations. If we are unable to obtain adequate financing in a timely manner and on acceptable terms, or if there is any lack of liquidity in the market, our ability to access funds at competitive rates could be adversely affected, which could adversely affect our financial condition and cash flows.

For further information, see "- *One of our Promoters, Rajendra Kumar Setia, has provided personal guarantees for loan facilities obtained by us, and any failure or default by us to repay such loans could trigger repayment obligations on our Promoter, which may impact our Promoter's ability to effectively service his obligations as our Promoter and thereby, adversely impact our business and operations.*", "*Selected Statistical Information – III. Borrowings – Sources of Borrowings*" and "*Financial Indebtedness*" on pages 57, 284 and 435, respectively.

6. As on December 31, 2023, 75.79% of our Assets Under Management were located in the states of Rajasthan, Madhya Pradesh and Gujarat in India. Accordingly, our operations are concentrated in these three states and any adverse developments in these regions could have an adverse effect on our business, cash flows and results of operations.

As of December 31, 2023, we conducted our operations through 535 branches, of which 347 branches were located in western India in the states Rajasthan, Madhya Pradesh and Gujarat. The following table sets forth details of our AUM for these states, as of December 31, 2023:

State	AUM (₹ in million)	Percentage Share of AUM (%)
Rajasthan	49,093.21	51.59%
Madhya Pradesh	13,044.48	13.71%
Gujarat	9,975.93	10.48%
Total	72,113.62	75.79%

The vehicle lending and financial services markets in these regions may perform differently from and may be subject to market conditions that are different from the vehicle lending and financial services markets in other regions in India. Consequently, any significant social, political or economic disruption, or natural calamities or civil disruptions in these regions, or changes in the policies of the state or local governments of these regions or the Government of India, could disrupt our business operations, require us to incur significant expenditure and change our business strategies. The occurrence of or our inability to effectively respond to any such event, could have an adverse effect on our business, financial condition, results of operations and cash flows.

For further details of our AUM by states and union territory, see "*Selected Statistical Information – Geographical Metrics – AUM by states and union territory*" on page 300.

7. We are subject to periodic inspection by the Reserve Bank of India. Non-compliance with the observations of the Reserve Bank of India could adversely affect our business, financial condition, results of operations and cash flows.

We are subject to periodic inspections by the RBI under section 45N of the Reserve Bank of India Act, 1934 on our operations, risk management systems, internal controls, regulatory compliance and credit monitoring systems, pursuant to which the RBI issues observations, directions and monitorable action plans on issues related to, among other things, any operational risks and regulatory non-compliances. Upon final determination by the RBI of the inspection results, we may be required to take actions specified therein by the RBI to its satisfaction.

In the past, the RBI, pursuant to its annual inspection for the period ending March 31, 2017, March 31, 2019, and March 31, 2022 has made observations in its inspection reports, which include, some of the following observations. Our Company has taken certain actions and corrective measures in relation thereto, details of which are also set forth below:

Observation	Actions and corrective measures taken by our Company
Our Company's credit policy suggested that it was accepting post-dated cheques to secure its assets contrary to the RBI's instructions.	Our Company has amended its credit policy in compliance with the RBI's instructions.
Our Company's policy on repossession of vehicles were not compliant with the RBI's instructions.	Our Company has amended its policy on repossession of vehicles in compliance with the RBI's instructions.
The RBI had indicated that our Company's investment policy, *inter alia*, did not specifically indicate authorization vis-a-vis the size of investment, did not set limits of investments, did not specify any procedure to carry out any pre- investment appraisal/ internal credit assessment, and no quarterly Board/ Board's review was put up during the relevant year.	Our Company has amended its investment policy to account for all the items indicated by the RBI. Further, our Company has undertaken to ensure that a review of the investment policy of our Company will be put before the Board every quarter.
The audit report in respect of the internal audit of our Company was placed before the Board in the subsequent board meeting but no compliance or implementation of recommendations given by internal auditors was performed. Deficiencies were found while reporting of data of the borrowers to CIBIL in respect of the borrower's PANs.	Our Company has undertaken to ensure that these corrective measures are appropriately recorded. Further, Company has made the provision of the PAN data mandatory for borrowers.
Our Company did not frame a policy for fixing an accountability in the event of a fraud. Further, our Company did not appoint any official specifically for submitting all the returns to the RBI.	Our Company has formulated a policy for detecting fraud in compliance with the RBI master directions.
Our Company's KYC policy did not cover requirements in terms of the Unlawful Activities (Prevention) Act, 1967.	Our Company has directed the RBI's attention to portions of our KYC policy that comply with the requirements under the Unlawful Activities (Prevention) Act, 1967
Our Company's KYC Policy did not specify as to who constitute 'Senior Management' for the purpose of KYC compliance.	Our Company has directed the RBI's attention to portions of our KYC policy whereunder it is provided that the 'Senior Management' would be: Designated Director, Head of Credit, Head of Risk, a KMP, Compliance Officer and a Principal Officer.
Our Company did not submit notes either to Audit Committee or the Board to ensure compliance with its KYC policy.	Our Company has undertaken to submit notes either to Audit Committee or the Board to ensure compliance with its KYC policy.
No director was nominated by the Board to ensure compliance with the obligations imposed under Chapter IV of the Prevention of Money Laundering Act, 2002 and the rules thereunder.	Rajendra Kumar Setia (MD and CEO) has been nominated as the Designated Director and Mr. Atul Arora (CFO) has been nominated as the principal officer to ensure compliance with the Prevention of Money Laundering Act, 2002.

We cannot assure you that RBI will not make similar or other observations in the future. Imposition of any such findings, notices or penalty by RBI during any future inspection may have an adverse effect on our reputation, business, financial condition, results of operations and cash flows. In the event we are unable to resolve such deficiencies and other matters to RBI's satisfaction, or are otherwise in non-compliance with RBI's directions, RBI may take regulatory and supervisory action which many include charging penalties, penalizing our management, restricting our business activities or otherwise enforcing increased scrutiny and control over our business operations, including by way of withholding approvals, or issuing conditional approvals. This may in turn adversely impact our business, cash flows, financial condition and results of operations.

For further details in relation to risk relating to inadequacy of internal controls, see "*-Any failure or significant weakness of our internal controls, processes or systems could cause operational errors or incidents of fraud, which would adversely affect our business, profitability and reputation.*" on page 40.

8. Though we have experienced growth in recent years, we may not be able to sustain our growth effectively.

We have experienced significant growth in recent years on account of the expansion of our operations and branch network, implementation of our business strategy and growth in the Indian economy. The following table sets forth our total income, profit for the period/ year, AUM, number of branches and their respective year-on-year and period-on-period growths for the periods/ years indicated:

Particulars	As of and for nine months period ended December 31,		Period-on-Period growth	As of and for Fiscals ended March 31,			Year-on-Year growth	
	2023 (A)	2022 (B)	December 2023 v. December 2022 (C = (A-B)/B)	2023 (D)	2022 (E)	2021 (F)	Fiscal 2023 v. Fiscal 2022 (G = (D-E)/E)	Fiscal 2022 v. Fiscal 2021 (H = (E-F)/F)
(₹ in millions, except otherwise stated)								
Total Income	13,152.26	9,283.92	41.67%	13,142.41	8,206.87	6,824.92	60.14%	20.25%
Profit for the period/ year	2,171.01	1,388.83	56.32%	2,227.86	1,428.74	910.83	55.93%	56.86%
AUM(1)	95,155.23	67,159.89	41.68%	73,783.42	47,135.66	34,171.69	56.53%	37.94%
Number of Branches	535	441	21.32%	447	423	344	5.67%	22.97%

Note:

(1) AUM represents the aggregate of future principal outstanding and principal overdue held in our books as on the last day of the relevant period/ year and loan assets which has been transferred/ sourced by our Company by way of securitization and pool buy out/ assignment/ our share of co-lending loans and are outstanding as at the end of the relevant period/ year.

However, we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, at the same rate or at all, in particular in line with the growth in our AUM.

We intend to achieve a profitable and sustainable growth of our loan assets by, among other things, continuing to grow our vehicle financing business and increasing the share of our MSME financing vertical, and focusing on improving our operational efficiencies. Our growth will depend on, among other things, our ability to grow our customer base, improve customer experience, avail a cost-effective funding and grow our branch network efficiently and changes in the regulatory environment. We will also need to manage relationships with a large number of customers, service providers, lenders and other parties as we expand. Furthermore, as part of our growth strategy, and taking into consideration the relevant market conditions and opportunities, we may change the composition of our total AUM which may result in a change in the proportions of loans therein. For instance, our MSME financing vertical only began operations in 2016 and as of December 31, 2023 comprise 19.30% of our total AUM. We may increase the proportion of disbursement or AUM for MSME financing loans in the future and may as a result more acutely experience the risks associated with MSME financing. Further, the business model and risk parameters in our MSME financing vertical are distinct from those in our vehicle financing vertical, and we may not be able to replicate our growth in the vehicle financing vertical to the MSME financing vertical.

Any such change in our customer composition may impact our profitability, our asset-liability maturity profile and delinquency levels. If we fail to implement, upgrade and improve our operational systems, processes, procedures and controls on a timely basis, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Our inability to sustain our growth or drive growth within our budget estimates could have an adverse effect on our business, financial condition, results of operations and cash flows.

For further details, see "- *A majority of our business operations involve transactions with mid to low-income retail customers in rural and semi-urban areas of India who are susceptible to adverse economic conditions. Any default from such customers could adversely affect our business, results of operations, financial condition and cash flows.*" on page 29. For further details on our AUM for our vehicle financing vertical (comprising commercial vehicle loans, car loans, tractor loans, two-wheeler loans) and MSME financing vertical, see "*Our Business – Description of our business and operations*" on page 213.

9. System failures or inadequacy and security breaches in information technology systems may adversely affect our business and reputation.

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services. If any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems in the future, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. We may be subject to disruptions, failures or infiltrations of our information technology systems arising from events that are wholly or partially beyond our control (including, for example, damage or incapacitation by human error, natural disasters, electrical or telecommunication outages, sabotage, computer viruses, hacking, cyber-attacks, ransomware or similar events, undetected errors or vulnerabilities in underlying software and platforms or loss of support services from third-parties, such as internet backbone providers), for which we may be held liable. Although we have not encountered any significant data losses or theft of our or our customers' proprietary business or personally identifiable information in the past, an infiltration of our information technology systems or the information technology systems of third parties which we rely on may compromise information and may result in such data losses or theft. This could result in other negative consequences, including exposure to litigations, liabilities, remediation costs, disruption of internal operations, weakening of our competitive position, increased cybersecurity protection costs, damage to our reputation and loss of customer confidence, any of which could have a material adverse effect on our business, financial condition, cash flows and results of operations. Failed security measures may also cause our customers to lose confidence in the effectiveness of our data security measures, and in turn have an adverse effect on our business, results of operations and reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the geographical areas in which we are located. Although we have not experienced any significant disruptions to our information technology systems in the past and a third-party agency conducts an audit on our information technology systems, we cannot assure you that we will not encounter disruptions in the future. If any of the above occurs, our business, financial condition, results of operations and cash flows may be adversely affected.

For further details of our information technology systems, see "*Our Business – Description of our business and operations – Information Technology*" on page 213.

10. We provide loans to micro, small and medium enterprises and any adverse development in this sector or in government policies affecting this sector could affect our business, cash flows and results of operations.

We have identified specific industries in the micro, small and medium enterprise ("**MSME**") sector and we offer loans to MSMEs in those industries, which are primarily used for their working capital requirements. The following table sets forth the AUM in our MSME financing vertical as of the dates indicated:

As of December 31,				As of March 31,					
2023		2022		2023		2022		2021	
MSME AUM (in ₹ million)	MSME AUM as a percentage of overall AUM	MSME AUM (in ₹ million)	MSME AUM as a percentage of overall AUM	MSME AUM (in ₹ million)	MSME AUM as a percentage of overall AUM	MSME AUM (in ₹ million)	MSME AUM as a percentage of overall AUM	MSME AUM (in ₹ million)	MSME AUM as a percentage of overall AUM
18,364.25	19.30%	10,199.22	15.19%	11,919.87	16.16%	5,763.45	12.23%	3,642.89	10.66%

As our MSME financing vertical focuses on specific industries in the MSME sector such as grocery, medical, auto part, cycle, optical and plumbing essential shops, our business is dependent on various factors that impact the MSME sector, such as changes in Indian regulations and policies affecting MSMEs, interest rates or inflation in India, natural disasters and calamities, and other macroeconomic conditions in India and globally. Such factors may result in declining economic activities of MSMEs, thereby leading to a decrease in the demand for MSME financing. Our MSME customers may also default in their repayment obligations due to various reasons including business failure, insolvency, lack of liquidity or emergencies such as the death of an income generating family member. A decline in demand for MSME financing may adversely affect our business, financial condition, results of operations and cash flows.

For further details, see "- *A majority of our business operations involve transactions with mid to low-income retail customers in rural and semi-urban areas of India who are susceptible to adverse economic conditions. Any default from such customers could adversely affect our business, results of operations, financial condition and cash flows.*" on page 29.

11. Our inability to recover the full value of property collateral or amounts outstanding under defaulted micro, small and medium enterprises loans in a timely manner or at all could adversely affect our business, financial condition, cash flows and results of operations.

For our MSME financing vertical, the primary collateral is self-occupied residential properties or self-occupied commercial properties of our customers. For nine months period ended December 31, 2023, 100.00% of our MSME loans disbursed during the period are secured and the loan-to-value ratio of our MSME loans was 31.59%. The value of the collateral, however, may decline during the term of the loan for a variety of reasons, including due to adverse market conditions prevalent in the real estate sector. As a result, if our customers default in the future, we may not be able to fully recover the outstanding loan balance by liquidating the collateral under the relevant financing facility, and, in turn, incur losses. Even where we are able to successfully enforce our security, we may not be able to fully recover the outstanding loan balance due to costs incurred in the enforcement process.

While we have not encountered difficulties in enforcing our security over the property we hold as collateral against our MSME loans in the past, we cannot assure you that we will be able to successfully enforce such security in the future. When a customer defaults under a financing facility, we typically enforce our security and then sell the collateral through an auction. However, we cannot assure you that we will be able to successfully enforce our security in the event of default under a loan agreement. We may face additional delay and expense in conducting an auction to sell the collateral and may face significant delay in enforce our security, as litigation against defaulting customers, even if governed by an arbitration clause, can be slow and expensive in India. We may also face challenges in title verification of the collateral provided by the customer, as there is no central land registry in India and title to the property can be disputed, including on account of local land records not being duly updated, or not being maintained in a legible manner, or only being available in the local vernacular language, as well as on account of actual or alleged short payment of stamp duty or registration fees (which may render the title documents inadmissible in evidence, unless stamped prior to enforcement with payment of requisite penalties). In the event of any inability or delay in the enforcement of our security and liquidation of the collateral securing loans in default, we may incur losses, which could adversely affect our business, financial condition, results of operations and cash flows.

The SARFAESI Act, 2002 and its application to NBFCs (but not including for loans below ₹ 2.00 million), allows us to initiate recovery measures on a mortgaged collateral after 60 days' notice to a borrower whose loan has been classified as non-performing. However, the actual time taken for full foreclosure depends on factors such as the periodicity of tribunal hearings and the borrower's decision to litigate. Further, in a case before the Supreme Court of India in 2004, while the constitutional validity of the SARFAESI Act was affirmed, the right of a defaulting borrower to appeal to the Debt Recovery Tribunal ("**DRT**") was also affirmed. The DRT has the power to issue a stay order prohibiting the lender from selling the assets of a defaulted borrower. As a result, we cannot assure you that any foreclosure proceedings would not be stayed by the DRT. In addition, we may be unable to realize the full value of our collateral, as a result of factors including delays in foreclosure proceedings. Further, in case insolvency proceedings are initiated under the Insolvency and Bankruptcy Code, 2016, as amended ("**IBC**") against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Any failure to recover the expected value of collateral security could expose us to a potential loss, which could adversely affect our business, financial condition, results of operations and cash flows.

12. Any inability to expand our business into new regions and markets in India or the sub-optimal performance of our new branches could adversely affect our business, results of operations, financial condition and cash flows.

As part of our growth strategy, we continue to evaluate opportunities to expand our branch network across regions in India where we have a presence and expand our contiguous geographical presence. Factors such as competition, customer requirements, regulatory regimes, business practices and customs in these new markets may differ from those in our existing markets, and our experience in our existing markets may not be applicable or relevant to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with not only other banks and financial institutions but also the local unorganized or semi-organized private financiers, who may be more familiar with local regulations, business practices and customs, and may have stronger relationships with target customers.

As we plan to expand our geographic footprint, we may be exposed to additional challenges, including identifying and collaborating with local business partners with whom we may have no previous business relations, obtaining necessary governmental approvals, successfully marketing our brand and products in markets in which we have no familiarity; attracting customers in a market in which we do not have significant experience or visibility; being subject to additional local taxes; attracting and retaining new employees; expanding our technological infrastructure; maintaining standardized systems and procedures; and adapting our marketing strategy and operations to new markets in India in which different languages are spoken.

Our inability to expand our current operations or the sub-optimal performance of our new branches may adversely affect our business, financial condition, results of operations and cash flows.

For further details, see "*Our Business – Strategies – Increase penetration and distribution network in existing markets and diversifying into contiguous markets*" on page 211.

13. Our inability to maintain our capital adequacy ratio could adversely affect our business, results of operations and our financial performance.

The Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("**NBFC Scale Based Directions**") currently require NBFCs such as our Company to comply with a capital to risk (weighted) assets ratio, or capital adequacy ratio ("**CRAR**"), consisting of Tier I and Tier II- Capital. As per the NBFC Scale Based Directions, we have been categorized as a 'NBFC – Middle Layer' and are required to maintain a minimum CRAR, consisting of Tier I- Capital and Tier II- Capital, of not less than 15.00% of our aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. In line with the NBFC Scale Based Directions, at a minimum, Tier I- Capital of an NBFC, at any point of time, cannot be less than 10.00%. The following table sets forth details of our CRAR as of the dates indicated:

	As at December 31,		As at March 31,		
	2023	2022	2023	2022	2021
CRAR (%)(1)	30.46%	27.12%	26.10%	30.42%	27.67%
CRAR – Tier I- Capital (%)(2)	30.44%	26.46%	25.52%	29.79%	26.99%
CRAR – Tier II- Capital (%)(3)	0.02%	0.66%	0.58%	0.63%	0.68%

Notes:

(1) CRAR (%) is computed by dividing our Tier I and Tier II capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.

(2) CRAR – Tier I- capital comprised of shareholders' equity and retained earnings.

(3) CRAR – Tier II- capital comprises of general provision and loss reserves (12 month expected credit losses).

As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II-Capital in order to remain in compliance with the applicable capital adequacy ratios. Further, the RBI may increase its current CRAR requirements, which may require us to raise additional capital. We cannot assure you that we will be able to raise adequate additional capital in the future on terms favorable to us, or at all, which may adversely affect the growth of our business. Our failure to comply with minimum capital adequacy requirements, under current or future regulations, may result in adverse actions being initiated by RBI, including imposition of penalties and may adversely affect our business, financial condition and results of operations.

For details, see "*Key Regulations and Policies*" on page 226.

14. Any deterioration in the performance of any pool of receivables assigned or securitized to banks and other institutions may adversely impact our financial performance and / or cash flows.

As part of our means of raising and/or managing our funds, we assign or securitize a portion of the receivables from our loan portfolio to banks and other institutions. Such assignment or securitization transactions are conducted on the basis of our internal estimates of our funding requirements, which may vary from time to time. We also entered into co-lending arrangements with banking and non-banking financial institutions to leverage our distribution network and widen our sources of funds. The following table sets forth details of our securitized and assigned loans for the periods/ years indicated:

Particulars	As of and for the nine months ended December 31,		As of and for Fiscals ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, except percentages)				
Assigned loans	8,210.40	2,332.06	4,035.99	737.77	930.18
Percentage of assigned loans to AUM (%)	8.63%	3.47%	5.47%	1.57%	2.72%
Other loans - Associated liabilities in respect of securitization transactions (I)	8,590.05	10,008.15	10,059.39	3,048.04	3,272.07
Debt securities (A)	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Borrowings (other than debt securities) (B)	61,141.20	45,412.85	53,281.82	30,037.82	16,637.38
Subordinated liabilities (C)	-	204.06	-	203.66	402.94
Total Borrowings [(1)] (II=A+B+C)	78,910.40	64,067.16	70,431.42	44,977.27	32,243.53
Percentage of Other loans -Associated liabilities in respect of securitization transactions to Total Borrowings (%)(III=I/II)	10.89%	15.62%	14.28%	6.78%	10.15%

Note:

(1) Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

The commercial viability of assignment and securitization transactions may also be significantly affected by changes and developments relating to regulation governing such transactions. Any adverse changes in the policy and/or regulations in connection with securitization of assets by NBFCs and/or new circulars and/or directions issued by the RBI in this regard, affecting NBFCs or the purchasers of assets, would affect the securitization market in general and our ability to securitize and/or assign our assets.

In the event the bank or financial institution with whom we have assigned or securitized our receivables does not realize the receivables, the relevant bank or financial institution could enforce the underlying credit enhancements provided by our Company. Further, any deterioration in the performance of any batch of receivables assigned to banks or financial institutions could adversely affect our credibility and hence our ability to conduct further securitizations. While we have not encountered any deterioration in the performance of any assigned receivables in the past, should such banks or financial institutions seek to enforce the underlying credit enhancements, such as fixed deposits, provided up to a specified percentage of the underlying loan, or decline to conduct further securitizations with us, it could have an adverse effect on our business, financial condition, results of operations and cash flows.

15. We may face asset-liability mismatches, which could affect our liquidity and consequently may adversely affect our operations and profitability.

We face potential liquidity risks because our assets and liabilities mature over different periods. Asset and liability mismatch, which represents a situation when the financial terms of our assets such as loans to customers and the financial terms of our liabilities such as borrowings from our lenders do not match, is a key financial parameter for us.

We carefully monitor the contractual maturity periods of our assets and liabilities and categorize them on the basis of the number of years in which they mature.

We had a negative mismatch of assets over liability as of December 31, 2023 across 8-14 days, over 3 months to 6 months and over 5 years maturities. Although we had no cumulative asset-liability mismatch up to the five years maturity, we cannot assure you that we will be able to continue to maintain a favorable asset-liability maturity profile in the future. We meet a significant portion of our financing requirements through secured and unsecured loans, such as rupee-denominated term loans, cash credit facilities and working demand loans from banks and financial institutions, non-convertible debentures, commercial paper, hypothecation of designated loans assets receivables and securitization of loan proceeds, and subordinate debt instruments. Any asset-liability mismatch in the maturity profile may lead to a liquidity risk and have an adverse effect on our business, financial condition, results of operations and cash flows.

For further details of our asset liability management, see "*Selected Statistical Information – Capital Adequacy – Asset Liability Management*" on page 290. For further details in relation to liquidity risks, see "*Our Business – Description of our Business and Operations – Risk Management – Liquidity Risk*" on page 219.

16. A portion of our collections from customers is in cash, exposing us to the risk of fraud and misappropriation of funds which may consequently affect our business.

The following table sets forth details of our cash collection from our customers as of the period/ year ends indicated:

	For nine months ended December 31,				**For Fiscals ended March 31,**					
	2023		**2022**		**2023**		**2022**		**2021**	
	Amount	**% of total collections**	**Amount**	**% of total collections**	**Amount**	**% of total collections**	**Amount**	**% of total collections**	**Amount**	**% of total collections**
	(₹ million, except percentages)									
Cash collection	8,674.50	21.85%	8,111.15	29.02%	10,784.25	27.48%	9,046.89	40.64%	7,434.88	53.53%

Cash collections expose us to the risk of theft, fraud, misappropriation or unauthorized transactions by third parties and our employees responsible for dealing with such cash collections. Some instances of fraud by third parties and our employees in the past include:

Period	**Particulars**
Nine months ended December 31, 2023	During this period, there were two instances of fraud against our Company by third parties amounting to ₹ 0.77 million out of which we have not recovered any sum. There was one instance of fraud against our Company by our employee amounting to ₹ 0.72 million out of which ₹ 0.58 million has since been recovered by our Company.
Fiscal 2023	During the year, there were four instances of fraud against our Company by third parties amounting to ₹ 0.27 million out of which we have not recovered any sum. There were four instances of fraud against our Company by our employees amounting to ₹ 1.21 million out of which ₹ 0.79 million has since been recovered by our Company.

These risks are exacerbated by the high levels of responsibility we delegate to our employees and the geographically dispersed nature of our branches. Our security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, and our insurance policies may not be sufficient to cover the losses suffered, which may adversely affect our business, results of operations and cash flows. Furthermore, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our reputation, business, financial condition, results of operations and cash flows.

Given the volume of transactions involving cash processed by us, certain instances of fraud and misconduct by our employees may go unnoticed for some time before they are discovered, and rectified. Even when we discover instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct.

For further details on our cash collections, see "*Our Business – Description of our Business and Operations – Collections*" on page 207.

17. We may face difficulties and incur additional expenses in operating in rural and semi-urban markets, which may have limited infrastructure, particularly for transportation, electricity and internet connectivity.

We focus on providing finance in rural and semi-urban areas in India, which may have limited infrastructure, particularly for transportation, electricity and internet connectivity. The following table sets forth details of the geographical spread of our disbursement by region type for the periods indicated:

	For the nine months ended December 31,				For the year ended March 31,					
	2023		2022		2023		2022		2021	
	Disbursements	% of Disbursements	Disbursements	% of Disbursements	Disbursements	% of Disbursements	Disbursements	% of Disbursements	Disbursements	% of Disbursements
	(in ₹ million, except percentages)									
Urban	8,814.55	17.49%	7,602.03	18.73%	10,361.28	18.43%	5,774.16	17.90%	2,750.56	16.83%
Semi-Urban	18,539.78	36.78%	14,431.23	35.55%	20,164.41	35.86%	11,520.73	35.71%	5,750.63	35.19%
Rural	22,908.33	45.45%	18,423.13	45.38%	25,510.10	45.37%	14,843.87	46.01%	7,666.36	46.92%
Others (1)	140.72	0.28%	137.77	0.34%	192.73	0.34%	121.74	0.38%	172.97	1.06%

Note:

(1) *Others include areas with pin code tagged as others and pin codes which are not tagged.*

At our branches in remote markets, we may face difficulties in conducting operations, such as accessing power facilities, transporting people and equipment, and implementing technology measures. We may also face increased costs in conducting our business and operations in these markets, such as higher costs associated with data connectivity and networks, and with increased manpower demands to reach customers in such geographies. We cannot make assurances that such costs will not increase in the future as we expand our network in rural and semi-urban markets, which could adversely affect our business, cash flows, financial condition and results of operations.

18. ***As at December 31, 2023, our gross carrying amount of gross loans – stage 3 and gross non-performing assets were ₹2,548.59 million and ₹4,088.17 million, respectively. We may be unable to maintain the quality of our loan portfolio or manage the growing loan portfolio which may result in increases in gross carrying amount of gross loans – stage 3, gross non-performing assets and provisions.***

Our ability to manage the credit quality of our loans, which we measure in part through Gross Loans – Stage 3 and Non-Performing Assets , is a key driver of our results of operations. We classify our Gross Loans – Stage 3 in accordance with applicable Ind AS rules, and Non-performing Assets in accordance with NBFC Scale-Based Directions. Defaults by our customers for a period of 90 days or more result in such loans being classified as Gross Loans – Stage 3. The following table sets forth details of our Gross Loans – Stage 3, Gross Loans – Regulatory Stage 3 and Gross Non-performing Assets as of the dates indicated:

Particulars	As of December 31,		As of March 31,		
	2023	2022	2023	2022	2021
Gross Loans – Stage 3 (₹ in million)	2,548.59	1,875.67	1,380.76	1,350.76	1,386.67
Gross Loans – Stage 3 Ratio (%)(1)	2.87%	2.83%	1.94%	2.83%	4.03%
Gross Loans – Regulatory Stage 3 (₹ in million)(2)	1,539.58	1,156.52	836.79	-	-
Gross Loans – Regulatory Stage 3 Ratio (%)(3)	1.73%	1.75%	1.17%	-	-
Gross Non-performing Assets (₹ in million)(4)	4,088.17	3,032.19	2,217.55	1,350.76	1,386.67
Gross Non-Performing Assets Ratio (%)(5)	4.60%	4.58%	3.11%	2.83%	4.03%

Note:

(1) *Gross Loans - Stage 3 ratio, which is a Non-GAAP measure, is calculated as Gross Loans - Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(2) *Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021. The lifetime Expected Credit Loss for these assets is calculated based on the repayment status of its overdue as of the reporting date.*

(3) *Gross Loans – Regulatory Stage 3 ratio, which is a Non-GAAP measure, is calculated as Gross Loans – Regulatory Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(4) *Gross non-performing assets, which is a Non-GAAP measure, is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.*

(5) *Gross non-performing assets ratio, which is a Non-GAAP measure, is Gross non-performing assets divided by Gross Loans outstanding as at the last day of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.*

Various factors that are beyond our reasonable control may cause an increase in the level of delinquencies, including macro-economic factors (such as a sharp and sustained rise in interest rates, falling Gross Domestic Products, negative developments in the Indian economy, movements in global commodity markets and exchange rates) regulatory hurdles and global competition as well as customer specific factors such as wilful default and mismanagement of a customer's operations. If our Gross Loans – Stage 3 and non-performing assets increase, we will be required to increase our provisions, which would impact our profitability and may adversely affect our results of operation and financial condition.

Further, as our business expands and loan portfolio grows, or as the composition of our loan portfolio changes, our Gross Loans – Stage 3 and non-performing assets may increase, and the current level of our provisions may not adequately cover any such increases. Negative trends or financial difficulties or general economic slowdown could unexpectedly increase delinquency rates. We cannot assure you that there will not be a significant increase in the portion of our loans that are classified as Gross Loans – Stage 3 and non-performing assets as our loan portfolio matures or as a result of changes in the applicable regulations. For instance, on November 12, 2021, the RBI issued the circular RBI/2021-2022/125 (the "**November 12 Circular")** which clarified that the classification of borrower accounts as special mention accounts or non-performing assets will be on a day-end position basis and accounts can only be upgraded from an non-performing asset to a 'standard' asset after the clearance of all overdues (in other words, only if the entire arrears of interest and principal are paid by the borrower). If any of the above continues or occurs, our business, financial condition and results of operations may be adversely affected.

For further details of our product wise Gross Loans – Stage 3 and Gross Non-performing Assets, see "*Selected Statistical Information – V. Asset Quality*" on page 286. For further details of the November 12 Circular, see "Key Regulations and Policies" on page 226.

19. We operate in a highly regulated industry and are subject to risks associated with non-compliance with applicable laws. Any changes in the laws, rules and regulation applicable to us may adversely affect our business, financial condition, cash flows and results of operations.

We operate in a highly regulated industry, and we have to adhere to various laws, rules and regulations. Our Company has a certificate of registration from the RBI to operate as an NBFC-ICC, has been categorized as a 'NBFC - Middle Layer' as per the NBFC Scale Based Directions and is regulated by the RBI in accordance with the NBFC Scale Based Directions. Accordingly, legal and regulatory risks are inherent and substantial in our business. As we operate under licenses and registrations obtained from the applicable regulators, such as RBI and the Financial Intelligence Unit, India, we are subject to actions that may be taken by such regulators in the event of any non-compliance with any applicable policies, guidelines, circulars, notifications and regulations issued by the relevant regulators.

In addition, any changes in the laws, rules and regulations applicable to us may adversely affect our business, financial condition, cash flows and results of operations. For example, we are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure provisioning and other master directions. In addition, adverse regulatory developments relating to the assessment and recognition of non-performing assets and provisioning may have an adverse effect on our financial performance. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI, from time to time, amends the regulatory framework governing NBFCs to address concerns arising from certain divergent regulatory requirements for banks and NBFCs. The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, investments, ethical issues, money laundering and privacy. These laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could adversely affect our business and our financial performance. Further, many of the regulations applicable to our operations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be deemed to be in contravention of such laws and may be subject to penalties and legal proceedings against us. Unfavorable changes in or interpretations of existing laws, rules and regulations, could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals.

Our premises, books of accounts, documents and records are subject to inspection by the RBI under the relevant laws and regulations. Consequently, the RBI may identify instances of non-compliance and deficiencies in our operations and issue warning letters, show cause notices or penalties for violations. In addition, we are also subject to the corporate laws, taxation laws and other laws in effect in India which require continued monitoring and compliance on our part. This regulatory oversight may result in proceedings of varied nature, which may be time consuming to defend and navigate, resulting in costs and diversion of management time towards resolution of these proceedings. If we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings. If any of the above occurs, our business, financial condition, results of operations and cash flows may be adversely affected.

For a description of the material laws, rules and regulations applicable to us, see "*Key Regulations and Policies*" on page 226. For further details, also see "*– We are subject to periodic inspection by the Reserve Bank of India. Non-compliance with the observations of the Reserve Bank of India could adversely affect our business, financial condition, results of operations and cash flows.*" and "*Financial Indebtedness*" on pages 32 and 435, respectively.

20. Any failure or significant weakness of our internal controls, processes or systems could cause operational errors or incidents of fraud, which would adversely affect our business, profitability and reputation.

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. The following table sets forth the fraud detected and reported for the periods indicated:

Particulars	For the nine-months period ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
Number of Fraud Cases Detected and Reported	3	7	8	-	-

Particulars	For the nine-months period ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
Amount of Fraud Detected and Reported *(₹ in million)*	1.49	1.42	1.48	-	-

Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that business units adhere to our policies, compliance requirements and internal guidelines. While we periodically test and update our internal processes and systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

Our management information systems and internal procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal system or process weaknesses are identified in the future, our actions may not be sufficient to correct such weakness. Failures or material errors in our internal systems may lead to deal errors, pricing errors, inaccurate financial reporting, fraud and failure of critical systems and infrastructure. Such instances may also adversely affect our reputation, business, cash flows and results of operations. Our business is also susceptible to fraud by dealers, brokers and other agents through the forgery of documents, multiple financing of the same vehicle and unauthorized collection of installments on behalf of our Company. Adverse publicity arising from disclosure of fraud may also have an adverse impact in our customers' confidence in our security measures. We cannot assure you that that we would be able to prevent frauds in the future or that our existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on our business, results of operations, cash flows and reputation.

For further details in relation to our risk management framework, see "*Our Business – Description of our Business and Operations – Risk Management*" on page 219. For further details, also see "- *A portion of our collections from customers is in cash, exposing us to the risk of fraud and misappropriation of funds which may consequently affect our business.*" and "- *We are subject to periodic inspection by the Reserve Bank of India. Non-compliance with the observations of the Reserve Bank of India could adversely affect our business, financial condition, results of operations and cash flows.*" on pages 38 and 33, respectively.

21. Any downgrade of our credit ratings could increase borrowing costs and constrain our access to capital and lending markets and, as a result, could negatively affect our net interest margin and our business.

The cost and availability of capital is dependent on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position and ability to meet our obligations. Under certain financing agreements, we are also required to maintain specific credit ratings and if we fail to do so, it would result in an event of default.

While there has been no downgrade in our credit ratings in the nine months ended December 31, 2023 and the three preceding Fiscals and until the date of this Draft Red Herring Prospectus, any downgrade in our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could result in a recall of existing facilities, increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future, impair our future issuances of debt and equity and our ability to raise new capital on a competitive basis or at all. The ratings provided by credit rating agencies may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Any such adverse development in our credit ratings could adversely affect our business, financial condition, results of operations and cash flows.

For further details of our credit ratings, see "*Our Business – Description of our business and operations – Credit Ratings*" on page 221.

22. We rely on our internal credit policy to make credit decisions. If we do not make accurate credit decisions, our business and financial results will be adversely affected, and the impact could be material.

In making a decision whether to extend credit to prospective customers, we rely upon data received from our customers and third-party intermediaries to assess credit handling ability, debt servicing capacity, and overall risk level to determine lending exposure and loan pricing in accordance with our internal credit policy. The data we receive and rely upon includes data from our loan origination system, loan management software, feedback from credit and underwriting teams, credit bureaus, independent validation from our application programming interface stack, observations from our front end teams and other sources of income and value of collateral. If the components or analytics are either unstable, biased, or missing key pieces of information, the wrong decisions may be made which may negatively affect our financial results. If we are unable to properly assess the creditworthiness of our customers, including a failure to predict a customer's true credit risk profile and/or ability to repay their loan, we may need to record additional provision expense and/or experience higher than forecasted losses. Additionally, if any portion of the information pertaining to the prospective customer is false, inaccurate or incomplete, and we did not detect such falsities, inaccuracies or incompleteness, or any or all of the other components of our credit decision process fails, we may experience higher than forecasted provisioning expenses and losses. Furthermore, if we are unable to access the third-party data used in our decision structure, or our access to such data is limited, as in the case of customers such as NTC borrowers, our ability to accurately evaluate potential customers will be compromised, and we may be unable to effectively predict probable credit losses inherent in our loan portfolio, which would negatively impact our results of operations, cash flows and financial condition, and such impact could be material.

Additionally, if we make errors in the development and validation of any of the underwriting models or tools that we use for the loans securing our securitization, such loans may experience higher delinquencies and losses, which could result in the principal of our securitized notes or other borrowings being required to be paid down, and we may no longer be able to borrow from those debt facilities to fund future loans. Moreover, future performance of our customers' loans may differ from past experiences which have informed the development of our underwriting procedures, driven by, among others, macroeconomic factors, policy actions by regulators, lending by other institutions and reliability of data used in the underwriting process. This may consequently increase delinquency rates and losses to investors of our securitized debt from our customers' loans, and result in the paying down of the principal of our debt securities or other borrowings. We may no longer be able to borrow from those debt facilities to fund future loans, and any such inability could further hinder our growth and harm our results of operations, cash flows and financial condition.

For further details, see "- *A majority of our business operations involve transactions with mid to low-income retail customers in rural and semi-urban areas of India who are susceptible to adverse economic conditions. Any default from such customers could adversely affect our business, cash flows, financial condition and results of operations.*" on page 29.

23. We have had negative cash flows in the past and may continue to have negative cash flows in the future.

The following table sets out our cash flows derived from the Restated Summary Statements for the periods/ years indicated:

(₹ in million)

Particulars	For the nine months ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
Net cash (used in) operating activities	(14,836.76)	(17,977.67)	(22,434.03)	(12,281.53)	(3,706.51)
Net cash generated from / (used in) investing activities	(303.12)	1,935.06	2,808.44	(5,760.18)	(1,220.58)
Net cash generated from financing activities	14,603.82	18,964.05	25,454.87	17,454.15	6,636.55
Net increase/(decrease) in cash and cash equivalents	**(536.06)**	**2,921.44**	**5,829.28**	**(587.56)**	**1,709.46**

Such negative cash flows from operating activities for the nine months ended December 31, 2023 and 2022, and for Fiscals ended March 31, 2023, 2022 and 2021 were mainly attributable to increase in loans on account of increased loan disbursals to customers. Negative cash flows from investing activities were mainly attributable to purchase of investments and investment in fixed deposits for the nine months ended December 31, 2022 and Fiscals 2022 and 2021. Our negative cash and cash equivalents in Fiscal 2022 were mainly attributable to negative cash flows from operating activities and negative cash flows from investing activities.

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, prospects, results of operations and financial condition may be materially and adversely affected. We cannot assure you that our net cash flow will be positive in the future.

For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash flows*" on page 402.

24. Our financial performance is highly sensitive to interest rate volatility and fluctuations in interest rates could affect our business, cash flows and results of operations.

Our results of operations are substantially dependent upon the level of our interest margins. The following table sets forth details of our yield on average Gross Loans, average cost of borrowing and interest margins for the periods/ years indicated:

Particulars	As of and for the nine-months ended December 31,		As of and for Fiscals ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, except otherwise stated)				
Interest Income	11,702.68	8,608.33	12,105.22	7,722.56	6,380.88
Finance costs	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13

Particulars	As of and for the nine-months ended December 31,		As of and for Fiscals ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, except otherwise stated)				
Gross Loans	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Profit for the period/year	2,171.01	1,388.83	2,227.86	1,428.74	910.83
Yield on average Gross Loans (%)* (1)	13.42%	13.92%	18.71%	17.43%	19.00%
Average cost of borrowing (%)* (2)	7.29%	6.95%	9.39%	8.84%	10.17%
Interest margin (%)* (3)	6.23%	6.59%	8.67%	8.09%	8.73%

* *Not annualized for the period ended December 31, 2023 and December 31, 2022*

Note:

(1) *Yield on average gross loans, which is a Non-GAAP measure, represents interest income on financial assets measured at amortised cost for the relevant period/ year divided by average gross loans. Average Gross Loans is the simple average of Gross Loans as at the end of relevant period/year and Gross Loans as at the end of relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(2) *Average cost of borrowing, which is a Non-GAAP measure, is adjusted finance costs for the relevant period/ year divided by average total borrowings. Adjusted finance costs represents the finance costs reduced by interest on lease liability for the relevant period/ year. Average total borrowings, which is a Non-GAAP measure, is the simple average of total borrowings as at the end of relevant period/ year and total borrowings as at the end of relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(3) *Interest Margin, which is a Non-GAAP measure, represents the difference between interest income and finance costs for the period/ year to the average total assets for the period/ year. Average total assets is the simple average of total assets as at the end of relevant period/ year and total assets as at the end of relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

We provide loans at fixed rates of interest. We borrow funds on both fixed and floating rates. The following table sets forth the breakdown of our borrowings by interest rate types as of the dates indicated:

Particulars	As of and for the nine-months ended December 31,		As of and for Fiscals ended March 31,		
	2023	2022	2023	2022	2021
Fixed interest rate borrowings (₹ in million)	33,559.60	33,013.84	30,743.03	25,749.94	22,853.50
% of Borrowings at fixed rate (%)	42.53%	51.53%	43.65%	57.25%	70.88%
Floating interest rate borrowings (₹ in million)	45,350.79	31,053.32	39,688.39	19,227.33	9,390.03
% of Borrowings at floating rate (%)	57.47%	48.47%	56.35%	42.75%	29.12%

We are exposed to interest rate risks because we provide loans at fixed interest rates, for which the amounts and periods may differ from our funding sources. Volatility in interest rates can materially and adversely affect our financial performance and cash flows. In a rising interest rate environment, we may not be able to pass on increased costs of funds to customers with fixed rate loan agreements, resulting in an adverse impact on our net interest income and net interest margins. Additional risks arising from increasing interest rates for our customers, among others, include reductions in the volume of commercial vehicle loans as a result of clients' inability to service high interest rate payments; and reduction in the value of fixed income securities held in our investment portfolio.

Accordingly, our operations are susceptible to fluctuations in interest rates. Interest rates are highly sensitive, and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions, inflation and other factors. In addition, difficult conditions in the global and Indian economies can also affect the availability of credit. Any such factors, or a combination of them, may lead to changes in the interest rates, which may in turn impact our business, financial condition, results of operations and cash flows.

25. Our business may be affected by seasonal trends in the Indian economy. Any significant event or economic slowdowns during this peak season would materially and adversely affect our business, financial condition, results of operations, cash flows and growth.

Our business operations and the vehicle financing and non-banking financial services industries may be affected by seasonal trends in the Indian economy. The seasonal activity may be impacted by several festivals, holiday periods, improved weather conditions and crop harvests. We generally experience higher volumes of business during this period. Conversely, we generally experience lower volumes of business in the period from April to September as a result of lower economic activity. Any significant event or economic slowdowns during the peak season would materially and adversely affect our business, financial condition, results of operations, cash flows and growth.

26. Pursuant to RBI regulations applicable to banks and NBFCs, our sources of funding may be curtailed, which may adversely affect our financial condition and cash flows

We rely on loans and facilities from banks for a substantial portion of our funding requirements, and any impact on the ability of banks to provide funding to NBFCs will have a direct impact on our sources of funding. For instance, pursuant to certain RBI regulations applicable to various banks and NBFCs, the RBI has imposed certain restrictions on banks from providing financing to NBFCs. Under these regulations, certain NBFC activities are ineligible for financing by bank credit. Additionally, these regulations prohibit banks from, among others:

(i) granting bridge loans of any nature;

(ii) providing interim finance against capital or debenture issues;

(iii) accepting shares and debentures as collateral for secured loans granted to NBFCs; and

(iv) executing guarantees covering inter-company deposits or loans that guarantee refund of deposits or loans accepted by NBFCs.

Banks are also prevented from issuing guarantees for the purpose of indirectly enabling the placement of deposits with NBFCs.

As of December 31, 2023, 63.30% of our total borrowings amounting to ₹ 49,952.32 million were availed from banks, including secured rupee term loans (including pass through certificates), secured foreign currency loans, secured external commercial borrowings which are not taken from banks and secured rupee loans payable on demand. Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. For details on reconciliation, see "*Selected Statistical Information - Non-GAAP Reconciliation*" on page 304.Given that our primary source of funding is borrowings from banks, we cannot assure you that these regulations will not impact our ability to obtain funding from banks on favorable terms, or at all. Further, we cannot assure you that we will be able to find alternative sources of funding on equally favorable terms, or at all. Any impact on our ability to source funding may have an adverse impact on our cost of capital, and accordingly, business, financial condition, results of operations and cash flows.

For details on the restriction on banks issuing guarantees, see "*Key Regulations and Policies*" on page 226.

27. Our significant financial indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to conduct our business and operations in the manner we desire.

As of December 31, 2023, total borrowings of our Company were ₹ 78,910.40 million, and we will continue to incur additional indebtedness in the future. Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. For details on reconciliation, see "*Selected Statistical Information - Non-GAAP Reconciliation*" on page 304. Some of the financing arrangements entered into by us include conditions that require our Company to obtain lender consents prior to carrying out certain activities and entering into certain transactions. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of these covenants include: prior approval for change in the capital structure or shareholding pattern or ownership or management or senior management personnel or business activities or constitutional documents or accounting policies of our Company, sale or disposal of our undertakings, and declaration or payment of dividends of our Company. For the purpose of the Offer, our Company has received prior consent/ confirmations from our lenders, except for IDBI Bank Limited, as required under the relevant loan documents and intimated other lenders, as applicable for undertaking activities relating to the Offer including consequent actions. While IDBI Bank Limited's consent has been approved by its executive committee, the relevant consent will be issued post receipt of minutes of the executive committee's meeting by the lender. In the absence of such consent, undertaking the Offer could be construed as an event of default under the relevant loan documentation which may in turn result in cross default in certain other loan documents and any action by such lenders may adversely affect our ability to conduct our business.

Under certain financing agreements, we are required to maintain specific credit ratings and if we fail to do so, it would result in an event of default. We are also required to maintain the value of our hypothecated and mortgaged assets, certain financial ratios and ensure compliance with regulatory requirements such as maintenance of capital to risk assets ratios, qualifying asset norms and ensuring positive net worth. Such covenants may restrict or delay certain actions or initiatives that we may propose to undertake from time to time.

A failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities and the enforcement of any security provided. If the obligations under any of our financing documents are accelerated or any security created under such agreements enforced, we may have to dedicate a substantial portion of our cash flows towards payments under such financing documents, thereby reducing the amounts available for working capital, capital expenditure and general corporate purposes. In addition, we cannot assure you that our business will generate sufficient cash to enable us to service our debt or to fund our other liquidity needs. We may also need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all. In the event any of these occur, our business, financial condition, results of operations and cash flows may be adversely affected.

For further details, see "*Financial Indebtedness*" on page 435.

28. Regulatory or legislative developments regarding privacy and data security matters could adversely affect our ability to conduct our business.

Numerous domestic and international laws and regulations address privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data. These laws, rules, and regulations evolve frequently and their scope may continually change, through new legislation, amendments to existing legislation, and changes in enforcement. Additionally, many laws and regulations relating to privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data are subject to varying degrees of enforcement and new and changing interpretations by courts or regulators. Changes in laws or regulations relating to privacy, data protection, and information security, particularly any new or modified laws or regulations, or changes to the interpretation or enforcement of such laws or regulations, that require enhanced protection of certain types of data or new obligations with regard to data retention, transfer, or disclosure, could greatly increase the cost of providing our platforms, require changes to our operations, or even prevent us from providing our platforms in jurisdictions in which we currently operate and in which we may operate in the future.

As part of our operations, we are required to comply with the Information Technology Act, 2000 ("**Information Technology Act**") and the rules thereof, each as amended which provides for civil and criminal liability including compensation to persons affected, penalties and imprisonment for various cyber related offenses, including unauthorized disclosure of confidential information and failure to protect sensitive personal data. India has already implemented certain privacy laws, including the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011, which impose limitations and restrictions on the collection, use, disclosure and transfer of personal information.

We are also required to comply with the Master Directions – Information Technology Governance, Risk, Control and Assurance Practices, dated November 7, 2023 ("**IT Governance Directions**"), pursuant to which NBFCs are obligated to (i) set up an IT Governance Framework that specifies the governance structure adhering to the business objectives of the respective NBFC, the roles of the board of directors and includes adequate oversight mechanisms to mitigate risks associated with cyber and information security, (ii) set up an IT Infrastructure and Services Management framework that supports their information systems and infrastructure to ensure operational resilience, (iii) set up an IT Information and Security Risk management Framework that, *inter alia*, contains internal control and processes to mitigate and manage risks, identifies critical information systems and provides for the fortification of the same and contains procedures and controls to ensure a secure transmission/ storage/ processing of data and information, (iv) devise a business continuity plan and disaster recovery policy in order to reduce the likelihood and impact of disruptive incident and to ensure the continuity of business, and (v) devise an information system audit policy that describe the mandate, scope and purpose of the internal audit to be overseen by the audit committee of the board of NBFCs.

Additionally, the Digital Personal Data Protection Act, 2023 ("**DPDP Act**") was notified on August 11, 2023 and replaces the existing data protection provisions, as contained in Section 43A of the Information Technology Act. The DPDP Act seeks to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. The DPDP Act focuses on personal data protection for implementing organizational and technical measures in processing digital personal data and lays down norms for cross-border transfer of personal data including ensuring the accountability of entities processing personal data. The DPDP Act requires companies that collect and deal with high volumes of personal data to fulfil certain additional obligations such as appointment of a data protection officer for grievance redressal and a data auditor to evaluate compliance with the DPDP Act. The DPDP Act further provides that personal data may be processed only in accordance with the DPDP Act, and for a lawful purpose after obtaining the consent of the individual or for certain legitimate uses. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

Several jurisdictions have implemented new data protection regulations and others are considering imposing additional restrictions or regulations. We expect data protection regulations to continue to increase both in number, complexity and in the level of stringency. The entry into force of the General Data Protection Regulation (EU) 2016/679 ("**GDPR**"), in the European Union prompted various countries to begin processes to reform their data protection regimes. In many cases, these regulations have strict measures regulating both the transfer of data externally, and also the storage and transfer of data internally among the employees in the course of their work. Moreover, these regulations may have conflicting and/or inconsistent requirements, and compliance with one data protection regime does not necessarily entail compliance with another data protection regime, or may even create conflicts in compliance with another data protection regime. Any failure to comply with applicable data protection regimes could subject us to significant penalties and negative publicity, which could have a material adverse effect on our business, financial condition, reputation before our customers and providers, and results of operations.

The introduction of new information technology legislation may also require us to modify our existing systems or invest in new technologies to ensure compliance with such applicable laws, which may require us to incur additional expenses and adversely affect our financial condition. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or impairment to our reputation in the marketplace, which could have a material adverse effect on our business, financial condition and results of operations.

For further details, see "*Key Regulations and Policies*" on page 226. For further details of our data security policies, see "*Our Business – Description of our Business and Operations – Information Technology*" on page 222.

29. We operate in an increasingly competitive financial services industry, which creates significant pricing pressures and may adversely affect our net interest margins, income and market share. Furthermore, our growth depends on our ability to compete effectively in this competitive environment.

The financial services market in India is served by a range of financial entities, including traditional banking institutions, public and private sector banks, NBFCs and small finance banks. Our competitors may have greater financial resources, may be larger in terms of business volume and customer base, have greater brand recognition among customers, better institutional distribution platforms, may have more attractive schemes for customers in the post COVID-19 situation and may have lower costs of funds compared to us. Moreover, as interest rate is a key factor driving a customer's decision in selecting a financier, competitors may offer loans at lower rates, owing to access to lower cost of capital, to retain market share. This competition is likely to further intensify as more international and domestic players enter into Indian financial services industry as a result of regulatory changes. Disruption from digital platforms could also have an adverse effect on our business model and the success of our products and services that we offer to our customers. We face threats to our business from newer business models that leverage technology to bring together savers and customers.

We primarily have a secured, granular and retail loan portfolio for financing used and new CVs (excluding M&HCVs), cars and tractors as well as new two-wheelers. In addition, we have identified a select few business verticals in the MSME sector and offer loans to MSMEs in those business verticals, primarily for their working capital requirements. According to the CRISIL Report, NBFCs face competition from banks, particularly in the new car loan category of utility vehicles.

Our future success will depend, to a large extent, on our ability to respond in a timely and effective manner to these competitive pressures. There can be no assurance that we will be able to compete successfully with such competitors and gain market share. If we are unable to compete effectively with other participants in the vehicle financing or MSME financing sectors, our business, financial condition, results of operations, cash flow and the future trading price of the Equity Shares may be adversely affected.

For further details of our competitors, see "*Basis for Offer Price*" on page 107 and "*Industry Overview*" beginning on page 137.

30. Our financial performance may be materially and adversely affected by an inability to maintain and upgrade our information technology systems, and respond promptly and effectively to new technological innovations.

Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. Furthermore, our ability to respond to technological advances promptly and effectively, and to integrate it into our business may have an impact on our financial performance. The following table sets forth details of our investments in information technology and digital systems for the periods indicated:

Particulars	**For the nine-months ended December 31,**		**For Fiscals ended March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
Investment in information technology and digital systems (₹ in million)	306.30	187.01	291.23	239.13	114.34
% of Revenue from Operations	2.34%	2.03%	2.24%	2.94%	1.70%

If we fail to maintain and upgrade our information technology systems, we face the risk of our technology infrastructure becoming unstable, outdated and susceptible to security breaches. This instability or susceptibility could create serious challenges to the security and uninterrupted operation of our platforms, products and services, which would adversely affect our business and reputation. The information available to and received by our management through our existing systems may also not be available on a timely and sufficient basis to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products. Even if we invest in new information technology and digital systems, we may not integrate them into our existing systems effectively or at all. Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, business, cash flows, financial position and results of operations.

Technological innovation, such as artificial intelligence, machine learning, digital wallets, mobile operator banking, advancements in blockchain technology and cryptocurrencies, such as bitcoin, and internet banking through smart phones, could disrupt the financial services industry and increase competition as a whole. For our vehicle financing loan and MSME loan products, we need to complete certain steps that may not be capable of being digitized entirely. If we fail to adapt to such technological advances quickly and effectively it could affect the performance and features of our products and services and reduce our attractiveness to existing and potential customers, thereby adversely affecting our business, financial condition, results of operations, and cash flows.

Our competitors may also make more significant and effective investments in innovation, growth of their businesses and enhancing their customer reach and engagement and may outcompete us in any of these areas. They may also be able to obtain regulatory approvals to expand into certain services or access certain pools of liquidity, which we may be unable to obtain in the future. Increased investments made or innovative services offered by our competitors may require us to divert significant managerial, financial and human resources in order to remain competitive, and ultimately may reduce our market share and negatively impact our revenue growth and profitability of our business, which may in turn adversely affect our business, financial condition, results of operations and cash flows.

31. We rely on third-party information technology vendors for software and information technology solutions, and they may not perform their obligations satisfactorily.

We are dependent on various external information technology ("**IT**") vendors for certain elements of our operations, such as for our loan origination system and loan management software, our cloud and fraud detection platforms, as well as digital channels for online payments, which we use and access through agreements with these external vendors. In particular, our core partner for loan origination system, loan management software and collection system is Nucleus Software Exports Limited. We are exposed to the risk that:

(i) external IT vendors or service providers may be unable to fulfil their contractual obligations to us (or will be subject to the same risk of operational errors by their respective employees);

(ii) the IT vendors or their employees may be involved in any fraud or wilful default; and

(iii) their (or their vendors') business continuity and data security systems prove to be inadequate.

Failure to perform any of these functions by our external IT vendors or service providers could have a material adverse effect on our business, results of operations and cash flows. Any breach of such IT laws by us or the external vendor may expose us to liability under such laws, and/or trigger indemnity provisions under our arrangements with such vendors. We may also experience hurdles in enforcing our agreements and pursuing remedies, if required, against such external IT vendors in jurisdictions other than India. Any such adverse developments may adversely affect our business, cash flows and results of operations.

As our technology infrastructure, products and services expand and become increasingly complex, we face increasingly serious risks to the performance and security of our technology infrastructure, products and services that may be caused by these third-party-developed components, including risks relating to incompatibilities among these components, service failures or delays or back-end procedures on hardware and software. If such risks materializes, our business, cash flows and results of operations may be adversely affected

32. We depend on the accuracy and completeness of information provided by our customers and certain third-party service providers and our reliance on any erroneous or misleading information may affect our judgement of their creditworthiness, as well as the value of and title to the collateral.

While deciding whether to extend credit to customers, we rely, to a significant extent, on the information furnished to us by the customers for certain key elements of the credit assessment process, including their income, assets, financial transactions and credit history. We follow the KYC guidelines prescribed by RBI for potential customers, verify their place of employment and residence, as applicable. We may also rely on certain representations from customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness of the customers and encumbrances on the collateral provided, we may depend on the respective registrars and sub-registrars of assurances, local legal agencies and lawyers, credit information companies or credit bureaus, and on independent valuers in relation to the value of the collateral. Our reliance on any erroneous or misleading information may affect our judgement of credit worthiness of potential customers, and the value of and title to the collateral. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business, results of operations, cash flows and financial condition.

Further, we extend loans to first time borrowers or new-to-credit customers and such customers may not have credit histories supported by tax returns and other documents that would enable us to accurately assess their creditworthiness. We may also not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation by our customers or employees. Moreover, the availability of accurate and comprehensive credit information on retail customers in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending. As part of our credit policy, we assess our customers' income on the basis of documentary and non-documentary evidence, such as conducting credit checks of all our customers, including with credit bureaus, site-visits and personal discussions. Nevertheless, we cannot assure you that such credit information will be accurate or comprehensive. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our delinquencies, which could adversely affect our business, cash flows and results of operations.

33. We utilize the services of certain third parties for certain of our operations and any interruption or deficiency in their services could have an adverse effect on our business.

We utilize the services of third parties from time to time for certain aspects of our operations such as sourcing of customers, valuation of collateral properties and repossession services. We generate customer leads from direct selling agents ("**DSAs**"). The following table sets forth details of the DSAs and total disbursed amount sourced through DSAs for the respective periods/ years:

	For the nine-months period ended December 31,		**For Fiscals ended March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
Number of DSAs	8,853	7,924	8,075	6,740	5,014
Percentage of total disbursed amount sourced through DSAs (%)	55.08%	60.87%	60.22%	61.78%	56.24%

However, our arrangements with DSAs are on a non-exclusive basis and they may work for our competitors in the future, which may adversely affect our ability to increase our customer base. We also engage with agencies in the regions in which we operate for services such as KYC verification, valuation and re-possession.

Our reliance on third parties may prevent us from being able to resolve operational problems internally or on a timely basis, which could lead to customer dissatisfaction or long-term disruption of our operations. Our operations also depend upon our third-party service providers to communicate appropriately and provide quality service which is satisfactory to our customers. We may also need to replace a third-party service provider if they experience difficulties that interrupt or disrupt operations for a prolonged period of time or if an essential third-party service terminates. If these service arrangements are terminated for any reason without an immediately available substitute arrangement, our operations may be severely interrupted or delayed. We also cannot assure you that we will be successful in continuing to receive uninterrupted and quality services from our third-party service providers or do so at the prevailing costs. Any disruption, negligence, fraud or inefficiency in the services provided by our third party service providers, or an increase in costs which we may not be able to pass on to our customers, whether entirely or in part, could adversely affect our business, results of operations, cash flows and reputation.

For further details, see "*Our Business – Description of our Business and Operations*" on page 213.

34. Our business, financial condition, results of operations and cash flows may be adversely affected by ambiguity in existing laws.

A number of states in India have enacted laws to regulate money-lending transactions and there are civil and criminal penalties prescribed for non-compliance with the relevant money lending statutes. These laws also establish a maximum rate of interest that can be charged to customers. There is, however, ambiguity on whether NBFCs are required to comply with provisions of these state money-lending laws and are pending determination before various judicial forums in India. If it is judicially determined or clarified by relevant authorities that such statutes apply to NBFCs, our business in such states could be affected. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not be able to recover. Our business, financial condition, results of operations and cash flows may be adversely affected by ambiguity in such existing laws.

35. Our Company, our Directors and our Promoter are involved in certain legal proceedings. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, financial condition, results of operations and cash flows.

Our Company, our Directors and our Promoter are involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals or other governmental authorities. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally from us and other parties. Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities. Any adverse decision in such legal proceedings may have a material adverse effect on our business, financial condition, results of operations and cash flows.

A summary of outstanding litigation proceedings involving our Company, our Directors and our Promoters as on the date of this Draft Red Herring Prospectus and as disclosed in the section titled "*Outstanding Litigation and Material Developments*" in terms of the SEBI ICDR Regulations is provided below:

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five financial years, including outstanding action	Material civil litigation	Aggregate amount involved (₹ in million)[(1)]
Company						
By the Company	24,371	Nil	Nil	NA	Nil	6,695.26
Against the Company	7	10	Nil	NA	Nil	180.06
Directors (excluding Promoters)						
By the Directors	Nil	Nil	Nil	NA	Nil	Nil
Against the Directors	Nil	Nil	Nil	NA	Nil	Nil
Promoters						
By Promoters	2	Nil	Nil	Nil	Nil	Not quantifiable
Against Promoters	1	5	Nil	Nil	Nil	24.14

(1) To the extent ascertainable and quantifiable

Our Group Company is not party to any pending litigation which will have a material impact on our Company. There can be no assurance that these litigations will be decided in favor of our Company and such proceedings may divert management time and attention and consume financial resources in their defense or prosecution. An adverse outcome in any of these proceedings may affect our reputation, standing and future business, and could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. We cannot assure you that any of these proceedings will be decided in our favor or that no further liability will arise out of these proceedings.

36. We have filed an application for adjudication of penalties under the Companies Act, 2013 before the RoC in relation to grant of certain ESOPs to two of our employees and cannot assure you this matter will be resolved in a timely manner or at all.

Our Company has granted ESOPs to certain employees from time to time. Two of our employees who were inadvertently granted ESOPs have been identified as members of the Promoter Group in accordance with the SEBI ICDR Regulations. Such ESOPs have been exercised as of date. Further, prior to the date of this Draft Red Herring Prospectus, the Equity Shares granted pursuant to such ESOP exercise have been transferred to a third party by such employees and we have suo moto filed an application for adjudication of penalties dated April 26, 2024 before the RoC seeking adjudication of penalties for non-compliance with section 62(1)(b) of the Companies Act, 2013 in this regard and are awaiting an outcome. We cannot assure you that this matter will be resolved in a timely manner or at all or that our Company will not be subject to penalties or any additional payment in future.

37. We are a high value debt listed entity, and our non-convertible debentures are listed on BSE and we are subject to certain risks in this respect.

We are a high value debt listed entity pursuant to the SEBI Listing Regulations and our non-convertible debentures ("**NCDs**") are listed on the debt segment of BSE and are rated "AA-" by ICRA and CARE. We are accordingly required to comply with various applicable rules and regulations, including applicable provisions of the SEBI Listing Regulations, in terms of our listed NCDs, and the listing agreement entered into therein and other circulars, regulations, rules and guidelines issued by SEBI from time to time, in terms of our listed non-convertible debentures. As a high value debt listed entity, we are also required to comply with certain provisions of Chapter IV of the SEBI Listing Regulations. We have had instances of non-compliances under certain provisions of the SEBI Listing Regulations in the past, including delays in furnishing intimations to the stock exchange; delays in submitting compliance certificate to stock exchange; non-submission of quarterly statement of investor complaints; non-submission of documents and information to holders of non-convertible securities and debenture trustee and non-submission of intimation of record date for the purpose of payment of interest within the period prescribed under the SEBI Listing Regulations. While there are currently no continuing instances of non-compliances, we may be subject to certain penal actions, including, without limitation, restrictions on the further issuance of non-convertible securities by us or our Promoter and the freezing of transfers of securities, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

38. Our business depends on the recognition of and regard for our brand and any failure to maintain, protect and enhance our brand would harm our business.

Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business. The reputation of the banking and financial services industry in general has been closely monitored as a result of the global financial crisis and other matters affecting the financial services industry. Negative public opinion about the banking and financial services industry generally or us specifically could adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action.

While we have developed our brand and reputation over the years, any negative incidents or adverse publicity could rapidly erode customer trust and confidence in us, particularly if such incidents receive widespread adverse mainstream and social media publicity or attract regulatory investigations. Negative publicity can result from our own or our third-party service providers' actual or alleged conduct in any number of activities, including lending and collection practices, technological practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organizations in response to that conduct. Although we take steps to minimize reputational risk in dealing with customers and other parties, we, as a financial services organization with a well-known industry profile, are inherently exposed to this risk.

In the future, we may be the target of incomplete, inaccurate, and misleading or false statements about our Company, our business, and our products and services that could damage our brand and materially deter people from adopting our services. Negative publicity about our Company or our management, including about our product, changes to our products and services, privacy and security practices, litigation, regulatory enforcement, and other actions, as well as the actions of our customers, even if inaccurate, could cause a loss of confidence in us. Our ability to respond to negative statements about us may be limited by legal prohibitions on permissible public communications by us during future periods.

In recent years, there has been a marked increase in the use of social media platforms in India, including blogs, social media websites and applications, and other forms of internet-based communications which allow individuals access to a broad audience of customers and other interested persons. The dissemination of inaccurate information online could harm our business, reputation, prospects, financial condition and operating results, regardless of the information's accuracy. Such inappropriate, unverifiable or false information regarding us may be published online or on social media by third parties, or any other such damage to our brand or our reputation may result in withdrawal of business by our existing customers and loss of new business from potential customers, could increase our costs, lead to litigation or result in negative publicity that could damage our reputation and adversely affect our business, results of operations, cash flows and financial condition.

For further details, see "- *We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights.*" on page 50.

39. We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights.

Intellectual property and other proprietary rights are important to the success of our business. As of December 31, 2023, we have eight trademarks, registered with the Registrar of Trademarks under the Trademarks Act. Our ability to compete effectively is dependent in part upon our ability to obtain, maintain, protect, and enforce our intellectual property and other proprietary rights and to obtain licenses to use the intellectual property and proprietary rights of others, as may be required. While two of our trademark applications are objected and one is accepted and advertised, we rely on trademarks to protect our intellectual property and other proprietary rights. We have filed replies to the examination reports of the objected trademarks and have no current plan for new application before the final decision on the existing applications. However, we cannot assure you that our intellectual property and other proprietary rights under such applications are sufficiently protected. We have also registered 46 domain names in the name of our Company, and had two copyrights disposed of and one copyright objected. Nonetheless, the steps we take to obtain, maintain, protect, and enforce our intellectual property and other proprietary rights may be inadequate. We cannot assure that any future trademark, or service mark registrations will be issued for our pending or future applications or that any of our current or future copyrights, trademarks, or service marks (whether registered or unregistered) will be valid, enforceable, sufficiently broad in scope, provide adequate protection of our intellectual property or other proprietary rights, or provide us with any competitive advantage.

We may be unable to prevent competitors or other third parties from acquiring or using trademarks, service marks, or other intellectual property or other similar proprietary rights, infringe upon, misappropriate, dilute, or otherwise violate or diminish the value of our trademarks and service marks and our other intellectual property and proprietary rights. In addition, we cannot guarantee we have entered into agreements containing obligations of confidentiality with each party that has or may have had access to proprietary information, know-how, or trade secrets owned or held by us. Moreover, our contractual arrangements may not effectively prevent disclosure of, or control access to, our confidential or otherwise proprietary information or provide an adequate remedy in the event of an unauthorized disclosure. The measures we have put in place may not prevent misappropriation, infringement, or other violation of our intellectual property or other proprietary rights or information and any resulting loss of competitive advantage, and we may be required to litigate to protect our intellectual property or other proprietary rights or information from misappropriation, infringement, or other violation by others, which may be expensive, could cause a diversion of resources, and may not be successful, even when our rights have been infringed, misappropriated, or otherwise violated.

Furthermore, the legal standards relating to the validity, enforceability, and scope of protection of intellectual property and other proprietary rights are still evolving. Our intellectual property and other proprietary rights may not be sufficient to provide us with a competitive advantage and the value of our intellectual property and other proprietary rights could also diminish if others assert rights therein or ownership thereof, and we may be unable to successfully resolve any such conflicts in our favor or to our satisfaction. Any failure to maintain, protect or enforce our intellectual property and other proprietary rights may adversely affect our business.

For details, see "*Our Business – Description of our business and operations – Intellectual Property*" on page 223.

40. We may not be able to identify, monitor and manage risks or effectively implement our risk management policies.

The effectiveness of our risk management is affected by the quality and timeliness of available data. We have policies and procedures in place to measure, manage and control the various risks to which we are exposed, which include our interest rate policy, corporate governance policy, fair practices code, vigil mechanism, and know your customer and anti-money laundering policy. Our Board of Directors, the Risk Management Committee and the asset liability management committee of our Company review our risk management policies from time to time. We also depend on our information technology systems to assist us with our risk management functions.

However, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management processes may not be automated and subject to human error. Some of our methods of managing risks are based on the use of observed historical market behavior and may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. In addition, as we seek to expand the scope of our operations, we also face the risk of inability to develop commensurate risk management policies and procedures. Other risk management methods depend upon an evaluation of information regarding the markets we operate in, the customers we service and certain other matters, which may not be accurate, complete, up-to-date or properly evaluated in all cases. Management of operational, legal or regulatory risks requires, among other things, policies and procedures to properly record and verify a number of transactions and events.

Our earnings are dependent upon the effectiveness of our management of our credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. If we fail to effectively implement our risk management policies, it could have an adverse effect on our business, results of operations, cash flows and financial condition.

41. Fluctuations in the market values of our investments could adversely affect our result of operations and financial condition.

As part of our treasury management, we have formulated a board-approved investment policy in accordance with NBFC Scale Based Directions. Our investment policy prescribes policies for investments in commercial papers, treasury bills, bonds (sovereign and corporate), mutual funds, pass through certificate/security receipts, units of mutual funds and alternative investment funds, subject to restrictions prescribed by our internal policies and investment limits fixed by our Board. The value of these investments depends on several factors beyond our control, including the domestic and international economic and political scenario, inflationary expectations, interest rate volatility and monetary policies. While decline in value of such investments are reflected in the net gain on fair value changes, which was ₹ 93.49 million, ₹ 139.96 million, ₹ 210.01 million, ₹ 143.93 million and ₹ 129.87 million as at December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, respectively, any decline in the value of these investments may still have an adverse effect on our results of operations and financial condition.

42. Certain statutory and regulatory licenses and approvals are required for conducting our business and any failure or omission to obtain, maintain or renew these licenses and approvals in a timely manner, or at all, could adversely affect our business, cash flows and results of operations.

Our operations in India are subject to government regulations and we are required to obtain and maintain certain statutory and regulatory licenses and approvals and we have obtained the necessary licenses and approvals required for our operations. While we have obtained the necessary approvals and licenses required for our operations, certain approvals have lapsed in their normal course and we have made applications to the appropriate authorities for renewal of such licenses and approvals. In addition, we may apply for additional licenses and approvals, including the renewal of certain approvals which may expire from time to time, and approvals in the ordinary course of business.

A majority of these approvals are granted for a limited duration and are subject to numerous conditions. For example, our Company has a certificate of registration from the RBI to operate as an NBFC-ICC and have been categorized as a 'NBFC – Middle Layer' as per the NBFC Scale Based Directions, which requires our Company to comply with certain terms and conditions for our Company to continue our NBFC operations. Further, we have also filed an application dated April 30, 2024 seeking approval from the RBI in relation to the proposed change in the shareholding of our Company of 26% or more of the paid-equity share capital of the Company pursuant to the Offer, certain inter-se Promoter transfers in terms of the Master Direction – Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended and the Master Circular -Requirement for Obtaining Prior Approval of RBI in Cases of Acquisition / Transfer of Control of NBFCs, 2015, as amended in connection with the Offer ("**RBI Approval**"). As of the date of the DRHP, we have not received the RBI Approval. In addition, we require several registrations to operate our branches in the ordinary course of business. These registrations include those required to be obtained or maintained under applicable legislations governing shops and establishments, professional tax, labour-related registrations (including labour welfare fund, employee state insurance and employee provident fund) and GST registrations of the particular state in which we operate. For further information on our key approvals and licenses, see "*Government and Other Approvals*" on page 444.

We cannot assure you that these approvals would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations, or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

If we are unable to obtain, maintain or renew all necessary licenses and approvals required for our continued operations or for continued provision of the services being offered by us, or if any of our approvals are withdrawn, this may have consequences, on operations that may be limited or suspended to that extent, which may have an adverse impact on our business, results of operations and cash flows.

In the future, we may be required to obtain new registrations, permits and approvals for our business, as a result of change in current regulations or for any proposed expansion strategy or diversification into additional business lines or new financial products. There can be no assurance that the relevant authorities will issue any permits or approvals required by us in a timely manner, or at all, and/or on favorable terms and conditions. As part of our business operations, we have various branches spread across India. Certain approvals that are required to operate such branches expire from time to time. Accordingly, we have either made an application to the appropriate authorities for renewal of such approvals or are in the process of making such applications. There can be no assurance that the relevant authorities will renew such approvals in a timely manner or at all. If we fail to obtain any applicable approvals, licenses, registrations or consents in a timely manner or at all, some of our contracts with third parties may be terminated and we may not be able to undertake certain operations of our business which may affect our business, results of operations and cash flows.

For further details in relation to inspection by RBI, see "-*We are subject to periodic inspection by the Reserve Bank of India. Non-compliance with the observations of the Reserve Bank of India could adversely affect our business, financial condition, results of operations and cash flows.*" on page 33. For further details, also see "– *We operate in a highly regulated industry and are subject to risks associated with non-compliance with applicable laws. Any changes in the laws, rules and regulation applicable to us may adversely affect our business, financial condition, cash flows and results of operations.*", "*Key Regulations and Policies*" and "*Government and Other Approvals*" on pages 40, 226 and 444, respectively.

43. We depend on our Key Managerial Personnel and Senior Management Personnel, as well as our experienced employees, and any failure to attract, motivate, and retain our employees could adversely affect our business, results of operation, cash flows and financial condition, or harm our ability to maintain and grow our business.

Our performance depends largely on the efforts and abilities of our Key Managerial Personnel, Senior Management Personnel, and our operational personnel. We rely on the inputs and experience of our senior management for the development of our business, operations and the strategic directions taken by our Company. We cannot assure you that these individuals will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. The following table sets forth our attrition rate, for the periods/ years indicated:

Particular	For the nine-months period ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
Number of Key Managerial Personnel and Senior Management Personnel	18	14	13	4	4
Key Managerial Personnel and Senior Management Personnel Attrition Rate (%) (1)	5.56%	0.00%	7.69%	0.00%	0.00%
Number of Employees	10,725	8,143	8,438	6,730	5,107
Employee Attrition Rate (%) (2)	24.78%	23.52%	31.01%	26.33%	28.02%

Notes:

(1) Key Managerial Personnel and Senior Management Personnel Attrition Rate represents the number of Key Managerial Personnel and Senior Management Personnel who left the Company during the period/ year divided by the total number of Key Managerial Personnel and Senior Management Personnel as at the last day of the relevant period/ year.

(2) Employee Attrition Rate represents the number of employee(s) who left the Company during the period/ year divided by the total number of employees as at the last day of the relevant period/ year.

We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We cannot assure you that we will be successful in hiring or retaining such personnel which could adversely affect our business. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of, or inability to attract or retain such persons may have an adverse effect on our business, financial condition, cash flows and results of operations.

To maintain and grow our business, we will need to identify, hire, develop, motivate, and retain experienced employees. Identifying, recruiting, training, integrating, and retaining qualified individuals requires significant time, expense, and attention. We may need to invest significant amounts of cash and equity to attract and retain new employees and expend significant time and resources to identify, recruit, train, and integrate such employees, and we may never realize returns on these investments. If we are unable to effectively manage our hiring needs or successfully integrate and retain new hires, our efficiency, ability to meet forecasts, and employee morale, productivity, and engagement could suffer, which could adversely affect our business, financial condition, results of operations and cash flows.

Our future success is also significantly dependent upon the continued service of our executives and other key employees. While we have a succession policy overseen by our Board's Nomination and Remuneration Committee, if we lose the services of any member of management or any key personnel, and are not able to find a suitable or qualified replacement, our business and growth could be severely disrupted. In addition, from time to time, there may be changes in our management team that may be disruptive to our business. If our management team, including any new hires that we make, fails to work together effectively and to execute our plans and strategies on a timely basis, our business could be harmed.

44. We conduct our business operations on leased, leave and licensed premises, including our Registered Office and Corporate Office, and our inability to renew such leases, leaves and licenses may adversely affect our operations.

As of December 31, 2023, we conducted our operations through 535 branches, of which all have been taken on a lease, leave and licensed basis. The lease agreement in relation to our Registered Office is valid for a term of 41 years starting from April 1, 1995. The lease agreement in relation to our Corporate Office is valid for a term of nine years and 11 months starting from June 1, 2017. The typical period for which leases, leaves and licenses are generally entered into by our Company for its branches ranges from six months to 15 years. In the event that the existing lease is terminated or it is not renewed on commercially acceptable terms, we may suffer a disruption in our operations. While we have not suffered disruptions as a result of past terminations, we cannot assure you that such instances will not occur in the future. Some of the lease or leave and license agreements may have expired in the ordinary course of business and we are currently involved in negotiations for the renewal of these lease or leave and license agreements. If alternative premises are not available at the same or similar costs, sizes or locations in a timely manner, our business, financial condition, cash flows and results of operations may be adversely affected. Further, any regulatory non-compliance by the landlords or adverse development relating to the landlords' title or ownership rights to such properties, including as a result of any non-compliance by the landlords, may entail disruptions to our operations, especially if we are forced to vacate leased space following any such developments. In addition, lease agreements are required to be duly registered and adequately stamped under Indian law and if our lease agreement or other agreements entered into by us, are not duly registered and adequately stamped in the future, we may face challenges in enforcing them and they may be inadmissible as evidence in a court in India along with the requisite stamp duty prescribed under applicable Indian law being paid. If any of the above occurs, our business, financial condition and results of operations may be adversely affected.

For information in relation to our premises, see "*Our Business – Properties*" on page 224.

45. Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, cash flows, results of operations and financial condition.

We maintain various insurance policies to safeguard against risks and unexpected events. The following table sets forth details of the amount and percentage of coverage of insurance vis-à-vis the total assets of our Company on a basis excluding intangible assets under development, financial assets, other non-current assets, current assets, and deferred tax assets:

Period	Types of assets	Net value of assets* (in ₹ million)	Insurance Coverage (in ₹ million)	Percentage of insurance coverage to net value of assets
Nine month period ended December 31, 2023	Property, plant and equipment, and Cash	981.06	1365.86	139.22%
Nine month period ended December 31, 2022	Property, plant and equipment, and Cash	705.41	896.67	127.11%
Fiscal 2023	Property, plant and equipment, and Cash	816.41	1107.75	135.69%
Fiscal 2022	Property, plant and equipment, and Cash	588.65	269.52	45.79%
Fiscal 2021	Property, plant and equipment, and Cash	364.83	107.47	29.46%

* *Sum Insured of Property, Plant and Equipment includes the sum insured of vehicles owned and fire insurance coverage of all other assets of the company. Our Company has also insured the fixed assets for burglary, machinery breakdown, technical defaults in electronic equipment.*

While we consider that the insurance coverage we maintain is reasonably adequate to cover the normal risks associated with the operation of our businesses, our insurance policies may not provide adequate coverage in certain circumstances, such as the COVID-19 pandemic and are subject to certain deductibles, exclusions and limits on coverage. The following table sets forth details with respect to the claims made by our Company and the respective settlement amounts:

Period	Claims made by the Company (in ₹ million)	Settlement amounts (in ₹ million)
Nine month period ended December 31, 2023	0.12	0.07
Nine month period ended December 31, 2022	Nil	Nil
Fiscal 2023	0.04	Nil
Fiscal 2022	0.05	Nil
Fiscal 2021	Nil	Nil

While we entered into insurance policies, which are intended to cover such instances going forward, and even if we have insurance for the incident giving rise to the loss, we may nevertheless be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. We cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have obtained sufficient insurance to cover all potential losses.

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our business, financial condition, results of operations and cash flows could be adversely affected.

For further details, see "*Our Business – Description of our business and operations – Insurance*" on page 223.

46. We are exposed to risks that may arise if our customers opt for balance transfers to other banks or financial institutions.

We offer our customers fixed interest rate loans, the rate for which is determined primarily on the basis of our cost of borrowings, tenor of the loan sought and current market conditions. It is possible that interest rates on loans for some of our customers may be higher than the interest rates on loans being offered to these customers by our competitors. Some such customers may seek to refinance their loans through balance transfer to other banks and financial institutions. While refinancing of loans by other lenders could in certain circumstances be beneficial for our customers, it results in a loss of interest income expected from such loans over the course of their tenure and may cause us to incur increased origination costs. As competition in the financial services sector intensifies, some of our customers may be able to find balance transfer options at comparably lower interest rates or other financing alternatives which could have an adverse effect on our business, cash flows, financial condition and results of operations.

47. Our lenders may recall all or part of unsecured amounts borrowed by us on short or no notice.

As of December 31, 2023, our debt securities include unsecured non-convertible debentures were ₹ 69.93 million, which comprised 0.09% of our total borrowings. Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. For details on reconciliation, see "*Selected Statistical Information – Non-GAAP Reconciliation*" on page 304. As a part of the terms of our loan agreements, our lenders may recall all or part of such unsecured amounts borrowed by us on short or no notice. Such recalls on borrowed amounts may be contingent on the occurrence of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls which may adversely affect our business, financial condition, results of operations and cash flows.

48. We have certain contingent liabilities which, if materialized, may adversely affect our financial condition, cash flows and results of operations.

Our contingent liabilities as per Ind AS 37 as at December 31, 2023, were as follows:

(₹ in million)

Contingent liabilities	As at December 31, 2023
Claims against the company not acknowledged as debt	
- Indirect tax matter	175.03
- Direct tax matter	3.35
Guarantees:-	
- Corporate guarantees towards securitization transaction	65.77
- towards law suits, claims and proceedings, including collection and repossession related matters, which arise in the ordinary course of business	0.53

Contingent liabilities	As at December 31, 2023
Other money for which the company is contingently liable	7.50

Our contingent liabilities may become actual liabilities and if a significant portion of these liabilities materialize, they could have an adverse effect on our results of operations, cash flows and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Fiscal or in the future.

49. A portion of our other loans is unsecured. If borrowers under unsecured gross loans default and we are unable to recover such receivables in a timely manner or at all, our financial condition, results of operations and cash flows may be adversely affected.

The following table sets forth details of our unsecured gross loans and gross loans as of the dates indicated:

Particulars	As of December 31,		As of March 31,		
	2023	2022	2023	2022	2021
Unsecured Gross Loans (₹ in million) (A)	1,159.58	717.15	654.10	411.15	620.83
Gross Loans (₹ in million) (B)	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Unsecured Gross Loans as % of Gross Loans (%) (C=A/B)	1.31%	1.08%	0.92%	0.86%	1.80%

Since the personal loans provided to our employees (which is a portion of our other loans) are unsecured, in the event of defaults by such customers, our ability to realize the amounts due to us would be restricted to initiating legal proceedings for recovery. There can be no guarantee as to the length of time it could take to conclude such legal proceedings or for the legal proceedings to result in a favorable decision to us. Any failure to recover the full amount of principal and interest on unsecured gross loans given to our customers could adversely affect our financial condition, results of operations and cash flows.

50. The resurgence of the COVID-19 pandemic or the future outbreak of another highly infectious or contagious disease may affect our business and operations in the future.

The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. In the past, as a result of the implementation of lockdowns and other restrictive measures in response to the spread of the COVID-19 pandemic by the Government of India, the Indian economy, including the financial services sector, faced significant disruptions. This led to disruptions in our operations for certain periods, such as:

- we credited ₹ 91.50 million of ex gratia interest to the accounts of or paid to eligible borrower accounts as on March 31, 2021 under the Ministry of Finance's COVID-19 Relief Scheme and claimed the same amount from the Government of India;

- pursuant to RBI's directions, we granted moratorium to the loan instalments due during the period from March 1, 2020 to August 31, 2020 on the eligible loan accounts; the RBI also clarified that for all standard accounts as on February 29, 2020, the moratorium period will be excluded from days past-due ("**DPD**") calculation for the purpose of asset classification under the norms on income recognition and asset classification;

- further, the RBI has released a notification dated August 6, 2020 titled "Resolution Framework for COVID-19-related Stress" and related notifications dated September 7, 2020, May 5, 2021 and August 6, 2021 (collectively, the "**Resolution Framework**"), which allowed a one-time restructuring of loans impacted by the COVID-19 pandemic to help lenders and customers reschedule repayment of instalments based on customers' present income and restoration of income in subsequent months; the restructuring will limit the potential increase in non-performing assets out of restructured loan accounts till a revised repayment schedule is agreed with such customers; these restructured accounts might become non-performing assets if customers fail to make payments as per the restructured schedule. The following table sets forth our restructured portfolio classified as standard as a percentage of the AUM as of the respective dates:

As of December 31, 2023	As of March 31, 2023	As of March 31, 2022
0.12%	0.27%	1.28%

- by way of a circular dated April 7, 2021 on "Asset Classification and Income Recognition following the expiry of COVID-19 regulatory package" (the "**Interest on Interest Circular**"), RBI has advised that all lending institutions are required put in place a board-approved policy to refund/ adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the above judgement; the above relief measures are applicable to all borrowers, including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed; further, lending institutions are required to disclose the aggregate amount to be refunded/adjusted in respect of their borrowers based on such relief measures in their financial statements for the year ending March 31, 2021. However, the Interest-on-Interest Circular had no material impact on our financial results for the year ending March 31, 2021 and the aggregate amount adjusted to the borrowers under the Interest on Interest circular is ₹ 3.83 million for Fiscal 2021.

The resurgence of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, financial condition, cash flows and results of operations.

51. Any failure by us to comply with applicable anti-money laundering, counter-terrorist financing and economic sanction laws and regulations could lead to penalties and may damage our reputation.

In accordance with the requirements applicable to our Company, we are mandated to comply with anti-money laundering ("**AML**"), combating-terrorism financing ("**CTF**") and "know your customers" ("**KYC**") regulations in India. These laws and regulations require us, among other things, to adopt and enforce AML, CTF and KYC policies and procedures. In the ordinary course of our operations, we run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by customers and assessment of penalties or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. There may be instances in the past where we collected information that may be used by other parties in attempts to engage in money-laundering, terrorism financing and other illegal or improper activities. In addition, a number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA. Pursuant to these provisions, as part of our KYC processes, we are required to collect and report certain information regarding US persons having accounts with us.

There can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions, including imposition of fines and other penalties by the relevant government agencies to whom we report to, including the Financial Intelligence Unit – India. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering, terrorism financing or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

Further, while we have not faced any material fines or other penalties by government agencies as a result of violations of AML or KYC regulations in India in the past, we cannot assure you that we will in the future be able to fully control instances of any potential or attempted violation by any party and may accordingly be subject to regulatory actions. Our business and reputation could suffer if any such party uses or attempts to use us for money-laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with the applicable regulatory requirements.

For further details, see "*Key Regulations and Policies*" on page 226.

52. Our operations could be adversely affected by strikes or increased wage demands by our employees or any other kind of disputes with our employees.

As of December 31, 2023, we employed 10,725 personnel across our operations. Although we have not experienced any material employee unrest in the past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any employee unrest directed against us or our management, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, cash flows, financial condition and results of operations.

None of our workforce is currently unionized. However, there is a risk that our employees may choose to unionize in the future. Labor unions for banking employees organize strikes, and we may in the future be affected by strikes, work stoppages or other labor disputes if any portion of our workforce were to become part of a union in the future. In the event of a labor dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations and, if not resolved in a timely manner, could adversely affect our business, financial condition, results of operations and cash flows.

53. Our Promoters and Promoter Group will continue to retain a majority shareholding in our Company after the Offer, which will allow them to exercise significant influence over us or limit the ability of third parties to acquire control.

After the completion of the Offer, our Promoters and Promoter Group are expected to hold [●]% of our outstanding Equity Shares. We rely on the inputs and experience of our Promoters for the development of our business, operations and the strategic directions taken by our Company. Further, the involvement of our Promoters in our operations, including through strategy, direction and customer relationships have been integral to our development and business and the loss of any of our Promoters may have a material adverse effect on our business. Our Individual Promoters, Rajendra Kumar Setia and Yash Setia are also Directors on our Board, and further, certain of their family members are employees of our Company, including Raj Kumar Setia, Sameer Arora and Sanjeev Arora (i.e., members of our

Promoter Group) and Atul Arora (second cousin of Rajendra Kumar Setia), who form part of our Key Managerial Personnel and Senior Management Personnel.

Accordingly, our Promoters and Promoter Group will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters and Promoter Group. Further, the Promoters' shareholding may limit the ability of a third party to acquire control. The interests of our Promoters and Promoter Group, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or your favor.

54. We have entered, and will continue to enter, into related party transactions which may involve conflicts of interest. Further, our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.

We have in the past entered into certain related party transactions with our Key Managerial Personnel, Senior Management Personnel, Directors, relatives of Key Managerial Personnel, entities over which Key Managerial Personnel and their relatives are able to exercise significant influence. Further, our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits. While all such related party transactions for nine months ended December 31, 2023 and December 31, 2022 and Fiscals 2023, 2022 and 2021, have been conducted on an arm's length basis and are in compliance with applicable law, including the Companies Act, we cannot assure you that we could not have obtained more favorable terms had such transactions been entered into with unrelated parties.

For further details in relation to our related party transactions for nine months ended December 31, 2023 and December 31, 2022 and Fiscals 2023, 2022 and 2021, see "*Offer Document Summary – Summary of Related Party Transactions*" and "*Other Financial Information – Related Party Transactions*" on pages 23 and 401, respectively.

55. One of our Promoters, Rajendra Kumar Setia, has provided personal guarantees for loan facilities obtained by us, and any failure or default by us to repay such loans could trigger repayment obligations on our Promoter, which may impact our Promoter's ability to effectively service his obligations as our Promoter and thereby, adversely impact our business and operations.

One of our Promoters, Rajendra Kumar Setia, has provided personal guarantees to secure a portion of our existing borrowings, and may be required to continue to provide such guarantees and other security after the listing of our Equity Shares. As of December 31, 2023, ₹10,427.04 million or 13.21% of our Total Borrowings are backed by personal guarantees provided by our Individual Promoter. Any default or failure by us to repay our loans in a timely manner, or at all, could trigger repayment obligations on the part of our Promoter in respect of such loans. This, in turn, could have an impact on his ability to effectively perform their responsibilities and obligations as a Promoter of our Company, thereby having an adverse effect on our business, results of operation and financial condition. Further, in the event that our Promoter withdraws or terminates the guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our business, financial condition, results of operations and cash flows.

56. Acquisitions, strategic investments, entries into new businesses, and divestitures could disrupt our business, divert our management's attention, result in additional dilution to our shareholders, and harm our business.

We may in the future seek to acquire or invest in new businesses or technologies that could complement or expand our products and services, enhance our technical capabilities, or otherwise offer growth opportunities. We may be unable to find suitable acquisition candidates and to complete acquisitions on favorable terms, if at all, in the future. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals and any acquisitions we complete could be viewed negatively by customers or investors. Moreover, an acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures, including disrupting our ongoing operations, diverting management from their primary responsibilities, subjecting us to additional liabilities, increasing our expenses and adversely impacting our business, results of operations, cash flows and financial condition. Moreover, we may be exposed to unknown liabilities and the anticipated benefits of any acquisition, investment or business relationship may not be realized, if, for example, we fail to successfully integrate such acquisitions, or the technologies associated with such acquisitions, into our Company. We also may not achieve the anticipated benefits from the acquired businesses due to a number of factors, including difficulties resulting from the integration of information technology systems, accounting systems, culture or personnel; litigation; use of resources; or other disruption of our operations. Regulatory constraints, particularly competition regulations, may also affect the extent to which we can maximize the value of our acquisitions or investments. Acquisitions could also result in issuance of Equity Shares which could dilute the shareholding of our existing shareholders or the incurrence of debt.

In addition, we may spend time and money on acquisitions or investments that do not increase our revenue. If an acquired business fails to meet our expectations, our business, cash flows and results of operations may be adversely affected.

57. ***The Offer Price, market capitalization to revenue from operations and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of our Company on listing or thereafter.***

Our market capitalization to revenue from operations (for Fiscal 2023) multiple is [●] times at the upper end of the Price Band. Our price to earnings ratio (based on our profit for Fiscal 2023) multiple is [●] times at the upper end of the Price Band. The following table sets forth details of our market capitalization to revenue from operations, price to earnings ratio and price to revenue from operations ratio for the periods indicated:

	Market capitalization to revenue from operations	**Price to Earnings Ratio**
Fiscal 2023	[●]	[●]

The determination of the Offer Price by our Company, in consultation with the Book Running Lead Managers, is not based on a benchmark with our industry peers. The Offer Price of the Equity Shares is proposed to be determined by our Company in consultation with the Book Running Lead Managers and through the book-building process, and certain quantitative and due to qualitative factors as set out in "*Basis for Offer Price"* on page 113, the Offer Price, may not be indicative of the market price for the Equity Shares after the Offer. The price of our Equity Shares upon listing on the Stock Exchanges will be determined by the market and may be influenced by many factors outside of our control.

For further details, see "*- Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Offer Price may not be indicative of the market price of the Equity Shares after the Offer."* on page 65. For further details in relation to the comparison with listed industry peers, see "*Basis for Offer Price"* on page 113.

58. ***The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchanges.***

The determination of the Price Band and discount, if any, is based on various factors and assumptions, and will be determined by our Company in consultation with the Book Running Lead Managers. Furthermore, the Offer Price of the Equity Shares will be determined by our Company in consultation with the Book Running Lead Managers through the Book Building Process. These will be based on numerous factors, including those described under "*Basis for Offer Price*" on page 113, and may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchanges. The price of our Equity Shares upon listing on the Stock Exchanges will be determined by the market and may be influenced by many factors outside of our control. Further, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Managers is below their respective issue prices.

There has been significant volatility in the Indian stock markets in the recent past, and the market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

For further details, see "*– The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Offer Price may not be indicative of the market price of the Equity Shares after the Offer*." on page 65. For further details on price information for previous initial public offerings managed by the Book Running Lead Managers, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*" on page 462.

59. ***We will not receive any proceeds from the Offer for Sale portion and objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders' approval.***

The Offer includes an offer for sale of Equity Shares aggregating up to ₹17,000.00 million by the Selling Shareholders. The proceeds from the Offer for Sale (after deducting the applicable Offer expenses) will be paid to the Selling Shareholders and we will not receive any such proceeds. We intend to use the Net Proceeds from the Fresh Issue towards augmenting our capital base to meet our future capital requirements, which are expected to arise out of growth of our business and assets. Pending utilization of the Net Proceeds, we intend to deposit such Net Proceeds in one or more scheduled commercial banks included in the Second Schedule of the RBI Act, as may be approved by our Board. The proposed deployment of Net Proceeds has not been appraised by any bank or financial institution or other independent agency and is based on internal management estimates based on current market conditions and historic level of expenditures. Any variation in the utilization of the Net Proceeds shall be on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions and competitive environment, which may not be within the control of our management, and may be subject to various other approvals, which includes, amongst others obtaining prior approval of the Shareholders of the Company. The Offer expenses are estimated to be approximately ₹ [●] million.

Various risks and uncertainties, including those set forth in this "*Risk Factors*" section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. Accordingly, the use of the Net Proceeds to fund our growth and for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

For further details, see "*Objects of the Offer*" on page 107.

60. Certain sections of this Draft Red Herring Prospectus contain information from the report titled 'Analysis of NBFC Sector in India and Select Asset Classes' dated April 2024, ("CRISIL Report") which has been commissioned and paid for by us exclusively for the purpose of the Offer. The CRISIL Report, prepared and issued by CRISIL, is not exhaustive and is based on certain assumptions and parameters / conditions and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.

Pursuant to being engaged by us, CRISIL has prepared a report on our industry, "Analysis of NBFC Sector in India and Select Asset Classes" dated April 2024. Our Company has commissioned CRISIL pursuant to the engagement letter dated January 30, 2024. Certain sections of this Draft Red Herring Prospectus include information based on, or sourced from, the CRISIL Report or extracts of the CRISIL Report. We have exclusively commissioned and paid for the services of CRISIL for the CRISIL Report for the purpose of confirming our understanding of the industry in connection with the Offer. All such information in this Draft Red Herring Prospectus indicates the CRISIL Report as its source, as applicable. Accordingly, any information in this Draft Red Herring Prospectus sourced from, or based on, the CRISIL Report should be read taking into consideration the foregoing. We have also engaged CRISIL and CRISIL Ratings Limited to provide our NCD, market linked debentures, loan facility and commercial paper credit ratings. We have no other direct or indirect association with CRISIL other than as a consequence of the above engagements.

The CRISIL Report is not exhaustive and is based on certain assumptions, parameters and conditions made and identified by CRISIL. It also uses certain methodologies for market sizing and forecasting. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Further, the CRISIL Report is not a recommendation to invest / disinvest in any company covered in the CRISIL Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information. We have not independently verified such data and therefore, we cannot assure you that they are complete or reliable.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report.

For the disclaimers associated with the CRISIL Report, see "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data*" on page 15. For further details, also see "*Industry Overview*" on page 137.

61. We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS").

This Draft Red Herring Prospectus includes net worth, average net worth, net asset value per Equity Share, total borrowings, average total borrowings, Gross Loans net of impairment loss allowance – Gross Loans – Stage 3, Gross Loans – Stage 3 ratio, Net Loans – Stage 3 ratio, provision coverage ratio on gross loans – stage 3, net loans regulatory stage 3 ratio, Gross Loans net of Impairment loss allowance – Gross Loans - Regulatory Stage 3, Gross Loans - Regulatory Stage 3 ratio, Provision Coverage Ratio on Gross Loans - Regulatory Stage 3, gross non-performing assets ratio, Provision Coverage Ratio on Gross Non-Performing Assets, adjusted finance costs, average cost of borrowings, net interest income, interest margin, operating expenditure, operating expenditure/ average total assets, net income, operating expenditure to net income ratio, Total Assets to Net Worth, return on average total assets, return on average net worth, total borrowings to net worth ratio, average total assets , interest income/ average total assets, finance costs / average total assets, Fees and commission income/ Average Total Assets, Net gain on fair value changes/ Average Total Assets, Net gain on de-recognition of financial instruments under amortized cost category/ Average Total Assets, other income/ average total assets, net income/ average total assets, pre provisioning operating profit, pre provisioning operating profit/ average total assets, impairment on financial instruments/ average total assets, profit before tax/ average total assets, total interest-earning assets, average interest-earning assets, average interest-earning assets/ average total assets, average interest-earning assets/ average total borrowings, average total borrowings /average total assets, net yield on interest-earning assets, yield on average Gross Loans, EBITDA, Spread total capital expenditure, total capitalisation and total borrowing/ total equity (collectively "**Non-GAAP Measures**") and certain other industry measures related to our operations and financial performance, which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP.

Further, these Non-GAAP Measures and other industry measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP. They should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the periods/ years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities, derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, such Non-GAAP Measures and other industry measures are not standardized terms and may vary from any standard methodology that is applicable across the Indian vehicle financing and financial services industries, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies, and hence a direct comparison of these Non- GAAP Measures and other industry measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures and other industry measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures and other industry measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management considers them useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

62. Significant differences exist between Ind AS and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.

Our Restated Summary Statements are derived from our audited financial statements as at and for the nine months ended December 31, 2023 and December 31, 2022 prepared in accordance with Ind AS -34 and as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with the Ind AS, and all restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act, the SEBI ICDR Regulations, and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Restated Summary Statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

63. We cannot assure payment of dividends on the Equity Shares at regular intervals or at all in the future.

Our Company has not declared dividends on the Equity Shares during the current Fiscal Year and the last three Fiscal Years. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements and other factors considered relevant by our Directors and Shareholders. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will be based on an evaluation of our business pursuant to a Board-approved policy and depend on factors that our Board deems relevant, including among others, profitable growth of our Company and specifically profits earned during the relevant fiscal, earning stability and outlook, past dividend pattern, cash flow position of our Company, capital expenditure to be incurred by our Company, accumulated reserves, statutory requirements like transfer to statutory reserve fund, liquidity position of our Company including its working capital requirements and debt servicing obligations. In addition, our ability to pay dividends may be impacted by a number of factors such as economic environment, changes in the Government policies, industry specific rulings and regulatory provisions, industry outlook for the future years, and inflation rate. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. We cannot assure you that we will be able to pay dividends on the Equity Shares at regular intervals or at all in the future.

For details pertaining to our dividend policy, see "*Dividend Policy*" on page 276.

64. Certain of our Directors are on the board of directors of companies engaged in a line of business similar to that of ours. Any conflict of interest that may occur as a result could adversely affect our business, financial condition, results of operations and cash flows.

Certain of our Directors are on the board of directors of companies engaged in a line of business similar to that of ours. For instance, our Directors, Amar Lal Daultani, Anand Raghavan and Nanda Sameer Dave are directors on the board of certain companies which are in a line of business similar to ours. These entities may provide comparable services, expand their presence, solicit our employees or acquire interests in competing ventures in the locations or verticals in which we operate. A conflict of interest may occur between our business and the business of such entities, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

For further details, see "*Our Management – Interests of Directors*" on page 251.

65. Grants of stock options under our employee stock option plans may result in a charge to our profit and loss account and, to that extent, affect our financial condition.

Pursuant to the resolutions passed by our Shareholders on September 11, 2018 our Company approved ESOP 2018 and further amended on October 31, 2018, March 11, 2018 and April 25, 2024, for issue of employee stock options to eligible employees, which may result in issue of not more than 6,585,256 Equity Shares. As of the date of this Draft Red Herring Prospectus, our Company has issued 1,572,056 Equity Shares under ESOP 2018. Further, our Company may grant additional options under ESOP 2018 in the future. Grants of stock options result in a charge to our statement of profit and loss and reduce, to that extent, our reported profits in future periods. Our costs towards share based payments to employees were ₹95.98 million, ₹87.86 million, ₹82.99 million, ₹7.20 million and ₹13.35 million for the nine months ended December 31, 2023 and December 31, 2022 and Fiscals 2023, 2022 and 2021, respectively. Any issuance of the equity or equity-linked securities by us, including through exercise of employee stock options pursuant to the ESOP Scheme or any other employee stock option scheme we may implement in the future, may dilute your shareholding in the Company, adversely affecting the trading price of the Equity Shares and our ability to raise capital through an issuance of new securities.

For further details in relation to ESOP 2018, see "*Capital Structure – Employee Stock Options Schemes of our Company"* beginning on page 102.

66. There is a risk that we will be a passive foreign investment company for U.S. federal income tax purposes, and such classification could result in materially adverse U.S. federal income tax consequences for U.S. investors.

We. will be a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes for any taxable year in which (i) 75% or more of our gross income consists of "passive income" or (ii) 50% or more of the average quarterly value of our assets consists of assets that produce, or are held for the production of, passive income. For this purpose "passive income" generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions with exceptions for, among other things, dividends, interest, rents and royalties received from certain related companies to the extent attributable (in accordance with U.S. Treasury regulations) to non-passive income derived by such related companies, as well as for gains from sale or exchange of inventory or similar property. For purposes of the PFIC asset test, the aggregate fair market value of the assets of a publicly traded non-U.S. corporation is generally treated as being equal to the sum of the aggregate value of the outstanding stock and the total amount of the liabilities of such corporation (the "**Market Capitalization**") and the excess of the fair market value of such corporation's assets as so determined over the book value of such assets is generally treated as goodwill that is a non-passive asset to the extent attributable to such corporation's non-passive income. In addition, for the PFIC asset test, cash and cash equivalents are considered passive assets. Based on estimates of our gross income, gross assets, and the nature of our business, the expected use of the proceeds from the Offer and our anticipated Market Capitalization, we have determined that we were a PFIC for the taxable year ending March 31, 2023, and expect to be a PFIC for our current taxable year or in the foreseeable future. There can be no assurance that we will not be considered a PFIC for any taxable year because the determination of whether we are a PFIC is made annually and is based on the composition of our gross income, the value of our assets (including goodwill), Market Capitalization and activities in those years. Because our Market Capitalization generally will be determined by reference to the aggregate value of our outstanding common shares, our PFIC status will depend in large part on the market price of such common shares, which may fluctuate significantly. Our U.S. counsel expresses no opinion with respect to our PFIC status for our past, current or future taxable years. If we are classified as a PFIC for any taxable year, U.S. investors may be subject to adverse U.S. federal income tax consequences, including increased tax liability on gains from dispositions of Equity Shares and certain excess distributions, and a requirement to file annual reports with the U.S. Internal Revenue Service. Prospective U.S. investors should consult their tax advisors regarding our PFIC status and the consequences to them if we were classified as a PFIC for any taxable year.

Notwithstanding the above, certain elections may be available to U.S. Holders with respect to our Equity Shares, such as a "qualified electing fund" election or "mark-to-market" election, which may mitigate the adverse consequences of PFIC status.

For additional information, see "*Certain U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Rules*" on page 458.

67. Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and the Stock Exchanges have introduced various pre-emptive surveillance measures in order to enhance market integrity and safeguard the interests of investors, including ASM and GSM. ASM and GSM are imposed on securities of companies based on various objective criteria such as significant variations in price and volume, concentration of certain client accounts as a percentage of combined trading volume, average delivery, securities which witness abnormal price rise not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net worth, price / earnings multiple and market capitalization.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes, and a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

External Risk Factors

68. Our entire revenue is derived from business in India. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

We derive our entire revenue from operations in India, accordingly, our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets.

In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concerns regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

69. Political, economic or other factors that are beyond our control may have an adverse effect on our business, cash flows and results of operations.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. Our results of operations are significantly affected by factors influencing the Indian economy. Economic growth in India is affected by various factors including:

- domestic consumption and savings, and prevailing income conditions among consumers and corporations in India;
- any increase in Indian interest rates or inflation;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India’s various neighboring countries and heightened tensions in the Red Sea;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- volatility in, and actual or perceived trends in trading activity on India’s principal stock exchanges;
- changes in India’s tax, trade, fiscal or monetary policies;
- balance of trade movements, namely export demand and movements in key imports (oil and oil products);
- financial instability in financial markets;

- global economic uncertainty and liquidity crisis and volatility in exchange currency rates; and
- other significant regulatory or economic developments in or affecting India or its vehicle financing or financial services industry.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

70. The impact of the Russian invasion of Ukraine, the Israel-Hamas war and the Iran-Israel conflict on the global economy, energy supplies and raw materials is uncertain, but may prove to negatively impact our business and operations.

The short and long-term implications of Russia's invasion of Ukraine, the Israel-Hamas war and the Iran-Israel conflict are difficult to predict at this time. To date, we have not experienced any material interruptions in our business operations in connection with these conflicts. We continue to monitor any adverse impact that the outbreak of war in Ukraine, the subsequent institution of sanctions against Russia by the United States and several European and Asian countries, and the Israel-Hamas war or the Iran-Israel conflict may have on the global economy in general, on our business and operations and on the businesses and operations of our lenders and other third parties with which we conduct business. To the extent the wars in Ukraine or Israel or the conflict between Iran and Israel may adversely affect our business as discussed above, it may also have the effect of heightening many of the other risks described herein. Such risks include, but are not limited to, adverse effects on macroeconomic conditions, including inflation; disruptions to our global technology infrastructure, including through cyberattack, ransom attack, or cyber-intrusion; adverse changes in international trade policies and relations; disruptions in global supply chains; significant volatility in commodity prices and supply of energy resources; political and social instability; changes in consumer or purchaser preferences and constraints; volatility, or disruption in the capital markets, any of which could negatively affect our business and financial condition.

71. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business and cash flows.

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Central Government notified and brought into force the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations ("**Combination Regulations**") under the Competition Act with effect from June 1, 2011. The Combination Regulations require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India. Additionally, on May 11, 2011, the Competition Commission of India issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the Competition Commission of India has extraterritorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We do not have any outstanding notices in relation to non-compliance with the Competition Act or the agreements entered into by us.

However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the Competition Commission of India, or any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission of India or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business and cash flows.

72. Any downgrade in India's sovereign debt rating by an international rating agency may affect our business and financial performance and the price of our Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. For further details of our credit ratings, see "*Our Business – Description of Our Business and Operations – Credit Ratings*" on page 221. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares

73. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects, cash flows and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change.

Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our business, prospects, cash flows and results of operations.

Further, any future amendments may affect our tax benefits such as exemptions for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemptions for interest received in respect of tax-free bonds, and long-term capital gains on equity shares.

The Government of India has announced the union budget for the Fiscal 2024, pursuant to which the Finance Act 2024 has proposed various amendments. We have not fully determined the impact of these recent and proposed laws and regulations on our business.

The Government introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labor legislations. Except certain portions of the Wages Code, which have come into force pursuant to notification by Ministry of Labor and Employment, the rules for implementation under such codes are yet to be notified.

On September 2, 2022, the RBI issued the 'Guidelines on Digital Lending' following the 'Recommendations of the Working Group on Digital Lending – Implementation' issued by the RBI on August 10, 2022. Our Company is engaged in digital lending within the meaning of the Guidelines on Digital Lending. On June 8, 2023, the RBI issued the 'Guidelines on Default Loss Guarantee' ("**DLG Guidelines**") in Digital Lending. The DLG Guidelines is applicable to our Company. Failure to comply with the obligations in a timely manner may lead to imposition of penalties, and/or other regulatory action being taken by the RBI against us, which may adversely affect our business operations.

Furthermore, changes in capital gains tax or tax on capital market transactions or the sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

We cannot predict the impact of any changes in or interpretations of existing, or the promulgation of, new laws, rules, and regulations applicable to us and our business. Unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us, our business, operations, or group structure being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. We may incur increased costs and expend resources relating to compliance with such new requirements, which may also require significant management time, and any failure to comply may adversely affect our business, results of operations, cash flows and prospects. Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve. It may also impact the viability of our current business or restrict our ability to grow our business in the future.

For details, see "*Key Regulations and Policies*" on page 226. For further discussion on capital gains tax, see " *Investors may be subject to Indian taxes arising out of income arising from distribution of dividend and sale of the Equity Shares.*" on page 67.

74. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other exceptions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If a transfer of shares, which are sought to be transferred, is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or conditions or at all.

For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 497.

75. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

76. Investors may not be able to enforce a judgment of a foreign court against our Company.

Our Company is incorporated under the laws of India. Our Company's assets are located in India and all of our Company's Directors, Key Managerial Personnel and Senior Management Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under the FEMA to repatriate any amount recovered, and such approval may not be forthcoming.

The recognition and enforcement of foreign judgments in India are governed by Sections 13 and 44A of the Civil Code, which provide that a suit must be brought in India within three years of the date of the judgment sought to be enforced. Generally, there are considerable delays in the disposal of suits by Indian courts. Furthermore, enforcement of foreign arbitral awards is governed under Sections 48, 49, 55 and 57 of the Arbitration and Conciliation Act, 1996. However, the courts may refuse to enforce such awards if the courts find that the subject matter of the dispute is not capable of being settled under the laws of India or if the enforcement would be contrary to the public policy of India.

77. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Takeover Regulations. Further, there are requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Takeover Regulations if the shareholding of any entity exceeds the specified threshold.

Risks Related to the Offer

78. Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Offer

Price may not be indicative of the market price of the Equity Shares after the Offer.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market for our Equity Share on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Furthermore, the Offer Price of the Equity Shares will be determined through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" beginning on page 113 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Managers is below their respective issue price. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts, the activities of competitors and lenders, future issuances and sales of the Equity Shares by our Company or our shareholders, variations in our operating results of our Company, differences between our actual financial and operating results and those expected by investors and analysts, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, actual or purported "short squeeze" trading activity, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, the market capitalization not being indicative of the valuation of our business, and changes in economic, legal and other regulatory factors. We cannot assure you that an active market will develop, or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. Recent stock run-ups, divergences in valuation ratios relative to those seen during traditional markets, high short interest or short squeezes, and strong and atypical retail investor interest in the markets may also impact the demand for and price of our shares that are not directly correlated to our operating performance. On some occasions, our stock price may be, or may be purported to be, subject to "short squeeze" activity. A "short squeeze" is a technical market condition that occurs when the price of the stock increases substantially, forcing market participants who have taken a position that its price would fall (i.e. who had sold the stock "short"), to buy it, which in turn may create significant, short-term demand for the stock not for fundamental reasons, but rather due to the need for such market participants to acquire the stock in order to forestall the risk of even greater losses. A "short squeeze" condition in the market for a stock can lead to short-term conditions involving very high volatility and trading that may or may not track fundamental valuation models. As a result of these fluctuations, our Equity Shares may trade at prices significantly below the Offer Price. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Offer Price.

For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*" commencing on page 462.

79. The average cost of acquisition of Equity Shares for our Selling Shareholders may be lower than the Offer Price.

The average cost of acquisition of Equity Shares for our Selling Shareholders may be lower than the Offer Price. The details of the average cost of acquisition of Equity Shares held by our Selling Shareholders as at the date of the DRHP is set out below:

Name	Number of Equity Shares	Average Cost of Acquisition per Equity Share (in ₹) *
Rajendra Kumar Setia	43,070,524	26.62
Rajendra Kumar Setia HUF	250,000	100.00
Evolvence Coinvest I	3,308,260	110.14
Evolvence India Fund III Ltd	1,608,980	310.76
Norwest	32,069,840	182.66
TPG	24,223,896	253.97

* *As certified by Shah Patni & Co., Chartered Accountants by way of their certificate dated May 1, 2024.*

Note:

(1) *1,017,447 equity shares were allotted to Rajendra Kumar Setia on March 31, 2021, which were partly paid and ₹ 2 per equity share (₹ 1.75 in face value and 0.25 paise in premium) was paid at the time of allotment of such equity shares, which were issued at an issue price of ₹ 725.59 ("**Partly Paid-up Shares**"). Of this 345,500 Partly Paid-up Shares were made fully paid up on September 6, 2023, and 671,947 Partly Paid-up Shares were made fully paid up on September 13, 2023. The balance amount paid for such partly paid up shares have not been taken into consideration for calculation of average cost of acquisition.*

(2) *Equity shares were fully paid-up when issued except for 1,017,447 equity shares allotted to Rajendra Kumar Setia as mentioned in note (1) above.*

(3) *Pursuant to a sub-division of shares, the Company has sub-divided 33,436,266 equity shares of face value of ₹ 2 each to 66,872,532 Equity Shares of face value of ₹1 each. The number of incremental shares due to sub-division have taken into consideration for calculation of weighted average price of Equity Shares acquired in the last one year, eighteen months and three years. Such transaction is authorized by resolution passed by the Shareholders dated March 11, 2024, with the record date as March 16, 2024.*

(4) *The bonus issue of 66,872,532 equity shares of face value ₹ 1 each in the ratio of one Equity Share for every one Equity Shares held by the Shareholders, authorized by a resolution passed by the Shareholders dated March 11, 2024, with the record date as March 16, 2024, has been considered for calculation of weighted average price of Equity Shares acquired in the last one year, eighteen months and three years.*

(5) *Cost/ Transfer price per equity share (including securities premium) in case of sale transactions shows the cost of shares sold using FIFO approach.*

For more details regarding weighted average cost of acquisition of Equity Shares by our Selling Shareholders, see "*Offer Document Summary – Weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus*" on page 24.

80. Our Company has issued Equity Shares during the preceding one year at a price that may be below the Offer Price.

In the preceding one year from the date of this Draft Red Herring Prospectus, our Company has issued Equity Shares at a price that may be lower than the Offer Price. For details of the issued Equity Shares in the preceding one year from the date of this Draft Red Herring Prospectus, see "*Capital Structure – Notes to Capital Structure – 1. Share capital history of our Company – (i) Equity Share Capital*" on page 85. The price at which Equity Shares have been issued by our Company in the preceding one year is not indicative of the price at which they will be issued or traded after listing.

For details on such allotments, see "*Capital Structure*" on page 84.

81. Investors may be subject to Indian taxes arising out of income arising from distribution of dividend and sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. Investors may be subject to payment of long-term or short-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more or less than 12 months immediately preceding the date of transfer. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose a tax on capital gains arising from the sale of shares of an Indian company.

In terms of the Finance Act, 2018, with effect from April 1, 2018, taxes payable by an assessee on the capital gains arising from transfer of long-term capital assets (introduced as Section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹ 100,000, subject to certain exceptions in case of resident individuals and Hindu Undivided Families. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

Under the Finance Act 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

82. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. However, Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Offer within such period as may be prescribed under applicable law, events affecting the Bidders' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

83. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution. However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in our Company would be reduced.

84. Future issuances or sales of Equity Shares, or convertible securities or other equity-linked securities could adversely affect the trading price of the Equity Shares or dilute the value of your investment.

Any future issuances could dilute the value of your investment in our Company. Further, our future issuances of Equity Shares, convertible securities or securities linked to the Equity Shares by us (including under employee stock option plans) or the disposal of Equity Shares by our Promoter or any of our other principal shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India, may significantly affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber the Equity Shares.

85. Fluctuation in the exchange rate of the Rupee and other currencies could have an adverse effect on the value of our Equity Shares, independent of our operating results.

Subject to requisite approvals, on listing, our Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends, if declared, in respect of our Equity Shares will be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to such investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by shareholders.

The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

86. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.

Subject to requisite approvals, the Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately two Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within three Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

For further details, see "*Offer Procedure*" on page 478.

87. Our Company is not, and does not intend to become, regulated as an investment company under the Investment Company Act and related rules. The Volcker Rule may affect the ability of certain types of entities to purchase the Equity Shares.

Our Company will not be subject to the provisions of the U.S. Investment Company Act, in reliance on Section 3(c)(7) thereof, which excludes from the definition of "investment company" any issuer whose outstanding securities are owned exclusively by "qualified purchasers" (as defined in such Section 3(c)(7)), and who meet the other conditions contained therein. For purposes of the Volcker Rule, a "covered fund" includes any issuer that would be an investment company but for the exclusions contained in Section 3(c)(1) or Section 3(c)(7) under the U.S. Investment Company Act.

The Volcker Rule may negatively affect the ability of certain types of entities to purchase the Equity Shares. The Volcker Rule generally prohibits "banking entities" (including certain of the Book Running Lead Managers and their affiliates) from engaging in proprietary trading, or from acquiring or retaining an "ownership interest" in, sponsoring or having certain relationships with "covered funds", subject to certain exclusions and exemptions under the Volcker

Rule. A “banking entity” generally includes any U.S. insured depository institution, any company that controls an U.S. insured depository institution (as defined in Section 3 of the U.S. Federal Deposit Insurance Act (12 U.S.C § 1813)), subject to certain exclusions), any company that is treated as a bank holding company for purposes of Section 8 of the U.S. International Banking Act of 1978, or any affiliate or subsidiary of any of the foregoing entities. The Volcker Rule’s prohibition on “covered fund” investments and proprietary trading activities is subject to certain limited exemptions, including for, among other things, certain underwriting and market making activities and the activities of qualified non-U.S. banking entities which are conducted solely outside the United States.

Any prospective investor in the Equity Shares should consult its own legal counsel regarding the potential impact of the Volcker Rule and its ability to purchase or retain the Equity Shares. None of the Company, the Selling Shareholders nor any Book Running Lead Managers nor any of their respective affiliates makes any representation to any prospective investor or purchaser of the Equity Shares regarding the or to such investor’s investment in the Equity Shares on the date of issuance or at any time in the future.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares of face value of ₹1 each#(1)(2)	Up to [●] Equity Shares aggregating up to ₹22,000.00 million
of which:	
(i) Fresh Issue(1)	Up to [●] Equity Shares aggregating up to ₹5,000.00 million
(ii) Offer for Sale(2)	Up to [●] Equity Shares aggregating up to ₹17,000.00 million
Including	
Employee Reservation Portion(3)	Up to [●] Equity Shares aggregating up to ₹ [●] million
Accordingly	
Net Offer	Up to [●] Equity Shares aggregating up to ₹[●] million
The Net Offer consists of:	
A) QIB Portion(4)(5)	Not more than [●] Equity Shares aggregating up to ₹[●] million
of which:	
Anchor Investor Portion(6)	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)(5)	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion(4)(7)	Not less than [●] Equity Shares aggregating up to ₹[●] million
Of which:	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000	[●] Equity Shares
Two-thirds of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1,000,000	[●] Equity Shares
C) Retail Portion(4)	Not less than [●] Equity Shares aggregating up to ₹[●] million
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	133,799,152 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of proceeds of the Offer	See "*Objects of the Offer*" on page 107 for details regarding the use of Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

(1) *The Offer has been approved by our Board pursuant to the resolution passed at its meeting held on April 18, 2024 and our Shareholders have authorized Fresh Issue pursuant to a special resolution passed at their meeting held on April 25, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated April 30, 2024.*

(2) *Each of the Selling Shareholders, severally and not jointly, has confirmed and authorized its participation in the Offer for Sale in relation to its portion of the Offered Shares. Each of the Selling Shareholders, severally and not jointly, confirms that their respective portion of the Offered Shares has been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations or are otherwise eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. The details of such authorisations are provided below:*

Name of the Selling Shareholder	*Aggregate proceeds from Offer for Sale*	*Maximum number of Offered Shares*	*Date of board resolution/ authorization*	*Date of consent letter*
Promoter Seling Shareholders				
Rajendra Kumar Setia	*Up to ₹1,800.00 million*	*Up to [●] Equity Shares*	-	*April 29, 2024*
Rajendra Kumar Setia HUF	*Up to ₹ 200.00 million*	*Up to [●] Equity Shares*	*April 29, 2024*	*April 29, 2024*
Investor Seling Shareholders				
Evolvence Coinvest I	*Up to ₹ 750.00 million*	*Up to [●] Equity Shares*	*April 16, 2024*	*April 29, 2024*
Evolvence India Fund III Ltd	*Up to ₹ 250.00 million*	*Up to [●] Equity Shares*	*April 16, 2024*	*April 29, 2024*
Norwest	*Up to ₹ 7,000.00 million*	*Up to [●] Equity Shares*	*April 15, 2024*	*April 29, 2024*
TPG	*Up to ₹ 7,000.00 million*	*Up to [●]Equity Shares*	*April 3, 2024*	*April 29, 2024*

(3) *The Employee Reservation Portion shall not exceed 5.00% of our post-Offer paid-up Equity Share capital. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer. For further details, see "Offer Structure" on page 475. Unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee Bidding in the Employee Reservation Portion shall not exceed ₹200,000. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after such allocation up to ₹500,000), shall be added to the Net Offer. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits.*

(4) *Subject to valid bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws.*

(5) *Our Company, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 478. Allocation to all categories shall be made in accordance with the SEBI ICDR Regulations.*

(6) *Allocation to Bidders in all categories except the Anchor Investor Portion, the Non-Institutional Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see "Offer Procedure" on page 478.*

(7) *The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹200,000 and up to ₹1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non- Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.*

Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see "*Offer Procedure*" and "*Offer Structure*" on pages 478 and 475, respectively. For details of the terms of the Offer, see "*Terms of the Offer*" on page 469.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Restated Summary Statements for the nine months period ended December 31, 2023 and December 31, 2022 and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021. The summary financial information presented below should be read in conjunction with "*Restated Summary Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 312 and 402, respectively.

(The remainder of this page has intentionally been left blank)

SUMMARY OF RESTATED BALANCE SHEET

(₹ in millions)

Particulars	As at				
	December 31, 2023	**December 31, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
ASSETS					
Financial assets					
Cash and cash equivalents	7,038.81	4,667.03	7,574.87	1,745.59	2,333.15
Bank balance other than cash and cash equivalents	6,196.86	5,684.20	4,623.07	4,433.45	3,850.93
Derivative financial instruments	215.04	259.00	250.81	47.96	-
Receivables					
Other receivables	52.98	135.42	107.51	22.31	44.73
Loans	86,739.80	64,640.77	69,903.93	46,433.02	32,798.97
Investments	4,595.94	5,013.44	5,261.19	7,818.43	2,588.76
Other financial assets	1,337.17	573.36	796.81	280.60	279.95
Total financial assets	**1,06,176.60**	**80,973.22**	**88,518.19**	**60,781.36**	**41,896.49**
Non-financial assets					
Current tax assets (net)	147.33	226.28	222.85	100.27	-
Deferred tax assets (net)	310.54	374.43	264.02	361.78	388.82
Property, plant and equipment	1,547.41	1,164.94	1,326.41	973.77	560.16
Capital work-in-progress	45.29	18.30	41.76	-	4.28
Intangible assets under development	11.24	10.75	11.24	1.64	8.94
Other intangible assets	133.46	58.32	103.52	58.37	11.81
Other non-financial assets	124.40	97.18	68.60	42.46	35.19
Total non-financial assets	**2,319.67**	**1,950.20**	**2,038.40**	**1,538.29**	**1,009.20**
Total assets	**1,08,496.27**	**82,923.42**	**90,556.59**	**62,319.65**	**42,905.69**
LIABILITIES AND EQUITY					
LIABILITIES					
Financial liabilities					
Derivative financial instruments	15.64	10.52	3.77	5.24	5.06
Debt securities	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Borrowings (other than debt securities)	61,141.20	45,412.85	53,281.82	30,037.82	16,637.38
Subordinated liabilities	-	204.06	-	203.66	402.94
Other financial liabilities	1,960.64	1,205.29	1,572.22	1,203.96	762.39
Total financial liabilities	**80,886.68**	**65,282.97**	**72,007.41**	**46,186.47**	**33,010.98**
Non-financial liabilities					
Current tax liabilities (net)	-	-	-	-	62.70
Provisions	127.88	93.36	105.62	86.27	55.38
Other non-financial liabilities	98.75	99.80	106.16	82.52	61.86
Total non-financial liabilities	**226.63**	**193.16**	**211.78**	**168.79**	**179.94**
EQUITY					
Equity share capital	64.44	58.21	58.64	58.17	52.18
Other equity	27,318.52	17,389.08	18,278.76	15,906.22	9,662.59
Total equity	**27,382.96**	**17,447.29**	**18,337.40**	**15,964.39**	**9,714.77**
Total liabilities and equity	**1,08,496.27**	**82,923.42**	**90,556.59**	**62,319.65**	**42,905.69**

SUMMARY OF RESTATED STATEMENT OF PROFIT AND LOSS (INCLUDING OTHER COMPREHENSIVE INCOME)

(₹ in millions except otherwise stated)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operation					
Interest income	11,702.68	8,608.33	12,105.22	7,722.56	6,380.88
Fees and commission income	443.77	275.19	394.76	247.35	145.06
Net gain on fair value changes	93.49	139.96	210.01	143.93	129.87
Net gain on de-recognition of financial instruments under amortised cost category	847.23	188.88	317.69	29.98	72.76
Total revenue from operations (I)	**13,087.17**	**9,212.36**	**13,027.68**	**8,143.82**	**6,728.57**
Other income (II)	65.09	71.56	114.73	63.05	96.35
Total income (III = I+II)	**13,152.26**	**9,283.92**	**13,142.41**	**8,206.87**	**6,824.92**
Expenses					
Finance costs	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Impairment on financial instruments	1,109.06	833.93	917.46	162.85	927.88
Employee benefits expenses	2,768.50	2,112.44	2,828.05	2,049.22	1,193.40
Depreciation and amortization	256.80	184.73	252.03	158.14	113.33
Other expenses	710.00	509.77	767.98	592.48	386.02
Total expenses (IV)	**10,343.52**	**7,462.96**	**10,240.32**	**6,430.84**	**5,590.76**
Profit before tax (V = III-IV)	**2,808.74**	**1,820.96**	**2,902.09**	**1,776.03**	**1,234.16**
Tax expense					
(1) Current tax	679.64	457.23	588.28	364.37	429.54
(2) Tax related to earlier years	-	(12.56)	(12.56)	(46.56)	89.53
(3) Deferred tax	(41.91)	(12.54)	98.51	29.48	(195.74)
Total tax expense (VI)	**637.73**	**432.13**	**674.23**	**347.29**	**323.33**
Profit for the period/year (VII= V-VI)	**2,171.01**	**1,388.83**	**2,227.86**	**1,428.74**	**910.83**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit plans	(18.32)	(0.45)	(2.98)	(9.67)	0.46
Income tax relating to items that will not be reclassified to profit or loss	4.61	0.11	0.75	2.44	(0.12)
Other comprehensive income (VIII)	**(13.71)**	**(0.34)**	**(2.23)**	**(7.23)**	**0.34**
Total comprehensive income for the period/year (IX=VII+VIII) (comprising profit and other comprehensive income for the period/year)	**2,157.30**	**1,388.49**	**2,225.63**	**1,421.51**	**911.17**
Earnings per equity share par value of ₹ 2 each					
Basic (₹)#	17.78	11.94	19.13	12.62	9.04
Diluted (₹)#	17.55	11.69	18.79	12.41	8.95

Not annualised for the periods ended December 31, 2023 and December 31, 2022

Note 1: Earnings per share (basic) and Earnings per share (diluted) represent the earnings per Equity Share of ₹1 each – Basic and the earnings per Equity Share of ₹1 each – Diluted, respectively, which are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Earnings per share (basic) is calculated by dividing the profit for the period/year attributable to equity holders by the weighted average number of equity shares outstanding during the period/year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Earnings per share (diluted) is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the period/year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The Board in its meeting held on February 1, 2024 and Shareholders in the extraordinary general meeting held on March 11, 2024 approved the sub-division of shares from ₹2 per share to ₹1 per share and also approved the bonus share in the ratio of 1:1 with effect from March 16, 2024. The number of shares used for the calculation of earnings per share, and the earnings per share(including that in the comparative periods), have been adjusted for pursuant to paragraph 64 of Ind AS 33 – "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

SUMMARY OF RESTATED STATEMENT OF CASH FLOWS

(₹ in millions)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities					
Profit before tax	**2,808.74**	**1,820.96**	**2,902.09**	**1,776.03**	**1,234.16**
Adjustments for:					
Loss/(gain) on sale of property, plant and equipment	(0.21)	0.18	2.15	2.24	2.05
Finance costs	5,496.06	3,822.09	5,469.07	3,468.15	2,970.13
Interest income	(11,702.68)	(8,608.33)	(12,105.22)	(7,722.56)	(6,380.88)
Net (gain) on de-recognition of financial instruments under amortised cost category	(847.23)	(188.88)	(317.69)	(29.98)	(72.76)
Net (gain) on investments	(126.06)	(100.88)	(155.91)	(133.63)	(79.75)
Impairment on financial instruments	1,109.06	833.93	917.46	162.85	927.88
Employee share based payment expenses	126.87	87.86	82.99	7.20	13.35
Depreciation and amortization	256.80	184.73	252.03	158.14	113.33
	(2,878.65)	**(2,148.34)**	**(2,953.03)**	**(2,311.56)**	**(1,272.49)**
Cash inflow from interest on loans	11,021.69	7,902.13	10,766.15	7,268.10	5,872.42
Cash outflow towards finance cost	(4,938.68)	(3,995.68)	(5,749.06)	(3,519.77)	(3,042.99)
Cash generated from operation before working capital changes	**3,204.36**	**1,758.11**	**2,064.06**	**1,436.77**	**1,556.94**
Working capital changes:					
(Increase)/decrease in trade receivables	54.54	(113.10)	(85.20)	22.42	(27.17)
(Increase) in loans	(18,023.67)	(18,980.67)	(24,127.20)	(13,782.23)	(4,947.35)
(Increase)/decrease in other financial assets	76.14	(142.06)	(108.90)	(58.24)	(83.58)
(Increase)/decrease in other non-financial assets	(55.80)	(54.72)	(26.14)	(7.16)	8.36
Increase in other financial liabilities	515.24	101.53	507.65	545.90	254.62
Increase/(decrease) in provisions	3.95	6.64	16.37	21.23	(18.16)
Increase/(decrease) in other non-financial liabilities	(7.40)	17.28	23.64	20.55	26.88
	(14,232.64)	**(17,406.99)**	**(21,735.72)**	**(11,800.76)**	**(3,229.46)**
Income taxes paid (net of refunds)	(604.12)	(570.68)	(698.31)	(480.77)	(477.05)
Net cash (used in) operating activities (A)	**(14,836.76)**	**(17,977.67)**	**(22,434.03)**	**(12,281.53)**	**(3,706.51)**
Cash flows from investing activities					
Purchase of property, plant and equipment, capital work in progress and other intangible assets	(518.70)	(405.46)	(705.76)	(610.72)	(242.29)
Proceeds from sale of property, plant and equipment	7.62	2.03	2.41	1.75	2.76
Investment in fixed deposits	(5,775.04)	(8,371.08)	(19,076.48)	(4,984.45)	(10,039.91)
Proceeds from redemption of fixed deposits	4,176.38	7,013.19	19,209.58	4,662.71	10,007.00
Purchase of investments	(82,044.85)	(57,647.31)	(90,930.74)	(38,868.09)	(4,543.21)
Proceeds from redemptions of investments	82,752.59	60,408.79	93,643.89	33,772.07	3,285.96
Interest received on investments	1,098.88	934.90	665.54	266.55	309.11
Net cash generated from / (used in) investing activities (B)	**(303.12)**	**1,935.06**	**2,808.44**	**(5,760.18)**	**(1,220.58)**
Cash flows from financing activities					
Proceeds from issue of shares including securities premium (net off expenses)	6,761.40	6.52	64.43	4,820.91	2.97
Proceeds from issue debt securities	5,100.00	8,210.00	12,460.00	1,850.00	10,183.00
Repayment of debt securities	(4,682.38)	(4,539.32)	(9,982.90)	(2,425.23)	(7,598.68)
Proceeds from borrowings (other than debt securities)	26,622.39	29,977.20	43,227.70	18,637.75	14,646.43
Repayment of borrowings (other than debt securities)	(19,070.77)	(14,590.15)	(20,174.97)	(5,324.93)	(10,527.10)
Payment of lease liability	(126.82)	(100.20)	(139.39)	(104.35)	(70.07)
Net cash generated from financing activities (C)	**14,603.82**	**18,964.05**	**25,454.87**	**17,454.15**	**6,636.55**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(536.06)	2,921.44	5,829.28	(587.56)	1,709.46
Add : cash and cash equivalents as at the beginning of the period/year	7,574.87	1,745.59	1,745.59	2,333.15	623.69
Cash and cash equivalents as at the end of the period/year	**7,038.81**	**4,667.03**	**7,574.87**	**1,745.59**	**2,333.15**
Components of cash and cash equivalents as at the end of the period/year					
Balances with banks	2,513.20	2,457.05	3,145.85	1,567.63	586.91
Term deposits with original maturity of 3 months or less	4,374.68	2,111.75	4,318.31	80.05	1,669.65
Cash on hand	150.93	98.23	110.71	97.91	76.59
	7,038.81	**4,667.03**	**7,574.87**	**1,745.59**	**2,333.15**

GENERAL INFORMATION

Corporate Identity Number and Registration Number

Corporate Identity Number: U65923RJ1994PLC009051

Company Registration Number: 009051

RBI Registration Number: B-10.00080

Registered Office of our Company

SK Finance Limited
G 1-2, New Market
Khasa Kothi, Jaipur 302 001
Rajasthan, India

For further details of our incorporation and changes to our name, see "*History and Certain Corporate Matters – Brief history of our Company*" on page 239.

Corporate Office of our Company

SK Finance Limited
Plot No. 36, Dhuleshwar Garden
C-Scheme, Jaipur 302 001
Rajasthan, India

Registrar of Companies

Our Company is registered with the Registrar of Companies, Rajasthan at Jaipur which is situated at:

Ministry Of Corporate Affairs
C/6-7, 1st Floor, Residency Area
Civil Lines, Jaipur 302 001
Rajasthan, India

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus shall be uploaded on the SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI master circular SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. It will also be filed with the SEBI at:

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex, Bandra (E)
Mumbai 400 051
Maharashtra, India

The Red Herring Prospectus along with the material contracts and documents therein, will be filed with the RoC as required under section 32 of the Companies Act, and a copy of the Prospectus will be filed with the RoC as required under Section 26 of the Companies Act through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Board of Directors of our Company

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

Name	Designation	DIN	Address
Amar Lal Daultani	Chairperson and Non-Executive Independent Director	05228156	Flat No. H 602, Marvel Zephyr, Kharadi South Main Road, Vithal Nagar, Kharadi, Pune 411 014, Maharashtra, India
Rajendra Kumar Setia	Managing Director and Chief Executive Officer	00957374	2 CHA 12, Jawahar Nagar, Jaipur 302 004, Rajasthan, India
Yash Setia	Whole-time Director	09831391	2 CHA 12, Jawahar Nagar, Jaipur 302 004, Rajasthan, India
Anand Raghavan	Non-Executive Independent Director	00243485	22/1, Warren Road, Mylapore, Chennai 600 004, Tamil Nadu, India
Nanda Sameer Dave	Non-Executive Independent Director	08673208	B1101-02, Paras Emperor, Bawadia Kalan, Huzur, Bhopal 462 039, Madhya Pradesh, India

Name	Designation	DIN	Address
Mukul Mathur	Non-Executive Independent Director	10025806	E-103, Jacaranda Block, Brigade Millennium, JP Nagar, 7th Phase, Bangalore 560 078, South JP Nagar, Karnataka
Simit Batra(1)	Non-Executive Nominee Director	09739615	1601, Wing F, Rustomjee Seasons, Madhusudan Kalelkar Road, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Suburban Maharashtra, India
Debanshi Basu(2)	Non-Executive Nominee Director	07135074	603/604, B-Wing, Magnolia-Nahar, Amrit Shakti, Powai, Andheri East, Mumbai 400 072, Maharashtra, India

(1) Nominee of TPG
(2) Nominee of Baring Private Equity AIF

For further details of our Board, see "*Our Management*" on page 246.

Our Company Secretary and Compliance Officer

Anagha Bangur is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth below:

G 1-2, New Market
Khasa Kothi, Jaipur 302 001
Rajasthan, India
Telephone: +91 0141 4161652
Email: cs@skfin.in

Statutory Auditor

S.R. Batliboi & Associates LLP, Chartered Accountants
67, Institutional area
Sector 44, Gurugram 122 003
Haryana, India
Telephone: +91 124 681 6000
E-mail: srba@srb.in
Peer Review Number: 013325
Firm Registration Number: 101049W/E300004

Changes in Auditors

Except as stated below, there has been no change in the statutory auditors during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Particulars	Date	Reason for change
S.R. Batliboi & Associates LLP, Chartered Accountants 67, Institutional area, Sector 44, Gurugram 122 003, Haryana, India **Telephone**: +91 124 681 6000 **E-mail**: srba@srb.in **Peer Review Number**: 013325 **Firm Registration Number**: 101049W/E300004	August 18, 2021	Appointment as Statutory Auditors of our Company.
B S R & Co. LLP, Chartered Accountants 14th Floor, Central B Wing and North C Wing Nesco IT Park 4, Nesco Center Western Express Highway Goregaon (East), Mumbai 400 063 Maharashtra, India **Telephone**: +91 22 6257 1000 **E-mail**: asuvarna@bsraffiliates.com **Peer Review Number**: 011748 **Firm Registration Number**: 101248W/W-100022	August 18, 2021	Resignation pursuant to the RBI's Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (Sas) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited
27BKC, 1st Floor, Plot No. C – 27
"G" Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
E-mail: skfinance.ipo@kotak.com
Investor grievance ID: kmccredressal@kotak.com
Website: https://investmentbank.kotak.com
Contact person: Ganesh Rane
SEBI registration no.: INM000008704

Jefferies India Private Limited
Level 16, Express Towers
Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: +91 22 4356 6000
E-mail: skfinance.ipo@jefferies.com
Investor grievance ID: jipl.grievance@jefferies.com
Website: https://www.jefferies.com
Contact person: Suhani Bhareja
SEBI registration no: INM000011443

Motilal Oswal Investment Advisors Limited
Rahimtullah Sayani Road
Opposite Parel ST Depot, Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 7193 4380
E-mail: skf.ipo@motilaloswal.com
Investor grievance ID: moiaplredressal@motilaloswal.com
Website: https://www.motilaloswalgroup.com
Contact person: Ritu Sharma
SEBI registration no: INM000011005

Nomura Financial Advisory and Securities (India) Private Limited
Ceejay House, Level 11, Plot F
Shivsagar Estate, Dr. Annie Besant Road, Worli
Mumbai 400 018, Maharashtra, India
Tel: +91 22 4037 4037
E-mail: skfinanceipo@nomura.com
Investor grievance ID: investorgrievances-in@nomura.com
Website:
https://www.nomuraholdings.com/company/group/asia/nfaspl.html
Contact person: Vishal Kanjani/Pradeep Tewani
SEBI registration no.: INM000011419

Legal Advisors to the Company

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Towers
19, Brunton Road
Bengaluru 560 025
Karnataka, India
Tel: +91 80 6792 2000

Registrar to the Offer

KFin Technologies Limited
Selenium Tower B, Plot No. 31 and 32
Financial District, Nanakramguda,
Serilingampally
Hyderabad, 500 032
Telangana, India
Tel: +91 40 6716 2222/18003094001
E-mail: skfinanceltd.ipo@kfintech.com
Website: www.kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact person: M. Murali Krishna
SEBI Registration No.: INR000000221

Bankers to the Offer

Escrow Collection Bank(s), Refund Banks and Public Offer Account Bank

[●]

Sponsor Banks

[●]

Bankers to our Company

Axis Bank
CBB Delhi, 3rd Floor
Plot No. 25, New Delhi 110 005
Delhi, India
Telephone Number: +91 4739 6613
Contact Person: Neetu Vishwakarma
Website: www.axisbank.com

Bank of Baroda
Mid Corporate Branch
1st Floor, Nehru Place, Tonk Road
Jaipur 302 015, Telangana, India
Telephone Number: 0141 409 6909
Contact Person: Tarun Kumar Sharma
Website: www.bankofaroda.com

Email: neetu.vishwakarma@axisbank.com

The Federal Bank Limited
Showroom No. 11
Zodiac Square, Opposite Gurudwara
S.G. Highway, Ahmedabad 380 054
Gujarat, India
Telephone Number: +91 82380 60002
Contact Person: Gaurav Ashokkumar Shah
Website: www.federalbank.co.in
Email: gauravas@federalbank.co.in

RBL Bank Limited
One World Centre, Tower 2B
6th Floor, 841, Senapati Bapat Marg
Lower Parel (W), Mumbai 400 013
Maharashtra, India
Telephone Number: +91 22430 20600
Contact Person: Ashish Toshniwal
Website: www.rblbank.com
Email: Ashish.Toshniwal@rblbank.com

Union Bank of India
Ground Floor, Royal Sundaram Apartment
Vivekanand Marg, C Scheme
Jaipur 302 001, Rajasthan, India
Telephone Number: 141 2372 170
Contact Person: Prem Ranjan Kumar
Website: www.unionbnakofindia.com
Email: ubin0579203@unionbankofindia

ICICI Bank
ICICI Bank Ltd
Times Tower
Gurugram 122 001
Haryana, India
Telephone Number: +91 44-45146118
Contact Person: Ramakrishnan Venkatesh
Website: www.icicibank.com
Email: Ramakrishnan.venkatesh@icicibank.com

Kotak Mahindra Bank Limited
3rd Floor, 27 BKC, C 27,G Block,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 005, Maharashtra, India
Telephone Number: 022 6166 0397
Contact Person: Rishabh Goyal
Website:
Email: rishabh.goyal@kotak.com

Bandhan Bank Limited
DN -32, Salt Lake Sector – V
Kolkata 700 091
West Bengal, India
Telephone Number: +91 033 6609 0909
Contact Person: Anurag Pandey
Website: www.bandhanbank.com
Email: anurag.pandey@bandhanbank.com

DBS Bank India Limited
The Ruby – 6th Floor,
29, Senapati Bapat Marg,
Tulsi Pipe Road, Dadar West
Mumbai 400 028, Maharashtra, India
Telephone Number: 7054648123
Contact Person: Rohan Shukla

Email: midjpr@bankofbaroda.co.in

IDFC First Bank
2nd Floor, Express Building
9-10 Bahadur Shah Zafar Marg
New Delhi 110 002, Delhi, India
Telephone Number: 9958747939; 8199822047
Contact Person: Arun Kumar/Sunny Saxena
Website: www.idfcfirstbank.com
Email: Arun.kumar4@idfcfirstbank.com
/sunny.saxena@idfcfirstbank.com

State Bank of India
SBI, Overseas Branch,
2nd Floor, Cuffe Parade
Mumbai 400 005
Maharashtra, India
Telephone Number: +91 22221 79701
Contact Person: Sapan Kumar Chakrovorty
Website: www.sbi.co.in
Email: sbi.04791@sbi.co.in

YES Bank Limited
444, Udyog Vihar, Phase V
Gurgaon 122 016, Haryana, India
Telephone Number: 9871868520
Contact Person: Nivedita Yadav/Sandeep Dara
Website: www.yesbank.in
Email: Nivedita.yadav@yesbank.in /
Sandeep.dars@yesbank.in

IndusInd Bank
IndusInd Bank Limited – Corporate Office
One World Center – Tower 1 – 11th Floor
841, S.B. Marg, Elphinstone Road
Mumbai 400 013, Maharashtra, India
Telephone Number: +91 22 7143 2256
Contact Person: Digvijay Singh Yadav
Website: www.indusind.com
Email: Digvijay.Yadav@indusind.com

Punjab and Sind Bank
27/29, Ambalal Doshi Marg, Fort
Mumbai 400 001
Maharashtra, India
Telephone Number: +91 2235135825
Contact Person: Harpreet Singh/Sujata Parida
Website: www.punjabandsindbank.co.in
Email: b0385@psb.co.in

Canara Bank
Canara Bank Building, B Wing, 1st Floor, C-14
G Block, Bandra Kurla Complex, Bandra (E)
Mumbai 400 051, Maharashtra, India
Telephone Number: 022 - 26728202
Contact Person: Dhananjay M Mohana
Website: www.canarabank.com
Email: cb6643@canarabank.com

HDFC Bank Limited
HDFC Bank House,
Senapati Bapat Marg
Lower Parel, Mumbai 400 013
Maharashtra, India
Telephone Number: 022-24988484
Contact Person: Conrad D'Souza

Website: www.dbsbank.com/in
Email: rohanshukla@dbs.com

Website: www.hdfcbank.com
Email: investorcare@hdfc.com

The Hongkong and Shanghai Corporation Bank Limited, India
HSBC Main Building, 5th Floor, 52/60, Fort
Mumbai 400 001, Maharashtra, India
Telephone Number: 98113 45375
Contact Person: Akhil Singhal
Website: www.hcbc.co.in
Email: akhil.singhal@hsbc.co.in

Syndicate Members

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidders), not bidding through Syndicate/ Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the respective Stock Exchanges at www.bseindia.com/ and www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the respective Stock Exchanges at www.bseindia.com/Static/PublicIssues/RtaDp.aspx and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the respective Stock Exchanges at www.bseindia.com/Static/PublicIssues/RtaDp.aspx and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts to the Offer

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received written consent dated May 1, 2024 from S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26 (1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated April 18, 2024 on our Restated Summary Statements; and (ii) their report dated April 30, 2024 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated May 1, 2024 from B S R & Co. LLP, Chartered Accountants, to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act to the extent and in their capacity as our Previous Statutory Auditor and in respect of their examination report, dated April 18, 2024 on our Restated Summary Statements for the year ended March 31, 2021 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated May 1, 2024 from Shah Patni & Co., Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name, in this Draft Red Herring Prospectus, as an 'expert' as defined under Section 2(38) of Companies Act in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Inter-se allocation of responsibilities among the Book Running Lead Managers to the Offer

The following table sets forth the inter-se allocation of responsibilities for various activities in relation to the Offer among the Book Running Lead Managers:

S. No.	Activity	Responsibility	Coordinator
1.	Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	BRLMs	Kotak
2.	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc.	BRLMs	Kotak
3.	Drafting and approval of all statutory advertisements	BRLMs	Kotak
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	BRLMs	Nomura
5.	Appointment of intermediaries - Registrar to the Offer, advertising agency, Banker(s) to the Offer, Sponsor Bank, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	Jefferies
6.	Preparation of road show presentation and frequently asked questions	BRLMs	Nomura
7.	International institutional marketing of the Offer, which will cover, *inter alia*: • Marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule	BRLMs	Jefferies
8.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule	BRLMs	Kotak
9.	Retail marketing of the Offer, which will cover, *inter alia*, • Finalising media, marketing and public relations strategy including list of frequently asked questions at road shows; • Finalising centres for holding conferences for brokers, etc.; • Follow-up on distribution of publicity and Offer material including application form, the Prospectus and deciding on the quantum of the Offer material; and • Finalising collection centres	BRLMs	Motilal
10.	Non-Institutional marketing of the Offer, which will cover, *inter alia*, • Finalising media, marketing and public relations strategy; and • Finalising centres for holding conferences for brokers, etc.	BRLMs	Motilal
11.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination, anchor CAN and	BRLMs	Nomura

S. No.	Activity	Responsibility	Coordinator
	intimation of anchor allocation		
12.	Managing the book and finalization of pricing in consultation with the Company	BRLMs	Jefferies
13.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs, Sponsor Banks and other Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Other post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the final post-Offer report to SEBI, release of 1% security deposit post closure of the Offer	BRLMs	Motilal

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of the SEBI ICDR Regulations. The relevant details shall be included in the Red Herring Prospectus.

Appraising Entity

None of the objects for which the Net Proceeds are proposed to be utilised have been appraised by any agency.

Credit Rating

As this is an Offer of Equity Shares, there is no credit rating required for the Offer.

Debenture Trustees

As this is an Offer of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Illustration of the Book Building Process

Book building in the context of the Offer refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid Cum Application Forms (and the Revision Forms), if any, within the Price Band and the minimum Bid Lot, which will be decided by our Company in consultation with the Book Running Lead Managers, and advertised in all editions of [●], a widely circulated English national daily newspaper and in all editions of [●], a widely circulated Hindi national daily newspaper (Hindi also being the regional language of Rajasthan, where our Registered Office is located) at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company in consultation with the Book Running Lead Managers, after the Bid/ Offer Closing Date. For further details, see "*Offer Procedure*" on page 478.

All Bidders (other than Anchor Investors) shall participate in this Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the UPI Bidders may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs and Eligible Employees bidding in Employee Reservation Portion bidding in the Retail Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date Except for Allocation to RIBs, Non-Institutional Bidders and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis and allocation to the Non-Institutional Investors will be in a manner as may be introduced under applicable laws.

Each Bidder will be deemed to have acknowledged the above restrictions and the terms of the Offer, by submitting their Bid in the Offer.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the Bidders are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

The Bidders should note that the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment as per the prescribed timelines in compliance with the SEBI ICDR Regulations.

For further details, see "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" on pages 469, 475 and 478, respectively.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company, the Selling Shareholders and the Registrar intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. Specific details below have been intentionally left blank and will be filled in before filing of the Prospectus with the RoC, and this portion will be applicable upon the execution of the Underwriting Agreement and filing of the Prospectus with the RoC, as applicable)

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (in ₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The aforementioned underwriting commitments are indicative and will be finalised after the Offer Price is determined and allocation of Equity Shares in accordance with provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the aforementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The aforementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board of Directors/ IPO Committee, at its meeting held on [●], approved the acceptance and entering into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. The extent of underwriting obligations (including any defaults in payment for which the respective Underwriter is required to procure purchasers for or purchase the Equity Shares to the extent of the defaulted amount) and the Bids to be underwritten in the Offer by each Book Running Lead Manager shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below:

(in ₹, except share data unless otherwise stated)

Sr. No.	Particulars	Aggregate nominal value at face value	Aggregate value at Offer Price*
A.	**AUTHORISED SHARE CAPITAL(1)**		
	300,000,000 Equity Shares of face value of ₹1 each	300,000,000	
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL (BEFORE THE OFFER)**		
	133,799,152 Equity Shares of face value of ₹1 each	133,799,152	
D.	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹22,000.00 million(2)(3)(4)	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹5,000.00 million(2)(3)	[●]	[●]
	Offer for Sale of up to [●] Equity Shares of face value of ₹1 each by the Selling Shareholders aggregating up to ₹17,000.00 million(4)	[●]	[●]
	which includes		
	Employee Reservation Portion of up to [●] Equity Shares(5)	[●]	[●]
	Net Offer of up to [●] Equity Shares	[●]	[●]
E.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER***		
	[●] Equity Shares of face value of ₹1 each	[●]	-
F.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	20,977.09 million	
	After the Offer	[●]	

* *To be included upon finalisation of the Offer Price, and subject to the Basis of Allotment.*

(1) *For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 239.*

(2) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.*

(3) *The Offer has been approved by our Board pursuant to the resolution passed at its meeting held on April 18, 2024 and our Shareholders have authorized the Fresh Issue pursuant to a special resolution passed at their meeting held on April 25, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated April 30, 2024.*

(4) *Each of the Selling Shareholders, severally and not jointly, has specifically confirmed that its respective portion of the Offered Shares has been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations or are otherwise eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. For details on the authorizations and consents of each of the Selling Shareholders in relation to their respective Offered Shares, see "The Offer" and "Other Regulatory and Statutory Disclosures- Authorisation by the Selling Shareholders" on pages 70 and 447, respectively.*

(5) *Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. For further details, see "The Offer" on page 70.*

Notes to the Capital Structure

1. Share capital history of our Company

(i) ***Equity share capital***

The history of the equity share capital of our Company is set forth in the table below:

Date of allotment of equity shares	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
October 27, 1994	30	10 equity shares each were allotted to Arjun Das Setia, Raj Kumar Setia and Rajendra Kumar Setia	100	100.00	Cash	Pursuant to initial subscription to the Memorandum of Association	30	3,000
January 28, 1995	26,320	7,050 equity shares were allotted to Arjun Das Setia, 2,700 equity shares were allotted to Lajwanti Devi, 2,700 equity shares were allotted to Bhajan Devi, 1,900 equity shares were allotted to Murari Lal Kukar, 2,000 equity shares were allotted to Surendra Kumar Setia, 1,100 equity shares were allotted to Rajendra Kumar Setia, 1,000 equity shares were allotted to Raj Kumar Setia, 1,000 equity shares were allotted to Girdhari Lal Setia, 1,070 equity shares were allotted to Kewal Krishna Gaddi, 1,000 equity shares were allotted to Tulsi Ram Suthar, 700 equity shares were allotted to Shalini Setia, 700 equity shares were allotted to Ved Prakash Bhandari, 500 equity shares were allotted to Manish Gahlotra, 300 equity shares were allotted to Prabha Bhandari, 250 equity shares were allotted to Renuka Arora, 250 equity shares were allotted to Manohar Lal Chug, 250 equity shares were allotted to Poonam Gahlotra, 250 equity shares were allotted to Ved Prakash Juneja, 200 equity shares were allotted to Rakesh Narang, 200 equity shares were allotted to Ram Chand Shyam Lal, 200 equity shares were allotted to Arora Kirana Bhandar, 200 equity shares were allotted to Jai Lal Khatri, 200 equity shares to Shanti Devi, 100 equity shares were allotted to Anita Kumari, 100 equity shares were allotted to Renu Kumari, 100 equity shares were allotted to Rajendra Jaswa, 100 equity shares were allotted to Anil Kumar and 200 equity shares were allotted to Anisht Kumar	100	100.00	Cash	Preferential allotment	26,350	2,635,000
October 10, 1996	16,950	1,600 equity shares were allotted to M.L. Kukar, 500 equity shares were allotted to Ramesh Gupta, 8,000 equity shares were allotted to Aklavya Finvest & Terexim Private Limited, 3,000 equity shares were allotted to Perfect Capfin Private Limited, 3,000 equity shares were allotted to Ess Kay Finserve Private Limited, 300 equity shares were allotted to Rajendra Kumar Setia, 300 equity shares were allotted to Amar Chand Chug and 250 equity shares were allotted to Manish Gahlotra	100	100.00	Cash	Preferential allotment	43,300	4,330,000
March 24, 1998	640	250 equity shares were allotted to Pawan Kumar Sharma, 150 equity shares were allotted to Amar Chand Chug, 200 equity shares were allotted to M.L. Kukar, 10 equity shares were allotted to Swaran Kanta Kukar, 10 equity shares were allotted to Kamal Arora, 10 equity shares were allotted to	100	100.00	Cash	Preferential allotment	43,940	4,394,000

Date of allotment of equity shares	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
		S.L. Bindrani and 10 equity shares were allotted to Kanchan Bindrani						
March 31, 1999	2,680	10 equity shares were allotted to Nipin Goyal, 10 equity shares were allotted to BIFCO (proprietor Pramila Bafna), 10 equity shares were allotted to Hardevi Bindrani and 2,650 equity shares were allotted to Ajay Chhabra	100	100.00	Cash	Preferential allotment	46,620	4,662,000
November 9, 2000	13,520	1,500 equity shares were allotted to Ratan Devi Somani, 2,500 equity shares were allotted to Girraj Somani, 1,000 equity shares were allotted to Lalita Somani, 2,500 equity shares were allotted to Shiv Prasad Somani, 10 equity shares were allotted to Ankit Agarwal, 2,000 equity shares were allotted to Ghanshyam Singh Solanki, 1,000 equity shares were allotted to Asha Devi Agarwal, 1,000 equity shares were allotted to Prem Lata, 1,000 equity shares were allotted to Manish Choudhary, 1,000 equity shares were allotted to Sanjay Patodia and 10 equity shares were allotted to Swati Agarwal	100	100.00	Cash	Preferential allotment	60,140	6,014,000
March 31, 2001	10,030	10,000 equity shares were allotted to Vijay Ahuja, 10 equity shares were allotted to Dropdi Devi Kedia, 10 equity shares were allotted to Kamal Arora and 10 equity shares were allotted Vinay Kothari	100	100.00	Cash	Preferential allotment	70,170	7,017,000
September 11, 2002	10,000	5,000 equity shares were allotted Jai Dev Sharma, 3,000 equity shares were allotted to Vijay Ahuja and 2,000 equity shares were allotted to Rajesh Chug	100	100.00	Cash	Preferential allotment	80,170	8,017,000
March 31, 2005	10,000	2,500 equity shares were allotted to B P Buildtech Private Limited, 2,500 equity shares were allotted to Cube Indicus Advertising Private Limited, 3,000 equity shares were allotted to Jewapur Water Purification Private Limited and 2,000 equity shares were allotted to Saksons Investment & Finance Private Limited	100	200.00	Cash	Preferential allotment	90,170	9,017,000
December 29, 2008	12,250	6,000 equity shares were allotted to Trendy Knitwear Limited, 4,800 equity shares were allotted to Vinay Kumar Kothari, 200 equity shares were allotted to Sanjay Patodia, 1,250 equity shares were allotted to Ashutosh Goyal	100	500.00	Cash	Preferential allotment	102,420	10,242,000
March 30, 2009	9,880	2,800 equity shares were allotted to Mohan Kanwar Kothari, 2,100 equity shares were allotted to Pravina Kothari, 200 equity shares were allotted to Sanjeev Jain, 380 equity shares were allotted to Shalini Setia, 4,400 equity shares were allotted to Vinay Kumar Kothari HUF	100	500.00	Cash	Preferential allotment	112,300	11,230,000
March 31, 2010	10,850	3,650 equity shares were allotted to Asha Kothari, 2,000 equity shares were allotted to Mantra Trading Company Private Limited, 2,000 equity shares were allotted to Vajra Trading Company Private Limited and 3,200 equity shares were allotted to Ess Kay Finserve Private Limited	100	500.00	Cash	Preferential allotment	123,150	12,315,000

Date of allotment of equity shares	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
March 31, 2011	41,640	800 equity shares were allotted to Shalini Setia, 320 equity shares were allotted to Arjun Das Setia and 40,520 equity shares were allotted to Rajendra Kumar Setia	100	500.00	Cash	Preferential allotment	164,790	16,479,000
December 27, 2011	17,620	17,620 equity shares were allotted to Rajendra Kumar Setia	100	500.00	Cash	Preferential allotment	182,410	18,241,000
March 5, 2012	60	60 equity shares were allotted to Banyan Tree Growth Capital LLC	100	1,500.00	Cash	Preferential allotment	182,470	18,247,000
March 31, 2012	17,048	1,200 equity shares were allotted to Arjun Das Setia, 13,480 equity shares were allotted to Rajendra Kumar Setia and 2,368 equity shares were allotted to Shalini Setia	100	2,000.00	Cash	Preferential allotment	199,518	19,951,800
March 26, 2014	2,897	190 equity shares were allotted to Rajendra Kumar Setia and 2,707 equity shares were allotted to Ladder Up Corporate Advisory Private Limited	100	2,632.00	Cash	Preferential allotment	202,415	20,241,500
March 27, 2017	68,294	68,294 equity shares were allotted to Banyan Tree Growth Capital LLC	100	175.62	NA	Conversion of CCPS	270,709	27,070,900
December 30, 2017	80,210	44,468 equity shares were allotted to Norwest, 4,817 equity shares were allotted to Karma Holdings Mauritius Limited, 15,963 equity shares were allotted to Baring Private Equity India AIF and 14,962 equity shares were allotted to Evolvence India Fund II Ltd.	100	12,467.26	Cash	Preferential allotment	350,919	350,919,00
Pursuant to a Shareholders' resolution dated September 11, 2018, 350,919 equity shares of face value of ₹ 100 were sub divided to 17,545,950 equity shares of face value of ₹2.								
October 13, 2018	754,650	754,650 equity shares were allotted to Rajendra Kumar Setia	2	249.35	NA	Conversion of 15,093 warrants	18,300,600	36,601,200
October 31, 2018	4,715,529	2,904,835 equity shares were allotted to TPG, 1,354,847 equity shares were allotted to Norwest, 455,847 equity shares were allotted to Evolvence Coinvest I	2	596.29	Cash	Preferential allotment	23,016,129	46,032,258
November 21, 2019	2,178,710	1,316,497 equity shares were allotted to TPG, 630,435 equity shares were allotted to Norwest and 231,778 equity shares were allotted to Evolvence India Fund III Ltd.	2	1,078.62	Cash	Preferential allotment	25,194,839	50,389,678
July 27, 2020	3,750	3,750 equity shares were allotted to Pankaj Sharma	2	249.35	Cash	Allotment pursuant to ESOP 2018	25,198,589	50,397,178
March 31, 2021	1,017,447	1,017,447 equity shares were allotted to Rajendra Kumar Setia*	2	725.59	Cash	Preferential allotment	26,216,036	52,177,710.25
May 12, 2021	2,297,898	1,50,011 equity shares were allotted to Rajendra Kumar Setia, 1,125,084 equity shares were allotted to TPG, 852,336 equity shares were allotted to Norwest and 170,467 equity shares were allotted to Evolvence India Fund III Ltd.	2	1,466.56	Cash	Preferential allotment	28,513,934	56,773,506.25
August 12, 2021	3,500	3,500 equity shares were allotted to Pratit Vijayvargiya	2	596.29	Cash	Allotment pursuant to ESOP 2018	28,517,434	56,780,506.25
October 18, 2021	3,625	1,000 equity shares were allotted to Mukul Maru, 1,375 equity shares were allotted to Raman Batra and 1,250 equity shares were allotted to Sachin Srivastava	2	249.35	Cash	Allotment pursuant to ESOP 2018	28,521,059	56,787,756.25
December 23, 2021	682,446	341,222 equity shares were allotted to IIFL Special Opportunities Fund Series 9, 276,617 equity shares were	2	2,197.98	Cash	Preferential allotment	29,203,505	58,152,648.25

Date of allotment of equity shares	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
		allotted to Massachusetts Institute of Technology and 64,607 equity shares were allotted to 238 Plan Associates LLC						
January 6, 2022	750	750 equity shares were allotted to Pankaj Patel	2	249.35	Cash	Allotment pursuant to ESOP 2018	29,204,255	58,154,148.25
February 12, 2022	3,500	3,500 equity shares were allotted to Pratit Vijayvargiya	2	596.29	Cash	Allotment pursuant to ESOP 2018	29,207,755	58,161,148.25
March 31, 2022	2,500	2,500 equity shares were allotted to Rajiv Kumar Yadav	2	249.35	Cash	Allotment pursuant to ESOP 2018	29,210,255	58,166,148.25
May 20, 2022	4,812	2,062 equity shares were allotted to Mitesh Kumar Patel, 1,125 equity shares were allotted to Manoj Vaishnav and 1,625 equity shares were allotted to Rameshsingh Bhimsingh Choudhary	2	249.35	Cash	Allotment pursuant to ESOP 2018	29,215,067	58,175,772.25
June 16, 2022	375	375 equity shares were allotted to Pankaj Kumar Patel	2	249.35	Cash	Allotment pursuant to ESOP 2018	29,215,442	58,176,522.25
September 30, 2022	2,430	2,430 equity shares were allotted to Abhijit Sharma	2	249.35	Cash	Allotment pursuant to ESOP 2018	29,217,872	58,181,382.25
November 3, 2022	3,375	1,125 equity shares were allotted to Biju John and 2,250 equity shares were allotted to Sanjeev Arora	2	249.35	Cash	Allotment pursuant to ESOP 2018	29,221,247	58,188,132.25
December 20, 2022	6,300	1,125 equity shares were allotted to Anita Verma, 1,000 equity shares were allotted to Kanta Chanchalani, 500 equity shares were allotted to Mukul Maru, 1,875 equity shares were allotted to Rakesh Goyal, 800 equity shares were allotted to Sanjay Sharma and 1,000 equity shares were allotted to Virndar Singh Shekhawat	2	249.35	Cash	Allotment pursuant to ESOP 2018	29,231,297	58,208,232.25
	3,750	3,750 equity shares were allotted to Nripendra Singh		596.29				
February 22, 2023	203,603	18,750 equity shares were allotted to Ritesh Sharma, 33,567 equity shares were allotted to Atul Arora, 7,500 equity shares were allotted to Mihir Pushpak Kumar Vaishnav, 5,625 equity shares were allotted to Ritesh Kumar, 1,125 equity shares were allotted to Arif Parihar, 2,250 equity shares were allotted to Feroz Khan, 36,250 equity shares were allotted to Sameer Arora, 5,625 equity shares were allotted to Honey Jain, 1,4062 equity shares were allotted to Amarpreet Singh Batra, 1,125 equity shares were allotted to Deen Dayal Laddha, 1,500 equity shares were allotted to Nitin Singh Chouhan, 2,250 equity shares were allotted to Harveer Singh Dagur, 15,000 equity shares were allotted to Vivek Haripal Singh, 2,437 equity shares were allotted to Harendra Singh Rathore, 3,709 equity shares were allotted to Rohit Sharma, 1,500 equity shares were allotted to Amit Nagpal, 2,005 equity shares were allotted to Sher Singh Chaudhary, 1,500 equity shares were allotted to Ravi Chaudhary, 1,500 equity shares were allotted to Amit	2	249.35	Cash	Allotment pursuant to ESOP 2018	29,446,775	58,639,188.25

Date of allotment of equity shares	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
		Sharma, 1,125 equity shares were allotted to Bhupinder Singh, 2,062 equity shares were allotted to Dipender Singh Shekhawat, 1,125 equity shares were allotted to Nitish Gehlot, 2,250 equity shares were allotted to Dharampal Swami, 5,625 equity shares were allotted to Sant Prakash Mishra, 500 equity shares were allotted to Virendra Singh Shekhawat, 5,000 equity shares were allotted to Rajiv Kumar Yadav, 2,062 equity shares were allotted to Shankar Lal, 1,000 equity shares were allotted to Sachin Srivastava, 325 equity shares were allotted to Sanjay Sharma, 3,750 equity shares were allotted to Nishant Babber, 1,125 equity shares were allotted to Paramand Puri, 1,500 equity shares were allotted to Khalid Khan, 812 equity shares were allotted to Chaudhary Rameshsingh Bhimsingh, 1,500 equity shares were allotted to Shiv Pal Singh Ranawat, 2,250 equity shares were allotted to Ashish Arora, 500 equity shares were allotted to Kanta Chanchalani, 1,125 equity shares were allotted to Nand Kishor Singh, 687 equity shares were allotted to Raman Batra, 1,500 equity shares were allotted to Vijay Khoj, 1,500 equity shares were allotted to Gajendra Sharma, 5,625 equity shares were allotted to Anil Sharma, 2,250 equity shares were allotted to Anagha Bangur and 1,125 equity shares were allotted to Rajesh Kumar Yadav.						
	11,875	2,500 equity shares were allotted to Rohit Srivastava and 9,375 equity shares were allotted to Girish Dangayach		596.29				
May 30, 2023	4,938	500 equity shares were allotted to Amit Sharma, 375 equity shares were allotted to Biju John, 375 equity shares were allotted to Nitesh Gehlot, 375 equity shares were allotted to Rajesh Kumar Yadav, 688 equity shares were allotted to Raman Batra, 1,875 equity shares were allotted to Ritesh Kumar and 750 equity shares were allotted to Sanjeev Arora^	2	249.35	Cash	Allotment pursuant to ESOP 2018	29,454,213	58,654,064.25
	2,500	2,500 equity shares were allotted to Rohit Srivastava		596.29				
June 8, 2023	21,125	1,5000 equity shares were allotted to Atul Arora, 375 equity shares were allotted to Deen Dayal Laddha, 375 equity shares were allotted to Manoj Vaishnav, 5,000 equity shares were allotted to Vivek Haripal Singh and 375 equity shares were allotted to Anita Verma	2	249.35	Cash	Allotment pursuant to ESOP 2018	29,475,338	58,696,314.25
June 29, 2023	95,784	4,688 equity shares were allotted to Amarpreet Singh Batra, 500 equity shares were allotted to Amit Nagpal, 750 equity shares were allotted to Anagha Bangur, 1,875 equity shares were allotted to Anil Sharma, 750 equity shares were allotted to Ashish Arora, 38,933 equity shares were allotted to Atul Arora, 375 equity shares were allotted to Bhupinder	2	249.35	Cash	Allotment pursuant to ESOP 2018	29,571,122	58,887,882.25

Date of allotment of equity shares	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
		Singh, 813 equity shares were allotted to Chaudhary Rameshsingh Bhimsingh, 750 equity shares were allotted to Dharampal Swami, 688 equity shares were allotted to Dipender Singh Shekhawat, 750 equity shares were allotted to Feroz Khan, 500 equity shares were allotted to Gajendra Sharma, 813 equity shares were allotted to Harendra Singh Rathore, 750 equity shares were allotted to Harveer Singh Dagur, 1,875 equity shares were allotted to Honey Jain, 500 equity shares were allotted to Kantra Chanchalani, 500 equity shares were allotted to Khalid Khan, 2,500 equity shares were allotted to Mihir Pushpakkumar Vaisnav, 688 equity shares were allotted to Mitesh Kumar Patel, 500 equity shares were allotted to Mukul Maru, 1,250 equity shares were allotted to Nishant Babber, 500 equity shares were allotted to Nitin Singh Chouhan, 375 equity shares were allotted to Pankaj Kumar K Patel, 375 equity shares were allotted to Parmanand Puri, 2,500 equity shares were allotted to Rajiv Kumar Yadav, 500 equity shares were allotted to Ravi Choudhary, 6,250 equity shares were allotted to Ritesh Sharma, 1,291 equity shares were allotted to Rohit Sharma, 18,750 equity shares were allotted to Sameer Arora, 375 equity shares were allotted to Sanjay Sharma, 1,875 equity shares were allotted to Sant Prakash Mishra, 745 equity shares were allotted to Sher Singh Choudhary, 500 equity shares were allotted to Shivpal Singh Ranawat, 500 equity shares were allotted to Vijay Khoj and 500 equity shares were allotted to Virendra Singh Shekhawat.						
August 18, 2023	375	375 equity shares were allotted to Nand Kishor Singh	2	249.35	Cash	Allotment pursuant to ESOP 2018	29,571,497	58,888,632.25
August 24, 2023	88,750	53,750 equity shares were allotted to Raj Kumar Setia^ and 35,000 equity shares were allotted to Sameer Arora^.	2	1,225.00	Cash	Sweat Equity	29,660,247	59,066,132.25
September 13, 2023	2,557,555	888,642 equity shares were allotted to Norwest, 541,855 equity shares were allotted to TPG, 411,810 equity shares were allotted to Baring Private Equity India AIF 2, 21,674 equity shares were allotted to Baring Private Equity India AIF 2 Co-Invest, 158,188 equity shares were allotted to DC Ikka Ltd, 58,554 equity shares were allotted to DC Uno Ltd, 260,090 equity shares were allotted to Axis Growth Avenues AIF I, 216,742 equity shares were allotted to Mirae Asset Late Stage Opportunities Fund.	2	2,306.89	Cash	Preferential allotment	32,217,802	64,435,604
November 1, 2023	625	625 equity shares were allotted to Rakesh Goyal.	2	249.35	Cash	Allotment pursuant to ESOP 2018	32,218,427	64,436,854
January 5, 2024	975,339	975,339 equity shares were allotted to India Business Excellence Fund IV	2	2,306.89	Cash	Preferential allotment	33,193,766	66,387,532

Date of allotment of equity shares	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
March 14, 2024	242,500	15,000 equity shares were allotted to Girish Dangayach, 17,500 equity shares were allotted to Ritesh Sharma, 17,500 equity shares were allotted to Amarpreet Singh Batra, 35,000 equity shares were allotted to Vivek Haripal Singh, 17,500 equity shares were allotted to Sameer Arora^, 60,000 equity shares were allotted to Atul Arora and 80,000 equity shares were allotted to Raj Kumar Setia^	2	2,306.89	Cash	Preferential allotment	33,436,266	66,872,532
Pursuant to a Shareholder's resolution dated March 11, 2024, 33,436,266 equity shares of face value of ₹ 2 were sub divided to 66,872,532 equity shares of face value of ₹1 with effect from March 16, 2024								
April 8, 2024	66,872,532	Allotment of equity shares of the Company of face value of ₹ 1 by way of bonus issue in the ratio of one equity share for every one equity share, to such holders of equity shares of our Company, whose names appear in the list of beneficial owners on the record date, i.e., March 16, 2024	1	NA	NA	Bonus issue	133,745,064	133,745,064
April 17, 2024	54,088	1,748 Equity Shares were allotted to Amit Sharma, 500 Equity Shares were allotted to Amita Verma, 1,000 Equity Shares were allotted to Anita Verma, 700 Equity Shares were allotted to Ankur Jyoti Kalita, 6,000 Equity Shares were allotted to Ankur Rastogi, 6,000 Equity Shares were allotted to Anuj Rawat, 1,000 Equity Shares were allotted to Biju John, 3,000 Equity Shares were allotted to Deependra Singh, 748 Equity Shares were allotted to Dev Karan, 300 Equity Shares were allotted to Dilip Agarwal, 1,500 Equity Shares were allotted to Dinesh Kumar Saini, 700 Equity Shares were allotted to Dinesh Marwal, 1,248 Equity Shares were allotted to Gireesh Chandra Arya, 400 Equity Shares were allotted to Hanuman Sahay Sharma, 200 Equity Shares were allotted to Hemant Kumar, 500 Equity Shares were allotted to Hemant Tiwari, 1,500 Equity Shares were allotted to Hitesh Kumawat, 1,500 Equity Shares were allotted to Jitendra Birla, 400 Equity Shares were allotted to Kamlesh Kumar Jangir, 500 Equity Shares were allotted to Lokesh Kumar Gupta, 700 Equity Shares were allotted to Mahendra Singh Chouhan, 1,748 Equity Shares were allotted to Manoj Kumar Vaishnav, 300 Equity Shares were allotted to Mohammad Irfan, 3,000 Equity Shares were allotted to Narayan Singh Anjana, 600 Equity Shares were allotted to Nitin Pareek, 1,400 Equity Shares were allotted to Prajeet Mujumdar, 5,000 Equity Shares were allotted to Prashant Chourey, 700 Equity Shares were allotted to Prinkesh Kuri, 1,500 Equity Shares were allotted to Priti Sharma, 200 Equity Shares were allotted to Rajesh Sharma, 1,500 Equity Shares were allotted to Ravindra Singh Parihar, 1,500 Equity Shares were allotted to Rituraj Sharma, 200 Equity Shares were allotted to Rohit Kumar	1	300	Cash	Allotment pursuant to ESOP 2018	133,799,152	133,799,152

Date of allotment of equity shares	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
		Agarwal, 600 Equity Shares were allotted to Sachin Kumar, 748 Equity Shares were allotted to Sandeep Gupta, 400 equity shares were allotted to Sandeep Jangid, 1,000 Equity Shares were allotted to Sourabh Jain, 200 Equity Shares were allotted to Sujeet Singh, 700 Equity Shares were allotted to Sumit Gupta, 700 Equity Shares were allotted to Tarun Vallabh Mishra, 1,000 Equity Shares were allotted to Vijay Pal Singh, 748 Equity Shares were allotted to Vishal Anand Sharma and 200 Equity Shares were allotted to Yogendra Rajoria						

* *Allotment of 1,017,447 equity shares of face value of ₹2 were allotted to Rajendra Kumar Setia. Such equity shares were partly paid and ₹2 (₹1.75 in face value and 0.25 paise in premium) per equity share was paid at the time of allotment of such equity shares, which were issued at an issue price of ₹ 725.59 ("**Partly Paid-up Shares**"). The 345,500 Partly Paid-up Shares were made fully paid up on September 6, 2023 and 671,947 Partly Paid-up Shares were made fully paid up on September 13, 2023, for the balance amount of ₹725.59 per equity share being made on the Partly Paid-up Shares. As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding partly paid-up shares.*

^ *Allotment of equity shares to members of Promoter Group in the last year*

(ii) ***Preference share capital history of the Company***

As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding preference share capital.

2. **Offer of specified securities at a price lower than the Offer Price in the last year**

The Offer Price is [●]. For further details in relation to the issuances in preceding one year, see " *– Notes to the Capital Structure – Share capital history of our Company – (i) Equity share capital*" on page 85.

3. **Offer of shares for consideration other than cash or out of revaluation reserves (excluding bonus issuance)**

(i) As on the date of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares out of revaluation reserves since its incorporation.

(ii) Our Company has not issued any Equity Shares for consideration other than cash as on the date of this Draft Red Herring Prospectus.

4. **Offer of shares pursuant to schemes of arrangement**

Our Company has not allotted any shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

5. **History of the share capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters hold 43,323,124 Equity Shares, equivalent to 32.26% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company on a fully diluted basis assuming exercise of vested options under the ESOP Scheme, as applicable.

The details regarding our Promoters' shareholding are set forth in the table below.

(a) Build-up of the equity shareholding of our Promoters in our Company

The details regarding the build-up of the equity shareholding of our Promoters in our Company since incorporation is set forth in the table below:

Date of allotment/ transfer	Number of equity shares allotted/ transferred	Nature of transaction	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)	Percentage of the post-Offer Equity Share capital (%)
Rajendra Kumar Setia							
October 27, 1994	10	Pursuant to initial subscription to the Memorandum of Association	Cash	100	100.00	Negligible	[●]
January 28, 1995	1,100	Preferential allotment	Cash	100	100.00	Negligible	[●]
October 10, 1996	300	Preferential allotment	Cash	100	100.00	Negligible	[●]
April 1, 1998	(10)	Transfer to Nipin Goyal	Cash	100	100.00	Negligible	[●]
August 28, 1998	(10)	Transfer to Pramila Bafna	Cash	100	100.00	Negligible	[●]
October 4, 1998	(10)	Transfer to Hardevi Bindrani	Cash	100	100.00	Negligible	[●]
November 2, 2000	20	Transfer from BIFCO (Proprietor Pramila Bafna)	Cash	100	100.00	Negligible	[●]
November 4, 2000	150	Transfer from Abdul Ajij	Cash	100	100.00	Negligible	[●]
November 6, 2000	10	Transfer from Kamal Arora	Cash	100	100.00	Negligible	[●]
November 9, 2000	1,210	Transfer of 10 equity shares from S.L. Bindrani, 250 equity shares from Manohar Lal Chug, 250 Equity Shares from Pawan Kumar Sharma and 700 equity shares from Arjun Das Setia	Cash	100	100.00	Negligible	[●]
October 16, 2002	(10)	Transfer to Santosh Kumari	Cash	100	100.00	Negligible	[●]
October 1, 2004	(10)	Transfer to Kusum Mittal	Cash	100	100.00	Negligible	[●]
March 1, 2005	50	Transfer of 20 equity shares from Hardevi Bindrani, 10 equity shares from Kamal Arora, 10 equity shares from Kanchan Bindrani and 10 equity shares from Shivali Verma	Cash	100	100.00	Negligible	[●]
March 31, 2006	450	Transfer of 200 equity shares from Arora Kirana Bhandar and 250 equity shares from Renuka Arora	Cash	100	100.00	Negligible	[●]
March 31, 2006	(20)	Transfer of 10 equity shares to Bhawari Devi and 10 equity shares to P.D Bhagya	Cash	100	100.00	Negligible	[●]
October 3, 2008	(20)	Transfer to Pradeep Agarwal	Cash	100	50.00	Negligible	[●]
September 24, 2009	5,410	Transfer of 1,010 equity shares from Raj Kumar Setia, 4,400 equity shares from Bhajan Devi Setia	NA	100	Gift	Negligible	[●]
September 24, 2009	20	Transfer of 20 equity shares from Pradeep Agarwal	Cash	100	100.00	Negligible	[●]
October 9, 2009	20	Transfer of 10 equity shares from Bhawari Devi and 10 equity shares from P.D Bhagya	Cash	100	100.00	Negligible	[●]
October 9, 2009	2,070	Transfer of 1,000 equity shares from Rimpu Setia and 1,070 equity shares from Shalini Setia	NA	100	Gift	Negligible	[●]
October 15, 2009	3,010	Transfer of 1,000 equity shares from Tulsi Ram Suthar and 2,010 equity shares from Rajesh Chug	Cash	100	10.00	Negligible	[●]
March 31, 2011	40,520	Preferential Allotment	Cash	100	500.00	0.03	[●]
December 27, 2011	17,620	Preferential Allotment	Cash	100	500.00	0.01	[●]
January 25, 2012	1,800	Transfer of 900 equity shares each from Rimpu Setia and Anita Arora	NA	100	Gift	Negligible	[●]
February 17, 2012	3,200	Transfer from Raj Kumar Setia	NA	100	Gift	Negligible	[●]
March 31, 2012	13,480	Preferential Allotment	Cash	100	2,000.00	0.01	[●]
March 26, 2014	190	Preferential Allotment	Cash	100	2,632.00	Negligible	[●]
September 16, 2014	9,330	Transfer from Arjun Das Setia	NA	100	Gift	0.01	[●]
December 29, 2017	(2,618)	Transfer of 1,959 equity shares to Norwest and 659 equity shares to Evolvence India Fund II Ltd.	Cash	100	12,467.26	Negligible	[●]
December 30, 2017	(704)	Transfer of 704 equity shares to Baring Private Equity India AIF	Cash	100	12,467.26	Negligible	[●]

Date of allotment/ transfer	Number of equity shares allotted/ transferred	Nature of transaction	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)	Percentage of the post-Offer Equity Share capital (%)
January 8, 2018	(212)	Transfer of 212 equity shares to Karma Holdings Mauritius Limited	Cash	100	12,467.26	Negligible	[●]
February 12, 2018	83,937	Transfer from Shalini Setia	NA	100	Gift	0.06	[●]
September 11, 2018	Sub-division of equity shares of face value of ₹100 each to equity shares of face value of ₹2 each						
October 13, 2018	754,650	Conversion of 15,093 warrants	NA	2	249.35	0.56	[●]
November 5, 2018	(167,703)	Transfer to TPG	Cash	2	596.29	(0.12)	[●]
January 4, 2020	724,650	Transfer from Shalini Setia	NA	2	Gift	0.54	[●]
September 18, 2020	1,800	Transfer from Shalini Setia	NA	2	Gift	Negligible	[●]
March 31, 2021	1,017,447	Preferential Allotment	Cash	2	725.59	0.76	[●]
May 12, 2021	150,011	Preferential Allotment	Cash	2	1,466.56	0.11	[●]
December 22, 2021	(181,986)	Transfer to IIFL Special Opportunities Fund – Series 9	Cash	2	2,197.98	(0.14)	[●]
February 17, 2022	(55,556)	Transfer to Raj Kumar Setia	NA	2	Gift	(0.04)	[●]
September 13, 2023	(433,484)	Transfer to Ananta Capital Ventures Fund 1	Cash	2	2,306.89	(0.32)	[●]
January 8, 2024	(43,348)	Transfer to India Business Excellence Fund IV	Cash	2	2,306.89	(0.03)	[●]
January 17, 2024	(13,000)	Transfer to Ravindra Singh Jain	Cash	2	2,306.89	(0.01)	[●]
March 11. 2024	Sub-division of equity shares of face value of ₹2 each to equity shares of face value of ₹1 each, with effect from March 16, 2024.						
April 8, 2024	21,535,262	Bonus Issue	NA	1	NA	16.03	[●]
Sub Total (A)	**43,070,524**					**32.07**	**[●]**
Rajendra Kumar Setia HUF							
April 5, 2018	1,250	Transfer from Shalini Setia	Cash	100	20,000.00	Negligible	[●]
September 11, 2018	Sub-division of equity shares of face value of ₹100 each to equity shares of face value of ₹2 each						
March 11. 2024	Sub-division of equity shares of face value of ₹2 each to equity shares of face value of ₹1 each, with effect from March 16, 2024.						
April 8, 2024	125,000	Bonus Issue	NA	1	NA	0.09	[●]
Sub Total (B)	**250,000**					**0.19**	**[●]**
Yash Setia							
December 23, 2016	13	Transfer from Shalini Setia	NA	100	Gift	Negligible	[●]
September 11, 2018	Sub-division of equity shares of face value of ₹100 each to equity shares of face value of ₹2 each						
March 11, 2024	Sub-division of equity shares of face value of ₹2 each to equity shares of face value of ₹1 each, with effect from March 16, 2024.						
April 8, 2024	1,300	Bonus Issue	NA	1	NA	Negligible	[●]
Sub Total (C)	**2,600**					**Negligible**	**[●]**
Total (A+B+C)	**43,323,124**					**32.26**	**[●]**

Except as disclosed in " - *Notes to the Capital Structure - Share capital history of our Company*" on page 84, all the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment/ acquisition of such Equity Shares.

As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

Except, (i) 210,000 Equity Shares held by Sameer Arora and (ii) 757,224 Equity Shares held by Raj Kumar Setia that are pledged with 360 One Prime Limited as of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter Group are pledged. The pledge on these Equity Shares will be released in its entirety, prior to the filing of the RHP with the RoC, and in any event, no later than 5 (five) working days prior to filing of the Red Herring Prospectus with the RoC or such other time period as may be required by any regulatory authority.

6. Details of lock-in of Equity Shares

(a) Details of Promoters contribution and lock-in

(i) In accordance with Regulation 14 and Regulation 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters, shall be locked in for a period of 18 months from the date of Allotment as minimum Promoters' contribution or any other period as may be prescribed under applicable law and the shareholding of our Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.

(ii) The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of 18 months from the date of Allotment as minimum Promoter's contribution are set forth in the table below:

Name of Promoter	Number of Equity Shares locked-in(1)(2)	Date of allotment /transfer of Equity Shares and when made fully paid-up	Nature of transaction	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	Percentage of the pre- Offer paid-up capital (on fully diluted basis)(%)	Percentage of the post-Offer paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
Rajendra Kumar Setia	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated in the Prospectus

(1) *For a period of 18 months from the date of Allotment.*

(2) *All Equity Shares were fully paid-up at the time of allotment/acquisition.*

(iii) Our Promoters have given their consent for inclusion of such number of Equity Shares held by them as part of the Promoters' contribution, subject to lock-in requirements as specified under Regulation 14 of the SEBI ICDR Regulations. Our Promoters have agreed not to dispose, sell, transfer, create any pledge, lien or otherwise encumber in any manner, the Promoter's contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under the SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(iv) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of minimum Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations.

In this connection, we confirm the following:

a. The Equity Shares offered as a part of the minimum Promoter's contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction; or (b) resulting from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or resulted from bonus issue against Equity Shares which are otherwise ineligible for computation of minimum Promoter's contribution.

b. Our minimum Promoter's contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer.

c. Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm into a Company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or limited liability partnership.

d. As on the date of this Draft Red Herring Prospectus, Equity Shares held by our Promoters and offered for minimum Promoter's contribution are not subject to pledge with any creditor or any other encumbrance.

(b) Details of Equity Shares locked-in for six months

(i) In addition to the lock-in requirements prescribed in " - *Details of Promoter's Contribution and lock-in*" on page 96, in accordance with Regulation 17 of the SEBI ICDR Regulations, except for the Promoters' Contribution which shall be locked-in as above, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment, except for (a) the Equity Shares Allotted pursuant to the Offer for Sale; (b) any Equity Shares allotted to eligible employees of the Company, whether currently employees or not (or such persons as permitted under the SEBI SBEB Regulations or the ESOP Scheme) pursuant to the ESOP Scheme; and (c) the Equity Shares held by VCFs or Category I AIF or Category II AIF (i.e., India Business Excellence Fund IV, 360 One Special Opportunities Fund – Series 9, Axis Growth Avenues AIF 1, Ananta Capital Ventures Fund 1, Mirae Asset Late Stage Opportunities Fund, Baring Private Equity India AIF 2, 360 One Special Opportunities Fund – Series 10 and Baring Private Equity India AIF 2 Co Invest) or FVCI (i.e., Norwest), subject to certain conditions set out in Regulation 17 of the SEBI ICDR Regulations, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by the VCFs or Category I AIF or Category II AIF or FVCI.

(ii) As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

(c) Lock-in of Equity Shares allotted to Anchor Investors

There shall be a lock-in of 90 days on 50% of the Equity Shares allotted to the Anchor Investors from the date of Allotment, and lock-in of 30 days on the remaining 50% of the Equity Shares allotted to the Anchor Investors from the date of Allotment.

(d) Other lock-in requirements

(i) The Equity Shares held by the Promoters which are locked-in for a period of 18 months from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions or NBFC-ND-SI or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or NBFC-ND-SI or housing finance companies in terms of Regulation 21 of the SEBI ICDR Regulations, provided that such loans have been granted for the purpose of financing one or more of the objects of the Offer and pledge of Equity Shares is a term of sanction of such loans. However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

(ii) In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be transferred to and among our Promoters and/or any member of our Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Regulations, as applicable, and such transferee shall not be eligible to transfer them till the lock-in period stipulated in the SEBI ICDR Regulations has expired.

(iii) The Equity Shares held by any person other than our Promoters and locked-in for a period of six months from the date of Allotment in the Offer as per Regulation 17 of the SEBI ICDR Regulations, may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

7. **Details of Equity Shares held by our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel**

(i) Set out below are the details of the Equity Shares held by our Promoters and members of our Promoter Group. Other than as disclosed below, none of the members of our Promoter Group hold any Equity Shares in our Company.

Sr. No.	Name	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital (on a fully diluted basis) * (%)	Percentage of the post-Offer Equity Share capital# (%)
Promoters				
1.	Rajendra Kumar Setia	43,070,524	32.07	[●]
2.	Yash Setia	2,600	Negligible	[●]
3.	Rajendra Kumar Setia HUF	250,000	0.19	
Total		**43,323,124**	**32.26**	**[●]**
Promoter Group				
1.	Shalini Setia	2,600	Negligible	[●]
2.	Bhajan Devi Setia	2,600	Negligible	[●]
3.	Raj Kumar Setia	765,224	0.57	[●]
4.	Sameer Arora	219,000	0.16	[●]
Total		**989,424**	**0.73**	**[●]**

* *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares including Equity Shares which will result upon conversion of outstanding vested options under the ESOP Scheme, as applicable.*

\# *To be updated in the Prospectus.*

For further details, see "*Our Promoters and Promoter Group*" on page 271.

(ii) Set out below are details of the Equity Shares and the employee stock options, as applicable, held by the Directors, Key Managerial Personnel and Senior Management Personnel of our Company:

S. No.	Name	Number of Equity Shares	Number of employee stock options vested	Number of employee stock options not vested	Percentage of the pre-Offer Equity Share capital (on a fully diluted basis)* (%)	Percentage of the post-Offer Equity Share capital# (%)
Directors						
1.	Rajendra Kumar Setia	43,070,524	Nil	Nil	32.07	[●]
2.	Yash Setia	2,600	Nil	Nil	Negligible	[●]
Total (A)		**43,073,124**	**Nil**	**Nil**	**32.07**	**[●]**
Key Managerial Personnel**						
1.	Atul Arora	590,000	35,000	105,000	0.44	[●]
2.	Anagha Bangur	12,000	4,000	12,000	0.01	[●]
Total (B)		**602,000**	**39,000**	**117,000**	**0.45**	**[●]**
Senior Management Personnel						
1.	Raj Kumar Setia	765,224	Nil	Nil	0.57	[●]
2.	Sameer Arora	219,000	Nil	Nil	0.16	[●]
3.	Ritesh Sharma	170,000	10,000	30,000	0.13	[●]
4.	Vivek Haripal Singh	457,000	30,000	90,000	0.34	[●]
5.	Amarpreet Singh Batra	147,200	10,000	30,000	0.11	[●]
6.	Girish Dangayach	97,500	20,500	24,000	0.07	[●]
7.	Anil Sharma	24,000	5,000	15,000	0.02	[●]
8.	Rajiv Kumar Yadav	31,500	5,000	15,000	0.02	[●]
9.	Harendra Singh Rathore	13,000	5,000	15,000	0.01	[●]
10.	Gajendra Sharma	4,000	3,000	9,000	Negligible	
11.	Anshul Jain	Nil	6,000	18,000	Negligible	[●]
12.	Anubha Khandelwal	Nil	6,000	18,000	Nil	[●]
13.	Anuj Rawat	6,000	Nil	18,000	Nil	[●]
14.	Vaibhav Bumb	Nil	2,000	6,000	Nil	[●]
15.	Tej Pratap Singh	Nil	3,500	10,500	Nil	[●]
16.	Ajit Singh Sajwan	Nil	7,500	22,500	Nil	[●]
17.	Bhavesh Kumar	Nil	5,000	15,000	Nil	[●]
Total (C)		**1,934,424**	**118,500**	**322,500**	**1.43**	**[●]**
Total (A+B+C)		**45,609,548**	**157,500**	**439,500**	**33.95**	**[●]**

* *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares including Equity Shares which will result upon conversion of outstanding vested options under the ESOP Scheme, as applicable.*

** *Our Key Managerial Personnel are also our Senior Management Personnel in terms of the SEBI ICDR Regulations.*

\# *To be updated in the Prospectus*

For further details, see "*Our Management*" on page 246.

8. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is 143.

9. Shareholding pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying depository receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				Number of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								Number of voting rights			Total as a % of (A+B+ C)			Number (a)	As a % of total Equity Shares held (b)	Number (a)	As a % of total Equity Shares held (b) on a fully diluted basis	
								Class: Equity Shares	Class: Others	Total								
(A)	**Promoters and Promoter Group**	7	44,312,548	-	-	44,312,548	33.12	Equity	NA	44,312,548	44,312,548	-	33.12	177,500	0.13	867,612	0.65	44,312,548
(B)	**Public**	134	89,486,604	-	-	89,486,604	66.88	Equity	NA	89,486,604	89,486,604	-	66.88	0	0	1,207,418	0.90	89,486,604
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	**Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	**Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	**143**	**133,799,152**	**0**	**0**	**133,799,152**	**100.00**	**Equity**	**NA**	**133,799,152**	**133,799,152**	-	**100.00**	**177,500**	**0.13**	**2,075,030**	**1.55**	**133,799,152**

10. **Details of equity shareholding of the major Shareholders of our Company**

a) The Shareholders holding 1% or more of the paid-up Equity Share capital of the Company and the number of Equity Shares held by them as on the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital on a fully diluted basis^ (%)
1.	Rajendra Kumar Setia	43,070,524	32.07%
2.	Norwest	32,069,840	23.88%
3.	TPG	24,223,896	18.04%
4.	India Business Excellence Fund IV	7,195,836	5.36%
5.	Evolvence Coinvest I	3,308,260	2.46%
6.	360 One Special Opportunities Fund Series 9	3,181,104	2.37%
7.	Massachusetts Institute of Technology	2,212,936	1.65%
8.	Dc Uno Limited	2,200,000	1.64%
9.	Axis Growth Avenues AIF I	2,080,720	1.55%
10.	Karma Holdings Mauritius Limited	1,859,400	1.38%
11.	Ananta Capital Ventures Fund 1	1,733,936	1.29%
12.	Mirae Asset Late Stage Opportunities Fund	1,733,936	1.29%
13.	Baring Private Equity India AIF 2	1,647,240	1.23%
14.	Evolvence India Fund III Ltd	1,608,980	1.20%
Total		**128,126,608**	**95.41%**

^ *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares including Equity Shares which will result upon conversion of outstanding vested options under the ESOP Scheme, as applicable.*

Note: The Board in its meeting held on February 1, 2024 and Shareholders in the extraordinary general meeting held on March 11, 2024 approved the sub-division of shares from ₹2 per share to ₹1 per share and also approved the bonus share in the ratio of 1:1 with effect from March 16, 2024. The above number of equity shares represents number of shares after giving impact of sub division and bonus.

b) The Shareholders who held 1% or more of the paid-up Equity Share capital of the Company and the number of Equity Shares held by them 10 days prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital on a fully diluted basis^ (%)
1.	Rajendra Kumar Setia	43,070,524	32.07%
2.	Norwest	32,069,840	23.88%
3.	TPG	24,223,896	18.04%
4.	India Business Excellence Fund IV	7,195,836	5.36%
5.	Evolvence Coinvest I	3,308,260	2.46%
6.	360 One Special Opportunities Fund - Series 9	3,181,104	2.37%
7.	Massachusetts Institute of Technology	2,212,936	1.65%
8.	Dc Uno Limited	2,200,000	1.64%
9.	Axis Growth Avenues AIF I	2,080,720	1.55%
10.	Karma Holdings Mauritius Limited	1,859,400	1.38%
11.	Mirae Asset Late Stage Opportunities Fund	1,733,936	1.29%
12.	Ananta Capital Ventures Fund 1	1,733,936	1.29%
13.	Baring Private Equity India AIF 2	1,647,240	1.23%
14.	Evolvence India Fund III Ltd	1,608,980	1.20%
Total		**128,126,608**	**95.41%**

^ *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares including Equity Shares which will result upon conversion of outstanding vested options under the ESOP Scheme, as applicable.*

Note: The Board in its meeting held on February 1, 2024 and Shareholders in the extraordinary general meeting held on March 11, 2024 approved the sub-division of shares from ₹2 per share to ₹1 per share and also approved the bonus share in the ratio of 1:1 with effect from March 16, 2024. The above number of equity shares represents number of shares after giving impact of sub division and bonus.

c) The Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them one year prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital on a fully diluted basis^ (%)
1.	Rajendra Kumar Setia	11,257,463	38.08%
2.	Norwest	7,128,818	24.11%
3.	TPG	5,514,119	18.65%
4.	Baring Private Equity India AIF	1,358,414	4.59%

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital on a fully diluted basis^ (%)
5.	Evolvence Coinvest I	1,217,201	4.12%
6.	IIFL Special Opportunities Fund - Series 9	795,276	2.69%
7.	Massachusetts Institute of Technology	553,234	1.87%
8.	Karma Holdings Mauritius Limited	464,850	1.57%
9.	Evolvence India Fund III Ltd	402,245	1.36%
Total		**28,691,620**	**97.04%**

^ *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares including Equity Shares which will result upon conversion of outstanding vested options under the ESOP Scheme, as applicable.*

d) The Shareholders who held 1% or more of the paid-up Equity Share capital of the Company and the number of Equity Shares held by them two years prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital on a fully diluted basis^ (%)
1.	Rajendra Kumar Setia	11,257,463	38.20%
2.	Norwest	7,128,818	24.19%
3.	TPG	5,514,119	18.71%
4.	Baring Private Equity India AIF	1,358,414	4.61%
5.	Evolvence Coinvest I	1,217,201	4.13%
6.	IIFL Special Opportunities Fund Series 9	1,046,416	3.55%
7.	Massachusetts Institute of Technology	553,234	1.88%
8.	Karma Holdings Mauritius Limited	464,850	1.58%
9.	Evolvence India Fund III Ltd.	402,245	1.36%
Total		**28,942,760**	**98.21%**

^ *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares including Equity Shares which will result upon conversion of outstanding vested options under the ESOP Scheme, as applicable.*

11. Employee Stock Options Scheme of our Company

(i) ESOP 2018

Our Company, pursuant to the resolutions passed by our Board on August 1, 2018 and our Shareholders on September 11, 2018, adopted the ESOP 2018. The ESOP 2018 was further amended by Board and Shareholders resolutions dated October 22, 2018 and October 31, 2018, respectively, Board and Shareholders' resolutions each dated February 9, 2022 and March 11, 2022, respectively and Board and Shareholders' resolutions each dated April 18, 2024 and April 25, 2024, respectively. The ESOP 2018 is in compliance with the SEBI SBEB & SE Regulations.

As on the date of this Draft Red Herring Prospectus, under ESOP 2018, an aggregate of 4,426,400 options have been granted (including an aggregate of 644,032 lapsed options), an aggregate of 2,085,218 options have been vested and an aggregate of 1,572,056 options have been exercised.

The following are the details of the Equity Shares issued under the ESOP 2018 on a quarterly basis:

Quarter ended	Aggregate number of Equity Shares issued pursuant to exercise of vested employee stock options granted under ESOP 2018	Price range at which Equity Share was issued (₹)
June 30, 2021	0	NA
September 30, 2021	14,000	149.07
December 31, 2021	14,500	62.34
March 31, 2022	27,000	62.34 - 149.07
June 30, 2022	20,748	62.34
September 30, 2022	9,720	62.34
December 31, 2022	53,700	62.34 - 149.07
March 31, 2023	861,912	62.34 - 149.07
June 30, 2023	497,388	62.34 - 149.07
September 30, 2023	1,500	62.34
December 31, 2023	2,500	62.34
March 31, 2024	0	NA
March 31, 2024 till the date of this Draft Red Herring Prospectus	54,088	300

Note:
All ESOPs and prices have been adjusted by giving the effect of subdivision of equity shares and bonus issue.

The details of the ESOP 2018, as certified by Shah Patni & Co., Chartered Accountants, through a certificate dated May 1, 2024 are as follows:

Particulars	Details				
	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine month period ended December 31, 2023	From January 1, 2024 till the date of this Draft Red Herring Prospectus
Options granted	100,000	0	2,501,000	86,400	0
No. of employees to whom options were granted	2	0	439	13	0
Options vested (including options that have been exercised)	402,750	379,750	390,750	387,500	538,000
Vesting period (years)	3.9 – 4.6	3.9 – 4.6	3.9 – 4.6	3.9 – 4.6	3.9 – 4.6
Options exercised	15,000	55,500	946,080	501,388	54,088
Exercise price of options (in ₹) (as on the date of the grant of options)	62.34 – 300	62.34 – 300	62.34 – 300	62.34 – 300	62.34 – 300
Options forfeited/ lapsed/ cancelled	89,000	28,000	103,480	255,600	51,952
Options outstanding (including vested and unvested options)	1,619,000	1,535,500	2,986,940	2,316,352	2,210,312
Total no. of Equity Shares that would arise as a result of full exercise of options granted [(net of forfeited/ lapsed/ cancelled options)]	15,000	55,500	946,080	501,388	54,088
Variation in terms of options	NA	NA	NA	NA	NA
Money realised by exercise of options (in ₹)	935,062.50	5,888,311.25	64,397,199.50	32,122,624.45	16,226,400.00
Total no. of options in force	1,619,000	1,535,500	2,986,940	2,316,352	2,210,312
Employee wise details of options granted to					NIL
(i) KMPs					NIL
(a) Atul Arora	0	0	140,000	0	
(b) Anagha Bangur	0	0	16,000	0	
(ii) SMPs					NIL
(a) Ajit Singh Sajwan	0	0	30,000	0	
(b) Amarpreet Singh Batra	0	0	40,000	0	
(c) Ritesh Sharma	0	0	40,000	0	
(d) Anubha Khandelwal	0	0	24,000	0	
(e) Vaibhav Bumb	0	0	8,000	0	
(f) Anuj Rawat	0	0	24,000	0	
(g) Bhavesh Kumar	0	0	20,000	0	
(h) Girish Dangayach	0	0	32,000	0	
(i) Anil Sharma	0	0	20,000	0	
(j) Rajiv Kumar Yadav	0	0	20,000	0	
(k) Harendra Singh Rathore	0	0	20,000	0	
(l) Anshul Jain	0	0	0	24,000	
(m) Gajendra Sharma	0	0	12,000	0	
(n) Tej Pratap Singh	0	0	14,000	0	

Particulars	**Details**				
`	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**	**Nine month period ended December 31, 2023**	**From January 1, 2024 till the date of this Draft Red Herring Prospectus**
	(o) Vivek Haripal Singh				
	0	0	120,000	0	
(iii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	(a) Nripendra Singh				NIL
	60,000	0	0	0	
	(b) Rohit Srivastava				
	40,000	0	0	0	
	(c) Joydeep Mitra				
	0	0	0	10,000	
	(d) Shyam Singh Chandel				
	0	0	0	10,000	
	(e) Kunal Solanki				
	0	0	0	8,000	
	(f) Rohit Bhatt				
	0	0	0	7,000	
	(g) Yogesh Sethi				
	0	0	0	7,000	
(iv) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	NIL				NIL
Fully diluted EPS on a pre-Offer basis pursuant to the issue of equity shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	8.95	12.41	18.79	17.55	NA
Where our Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between employee compensation cost so calculated and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company	Not applicable, as valuation of ESOPs has been done through fair valuation of options under Ind AS.				Not applicable, as valuation of ESOPs has been done through fair valuation of options under Ind AS.
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in	Fair value of options is calculated by way of Black Scholes model considering the various factors like time value, interest rate, volatility, dividend yield, etc.				Fair value of options is calculated by way of Black Scholes model considering the various factors like time value, interest rate, volatility, dividend yield, etc.

Particulars	Details				
`	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**	**Nine month period ended December 31, 2023**	**From January 1, 2024 till the date of this Draft Red Herring Prospectus**
market at the time of grant of the option					
Method of option valuation	Black Scholes model				Black Scholes model
- Expected life of options (years) - Expected Volatility (% p.a. - Risk Free Rate of Return (%) - Dividend Yield (% p.a.) - Exercise price per share (₹) - Weighted average share price on the date of grant of option (in ₹)	1.50 to 7.50 0.30-0.47 3.82% to 7.98% 0% p.a. 62.34 – 149.07 62.34 – 149.07	1.50 to 7.50 0.30-0.47 3.82% to 7.98% 0% p.a. 62.34 – 149.07 62.34 – 149.07	1.50 to 7.50 0.30-0.47 3.82% to 7.98% 0% p.a. 62.34-300.00 62.34-300.00	1.50 to 7.50 0.30-0.47 3.82% to 7.98% 0% p.a. 62.34-300.00 62.34-300.00	1.50 to 7.50 0.30-0.47 3.82% to 7.98% 0% p.a. 62.34 -300.00 62.34 -300.00
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in the SEBI ESOP Regulations in respect of options granted in the last three years	Not applicable, since our Company has followed the accounting policies as specified in the SEBI SBEB Regulations in respect of options granted in the last three years.				

Note:
All ESOPs and prices have been adjusted by giving the effect of subdivision of equity shares and bonus issue.

12. Intention of the KMPs, SMPs and Whole-time Directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any: no such intention.

13. Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by Directors and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions): no such intention.

14. As on the date of this Draft Red Herring Prospectus, all the Equity Shares held by our Promoters are held in dematerialised form.

15. There are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus and all Equity Shares issued pursuant to the Offer will be fully paid up at the time of Allotment.

16. Except as disclosed under "*Notes to Capital Structure – Share capital history of our Company*" and "- *History of the share capital held by our Promoters*" on page 84 and 93, respectively, none of our Promoters, members of our Promoter Group, our Directors and their respective relatives have purchased, acquired or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

17. Our Company, our Directors and the BRLMs have not made any or entered into any buy-back arrangements for purchase of Equity Shares being offered through the Offer.

18. Except for the allotment of Equity Shares pursuant to exercise of options granted under the ESOP Scheme, the Pre-IPO Placement and Allotment of Equity Shares pursuant to the Fresh Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus until the listing of the Equity Shares on the Stock Exchanges.

19. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to (a) the Fresh Issue; and (b) any issuance of Equity Shares pursuant to the exercise of employee stock options granted or which may be granted under the ESOP Scheme.

20. Except for outstanding stock options granted pursuant to the ESOP Scheme, there are no outstanding convertible securities or any warrant, option or right to convert a debenture, loan or other instrument which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

21. No person connected with the Offer, including, but not limited to the BRLMs, the Syndicate Members, our Company, the Promoters, Selling Shareholders, our Directors, or the members of the Promoter Group, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

22. There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their respective relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity, during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

23. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.

24. Our Promoters and members of the Promoter Group shall not participate in the Offer, except by way of participation as Selling Shareholders, as applicable, in the Offer for Sale.

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and an Offer for Sale.

Offer for Sale

The Selling Shareholders shall be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For further details, please see *"-Offer related expenses"* on page 110.

The Fresh Issue

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards the following :

(i) augmenting our capital base to meet future business requirements of our Company towards onward lending; and

(ii) general corporate purposes.

(referred to herein as the "**Objects**").

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us: (i) to undertake our existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds. Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including the enhancement of our brand name among our existing and potential customers and creation of a public market for the Equity Shares in India.

Net Proceeds

The details of the proceeds from the Fresh Issue are summarised in the following table:

Particulars	Estimated amount *(₹ in million)*
Gross Proceeds of the Fresh Issue(1)	5,000.00
(Less) Offer related expenses to be borne by our Company in relation to the Fresh Issue (1)	([●])
Net Proceeds(1)(2)	[●]

(1) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.*

(2) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided hereunder:

Particulars	Amount (in ₹ million)
Augmenting our capital base to meet future business requirements of our Company towards onward lending	3,750.00
General corporate purposes(1)	[●]
Total	[●]

(1) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to the filing of the Prospectus with the RoC. The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Proposed schedule of implementation and deployment of Net Proceeds

S. No.	Particulars	Total estimated amount/ expenditure *(₹ in million)*	Percentage of Net Proceeds (%)	Amount to be funded from the Net Proceeds *(₹ in million)*	Estimated deployment of the Net Proceeds in Fiscal 2025 *(₹ in million)*
1.	Augmenting our capital base to meet future business requirements of our Company towards onward lending(1)	3,750.00	[●]	3,750.00	3,750.00
2.	General corporate purposes(2)	[●]	[●]	[●]	[●]
	Total Net Proceeds(2)	[●]	[●]	[●]	[●]

(1) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.*
Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Offer prior to completion of the Offer.

(2) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to the filing of the Prospectus with the RoC. The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

The fund requirements, the proposed deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, prevailing market conditions and other commercial and technical factors. The fund requirements and deployment of funds have not been appraised by any bank, or financial institution or any other independent agency. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

In the event that the estimated utilization of the Net Proceeds in a scheduled Financial Year is not completely met, due to the reasons stated above, the same shall be utilised in the next Financial Year, as may be determined by our Company, in accordance with applicable laws. For details on risks involved, see "*Risk Factors – We will not receive any proceeds from the Offer for Sale portion and objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders' approval*." on page 58.

Details of the Objects of the Fresh Issue

1. Augmenting the capital base of our Company to meet future business requirements towards onward lending

We are a non-deposit taking non-banking finance company middle layer ("**NBFC ML**"), operating in two verticals, vehicle financing and financing for Micro, Small and Medium Enterprises ("**MSME**"). According to the CRISIL Report, we are the fastest growing player in the vehicle financing segment and the MSME financing segment among our peers analyzed, based on our assets under management ("**AUM**") CAGR in the respective vertical for the period between Fiscal 2021 and Fiscal 2023. For further details, please see *"Our Business"* on page 201.

As an NBFC registered with the RBI, we are subject to regulations relating to the capital adequacy, which determine the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio and of the risk adjusted value of off-balance sheet items, as applicable. In accordance with the capital adequacy norms issued by the RBI, we are required to maintain a minimum CRAR of 15% consisting of Tier I Capital and Tier II Capital. For further details, please see *"Key Regulations and Policies"* on page 226. As at December 31, 2023 our Company's CRAR (%) was 30.46% of which CRAR-Tier- I capital (%) was 30.44%.

The following table sets forth details of composition of the Company's Tier I Capital and Tier II Capital as at December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021:

(in ₹ million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Equity share capital	64.44	58.21	58.64	58.17	52.18
Other equity	27,318.52	17,389.08	18,278.76	15,906.22	9,662.59
Intangible assets	(861.05)	(625.92)	(734.55)	(60.01)	(20.75)
Deferred tax assets (net)	(310.54)	(374.43)	(264.02)	(361.78)	(388.82)
Deferred revenue expenditure	(60.86)	(31.55)	(18.06)	(34.22)	(22.85)
Net unrealised gains arising on fair valuation of financial instruments	(1,113.51)	(277.18)	(532.40)	(2.39)	-
50% of cash collateral towards securitization (*cash collateral to be limited to 15% of the securitization pool outstanding*)	(384.29)	(239.40)	(287.70)	(150.95)	(230.90)
Tier I Capital	**24,652.71**	**15,898.80**	**16,500.67**	**15,355.04**	**9,051.45**
General provisions and loss reserves including Provisions for Standard Assets (to the extent not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of 1.25% of risk weighted assets)	399.64	635.19	663.01	475.63	419.15
Subordinated debt (Subjected to prescribed Discount Rates & Not exceeding 50% of Tier I)	-	-	-	-	40.00
First Loss Credit Enhancement	(384.29)	(239.40)	(287.70)	(150.95)	(230.90)
Tier II Capital	**15.35**	**395.79**	**375.31**	**324.69**	**228.25**

Capital Adequacy

In accordance with the capital adequacy norms issued by the RBI, we are required to maintain a minimum CRAR of 15% consisting of Tier I Capital and Tier II Capital.

The following table sets forth certain details regarding our capital under Basel II norms as of the dates indicated:

(₹ in millions except otherwise stated)

Particulars	As at December 31,		As at March 31,		
	2023	2022	2023	2022	2021
Tier I Capital	24,652.71	15,898.80	16,500.67	15,355.04	9,051.45
Tier II Capital	15.35	395.79	375.31	324.69	228.25
Total Capital funds	24,668.06	16,294.59	16,875.98	15,679.73	9,279.70
Risk weighted assets	80,983.34	60,092.96	64,656.20	51,540.91	33,531.80
Capital adequacy ratios					
CRAR-Tier- I capital (%)	30.44%	26.46%	25.52%	29.79%	26.99%
CRAR-Tier- II capital (%)	0.02%	0.66%	0.58%	0.63%	0.68%
CRAR (%)	**30.46%**	**27.12%**	**26.10%**	**30.42%**	**27.67%**

Set forth below are the details of our AUM as at December 31, 2023 and December 31, 2022 and as at March 2023, 2022 and 2021:

Particulars	As at December 31,		As at March 31,		
	2023	2022	2023	2022	2021
AUM *(in ₹ million)* (1)	95,155.23	67,159.89	73,783.42	47,135.66	34,171.69
AUM growth (in %) (2)*	41.68%	-	56.53%	37.94%	-

* *The information as at and for the nine months ended December 31, 2022 and as at and for Fiscal 2021 have not been included as the corresponding comparative periods in this Draft Red Herring Prospectus.*

1. *AUM represents the aggregate of future principal outstanding and principal overdue held in our books as on the last day of the relevant period/ year and loan assets which has been transferred/ sourced by our Company by way of securitization and pool buy out/ assignment/ our share of co-lending loans and are outstanding as at the end of the relevant period/ year.*
2. *AUM Growth represents the growth percentage in AUM as of the last day of the relevant period/ year over AUM as of the last day of the previous period/ year.*

Since our Company continues to grow our loan portfolio and asset base, it will require additional capital in order to continue to meet applicable capital adequacy ratios with respect to its business. Our Company proposes to utilise the Net Proceeds towards augmenting its capital base to meet future business requirements of our Company towards onward lending, which are expected to arise out of growth of our business and assets. For further details, see "*Our Business*" on page 201.

While our Company's CRAR during the periods/years as at December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021 exceeds the regulatory thresholds prescribed by the RBI, we believe that in order to maintain our Company's growth rate, we will require further capital in the future in order to remain complaint with such regulatory thresholds. Our Company's business is dependent on its ability to raise funds at competitive rates, which in turn, depends on various factors including our credit ratings. Considering that the higher CRAR would positively impact the credit ratings of our Company, which would lower the borrowing costs thereby positively impacting our interest margins and financial condition, we accordingly, propose to utilize an amount aggregating to ₹ 3,750.00 million out of the Net Proceeds towards maintaining higher Tier 1 Capital in light of our onward lending requirements. We believe that maintaining higher Tier 1 Capital will help us remain competitive with our industry peers. We anticipate that the portion of the Net Proceeds allocated towards this object will be sufficient to satisfy our Company's future capital requirements, which are expected to arise out of growth of our business and assets and to ensure compliance with the requirements of the RBI for Fiscal 2025.

General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes and business requirements of our Company, subject to such amount not exceeding 25% of the Gross Proceeds of the Offer, in compliance with the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to, strategic initiatives including investment in information technology, future branch and business expansion, repayment of indebtedness from time to time, meeting ongoing working capital requirements and meeting general corporate exigencies and contingencies other business requirements, and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with necessary provisions of the Companies Act and other applicable laws.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Means of finance

The fund requirements set out in the aforesaid Objects are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals as required under the SEBI ICDR Regulations. In case of a shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/ or seeking additional debt from existing and/ or other lenders.

Offer related expenses

The total Offer related expenses are estimated to be approximately ₹[●] million. The Offer related expenses consist of listing fees, underwriting fees, selling commission and brokerage, fees payable to the book running lead managers, legal counsels, Registrar to the Offer, Escrow Collection Bank, Public Offer Account Bank, Refund Bank and Sponsor Banks including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Other than (a) listing fees, stamp duty payable on issue of Equity Shares pursuant to Fresh Issue and annual audit fees of statutory auditors which will be borne solely by our Company, and expenses in relation to product or corporate advertisements, i.e., any corporate advertisements consistent with past practices of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer) which shall be solely borne by the Company, and (b) fees and expenses for the legal counsel to the Selling Shareholders which shall be solely borne by the respective Selling Shareholders, all costs, charges, fees and expenses associated with and incurred in connection with the Offer, (including corporate advertisements, issue advertising, printing, road show expenses, accommodation and travel expenses, stamp, transfer, issuance, documentary, registration, costs for execution and enforcement of the Offer Agreement, Registrar's fees, fees to be paid to the BRLMs, fees and expenses of legal counsel to our Company and the BRLMs, fees and expenses of the auditors, fees to be paid to Sponsor Banks, SCSBs (processing fees and selling commission), brokerage for Syndicate Members, commission to Registered Brokers, Collecting DPs and Collecting RTAs, and payments to consultants, and advisors), shall be shared among our Company and each of the Selling Shareholders on a *pro rata* basis in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale, in accordance with applicable law including section 28(3) of Companies Act. All the expenses relating to the Offer shall be paid by the Company in the first instance and upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, each Selling Shareholder shall, severally and not jointly, reimburse the Company for any expenses in relation to the Offer paid by the Company on behalf of the respective Selling Shareholder in accordance with the Offer Agreement.

Further, in the event the Offer is withdrawn or is not completed for any reason whatsoever, the Offer related expenses shall be shared between our Company and the Selling Shareholders in accordance with applicable law.

The break-up of the estimated Offer expenses is as follows:

Activity	Estimated expenses(1) (₹ in million)	As a % of the total estimated Offer expenses(1)	As a % of the total Offer size(1)
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/ processing fee for SCSBs and Bankers to the Offer and fees payable to the Sponsor Bank(s) for Bids made by UPI Bidders. Brokerage, selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(2)(3)(4)(5)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to other parties to the Offer^:			
- Auditors	[●]	[●]	[●]
- Independent Chartered Accountant	[●]	[●]	[●]
- Industry expert	[●]	[●]	[●]
- Fee payable to legal counsel	[●]	[●]	[●]
- Others			
Others			
- Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

^ *Other parties to the Offer include Statutory Auditors, Previous Statutory Auditor, Independent Chartered Accountant, Industry expert, legal counsel, RoC consultant etc. for the services rendered by them for the Offer*

(1) *Amounts will be finalised and incorporated in the Prospectus upon determination of the Offer Price.*

(2) *Selling commission payable to the SCSBs on the portion for RIBs, Non-Institutional Bidders and Eligible Employees Bidding in the Employee Reservation Portion, which are directly procured and uploaded by the SCSBs, would be as follows:*

*Portion for RIB**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

(3) *No additional uploading / processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the Bid cum Application Forms directly procured by them.*

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid book of BSE or NSE.

Processing fees payable to the SCSBs on the portion for RIBs, Non-Institutional Bidders and Eligible Employees which are procured by the Members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for RIBs	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
Portion for Non-Institutional Bidders	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Eligible Employees**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*

The Selling commission payable to the Syndicate / sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / sub-Syndicate Member.

(4) *The uploading charges/ processing fees for applications made by UPI Bidders would be as follows:*

Members of the Syndicate / RTAs / CDPs / Registered Brokers	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*
Sponsor Bank(s)	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)* *The Sponsor Bank(s) shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

* *For each valid application.*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

(5) *Selling commission on the portion for RIBs, Non-Institutional Bidders and Eligible Employees which are procured by Members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:*

*Portion for RIBs**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted* (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

Interim use of Net Proceeds

The Net Proceeds shall be retained in the Public Offer Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, our Company will deposit the Net Proceeds only with one or more scheduled commercial banks included in Second Schedule of the Reserve Bank of India Act, 1934 as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the shares of any other listed company or any investment in equity markets.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Appraising entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency, including any bank or finance institutions.

Monitoring of utilization of funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency to monitor the utilisation of the Net Proceeds, prior to filing of the Red Herring Prospectus with the RoC. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Net Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such Fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised, till the time any part of the Fresh Issue proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable Fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor and such certification shall be provided to the Monitoring Agency. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net Proceeds from the objects of the Offer as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Offer as stated above.

Variation in objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Notice shall simultaneously be published in the newspapers, one in an English national daily newspaper, one in a Hindi national daily newspaper (Hindi being the regional language of Rajasthan, where our Registered Office is located), each with wide circulation, in accordance with the Companies Act and applicable rules. The Shareholders who do not agree to the proposal to vary the objects shall be given an exit offer, at such price, and in such manner, in accordance with our Articles of Association, the Companies Act, and the SEBI ICDR Regulations.

Other confirmations

Except to the extent of the proceeds received by the Promoter Selling Shareholders pursuant to the Offer for Sale, none of our Promoters, the members of the Promoter Group, Directors, Key Managerial Personnel, Senior Management Personnel or Group Companies will receive any portion of the Offer Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue, except as set out above.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹1 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value. In addition to the information already disclosed in this section, Bidders should also see sections titled "*Risk Factors*", "*Our Business*", "*Restated Summary Statements*", "*Selected Statistical Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 28, 201, 312, 277 and 402, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe that some of the qualitative factors which form the basis for computing the Offer Price are:

- According to the CRISIL Report, we are the fastest growing player in the Vehicle & MSME finance segment among the peers analyzed, with a growing presence in the underpenetrated used CVs (excluding M&HCVs) and MSME financing segment based on our AUM CAGR in the respective vertical for the period between Fiscal 2021 and Fiscal 2023.

- We have a deep sales network enabling access to a large demography of customers in the rural and semi urban areas of India. Through our branch network spreading across rural and semi-urban areas, we understand the characteristics of the local markets and its customers. This allows us to assist in addressing specific needs and further improving our penetration into such markets.

- We have developed comprehensive systems and processes for underwriting, collections and risk management. These systems and processes are customized to assess our target customers' income and evaluate collaterals in a structured manner in order for us to minimize our risk.

- We have an experienced and professional management team with extensive industry knowledge.

For further details, see "*Our Business – Our Strengths*" on page 204.

Quantitative Factors

Some of the quantitative factors which form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings per share for continuing operations ("EPS") (face value of each Equity Share is ₹1):

Fiscal	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2023	19.13	18.79	3
March 31, 2022	12.62	12.41	2
March 31, 2021	9.04	8.95	1
Weighted Average for the above three financial years	**15.28**	**15.02**	
Nine months period ended December 31, 2023#	17.78	17.55	
Nine months period ended December 31, 2022#	11.94	11.69	

\# *Not annualized.*

Notes:

1. *Earnings per share (basic) and Earnings per share (diluted) represent the earnings per Equity Share of ₹1 each - Basic and the earnings per Equity Share of ₹1 each - Diluted, respectively, which are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Earnings per share (basic) is calculated by dividing the profit for the period/year attributable to equity holders by the weighted average number of equity shares outstanding during the period/year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Earnings per share (diluted) is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the period/year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.*
   The Board in its meeting held on February 1, 2024 and Shareholders in the extraordinary general meeting held on March 11, 2024 approved the sub-division of shares from ₹2 per share to ₹1 per share and also approved the bonus share in the ratio of 1:1 with effect from March 16, 2024. The number of shares used for the calculation of earnings per share, and the earnings per share (including that in the comparative periods), have been adjusted for pursuant to Paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

B. Price/Earning ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price* (number of times)	P/E at the Cap Price* (number of times)
Based on basic EPS for year ended March 31, 2023	[●]	[●]
Based on diluted EPS for year ended March 31, 2023	[●]	[●]

* *To be computed after finalization of price band*

C. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest, lowest and industry average P/E ratio are set forth below:

Particulars	Industry Peer P/E
Highest	55.8
Lowest	15.4
Average	32.4

Notes:
1. *The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed.*
2. *The industry P / E ratio mentioned above is for the financial year ended March 31, 2023. P / E Ratio has been computed based on the closing market price of equity shares on BSE on April 26, 2024 divided by the Diluted EPS for the year ended March 31, 2023.*
3. *All the financial information for listed industry peers mentioned above is taken as is sourced from the audited financial statements of the relevant companies for Fiscal 2023, as available on the websites of the stock exchanges.*

D. Industry Peer Group price/book ("P/B") ratio

Based on the peer group information (excluding our Company) given below in this section, details of the highest, lowest and industry average P/B ratio are set forth below:

Particulars	P/B ratio
Highest	6.7
Lowest	1.7
Average	4.2

Notes:
1. The industry composite has been calculated as the arithmetic average P/B of the industry peer set disclosed.
2. The industry P / B ratio mentioned above is for the financial year ended March 31, 2023. P / B Ratio has been computed based on the closing market price of equity shares on BSE on April 26, 2024 divided by the NAV per Equity Share as of March 31, 2023.
3. All the financial information for listed industry peers mentioned above is taken as is sourced from the audited financial statements of the relevant companies for Fiscal 2023, as available on the websites of the stock exchanges.

E. Return on Net Worth ("RoNW")

Fiscal	RoNW (%)	Weight
March 31, 2023	13.01%	3
March 31, 2022	11.15%	2
March 31, 2021	9.87%	1
Weighted Average for the above three Financial Years	**11.87%**	
Nine months period ended December 31, 2023#	9.51%	
Nine months period ended December 31, 2022#	8.33%	

Not annualized.

Notes:
1. *Return on Net Worth represents profit for the period/ year divided by average Net worth as at the end of relevant period/ year. Average Net worth, which is a Non-GAAP measure, represents simple average of Net Worth as at the end of relevant period/ year and Net Worth as at the end of relevant previous year.*
2. *Net worth, which is a Non-GAAP measure means the aggregate value of the Equity Share capital and Other equity, after deducting the prepaid expenses as at the end of relevant period/ year.*
3. *Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e., (Net Worth x Weight) for each year / Total of weights.*

F. Net Asset Value ("NAV") per Equity Share, as adjusted for change in capital

Net Asset Value per Equity Share	₹
As at December 31, 2023	212.01
As at March 31, 2023	155.53
After the Offer	
- At Floor Price	[●]*
- At Cap Price	[●]*
- At Offer Price	[●]*

* *To be computed after finalization of price band. Offer Price will be determined on conclusion of the book building process.*

Notes:
Net asset value per Equity Share, which is a Non-GAAP measure, is calculated as Net Worth as at the end of relevant period/ year divided by the outstanding number of equity shares including partly paid-up shares as at the end of such period/year after giving impact of sub-division of equity shares and bonus issue subsequent to period end in accordance with Ind AS 33 principles

G. Comparison with Listed Industry Peers

Following is the comparison with our peer group companies listed in India and in the same line of business as our Company as of March 31, 2023:

Name of the company	Total Income (₹ in million)	Face Value (₹)	P/E	P/B	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)^	*NAV per equity share (₹)*
SK Finance Limited#	13,142.41	1	[●]*	[●]*	19.13	18.79	13.01%	155.53

Name of the company	Total Income (₹ in million)	Face Value (₹)	P/E	P/B	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)^	*NAV per equity share (₹)*
Listed peers								
Shriram Finance Limited	3,05,083.90	10	15.7	2.2	160.54	159.83	14.84%	1,162.12
Cholamandalam Investment and Finance Company Limited	131,055.90	2	36.2	6.7	32.44	32.38	20.41%	174.52
Mahindra & Mahindra Financial Services Limited	128,324.00	2	15.4	1.7	16.81	16.79	11.69%	150.22
AU Small Finance Bank Limited	92,398.73	10	27.6	3.6	21.86	21.74	15.44%	164.64
Sundaram Finance Limited	55,444.20	10	40.1	5.4	119.59	119.59	14.09%	891.94
Five-Star Business Finance Limited	15,289.28	1	36.2	5.0	20.71	20.49	14.99%	148.94
SBFC Finance Limited	7,403.61	10	55.8	4.7	1.71	1.62	9.93%	19.26

Notes:

#Financial information of the Company has been derived from the Restated Summary Statements. Earnings per share (basic) and Earnings per share (diluted) represent the earnings per Equity Share of ₹1 each – Basic and the earnings per Equity Share of ₹1 each – Diluted, respectively, which are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Earnings per share (basic) is calculated by dividing the profit for the period/year attributable to equity holders by the weighted average number of equity shares outstanding during the period/year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Earnings per share (diluted) is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the period/year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The Board in its meeting held on February 1, 2024 and Shareholders in the extraordinary general meeting held on March 11, 2024 approved the sub-division of shares from ₹2 per share to ₹1 per share and also approved the bonus share in the ratio of 1:1. The number of shares used for the calculation of earnings per share, and the earnings per share(including that in the comparative periods), have been adjusted for pursuant to paragraph 64 of Ind AS 33 – "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

** To be included at the Prospectus stage.*

^ Reported Return on Net Worth (RoNW) in Annual Report for the year ended March 31,2023;

Sources for listed peers information included above:

(i) 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 or the Company.

(ii) P/E ratio for the listed industry peers has been computed based on the closing market price of equity shares on BSE Limited ("BSE") as on April 26, 2024 divided by the diluted earnings per share for the year ended March 31, 2023.

(iii) P/B ratio for the listed industry peers has been computed based on the closing market price of equity shares on BSE as on April 26, 2024 divided by the net asset value per equity share as of March 31, 2023

(iv) Return on net worth (%) is calculated as the profit after tax for the relevant year/ period as a percentage of Average Total Net Worth in such year.

(v) NAV(Net asset value) per equity share is calculated as Net Worth as at the end of relevant period/year divided by the outstanding number of equity shares including partly paid-up shares as at the end of such period/year after giving impact of sub-division of equity shares and bonus issue.

(vi) Net worth of peer company is taken as 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 or the Company. Net worth of the company is taken as the aggregate value of the Equity Share capital and Other equity, after deducting the prepaid expenses as at the end of relevant year.

H. Key Performance Indicators ("KPI")

All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated April 30, 2024, and the Audit Committee has confirmed and taken on record that other than the KPIs set out below our Company has not disclosed any other KPIs to investors at any time during the three years period prior to the date of filing of this Draft Red Herring Prospectus and have been subject to verification and certification by Shah Patni & Co., Chartered Accountants pursuant to certificate dated May 1, 2024. The certificate dated May 1, 2024 issued by Shah Patni & Co., Chartered Accountants, has been included in "*Material Contracts and Documents for Inspection – Material Documents*" on page 502.

The KPIs disclosed below have been historically used by the Company to understand and analyze its business performance and will also help in analyzing its growth in comparison to its peers.

The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Summary Statements. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS and may have limitations as analytical tools.

Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these KPIs should not be considered in isolation or construed as an alternative to Ind AS measures of performance, liquidity, profitability or results of operation.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once a year (or any lesser period as may be determined by the Board), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the utilisation of the Offer Proceeds as per the disclosure made in the section "*Objects of the Offer*" on page 107 of this Draft Red Herring Prospectus, whichever is later, or for such other duration as required under the SEBI ICDR Regulations.

S. No.	Key Performance Indicators	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31,		
		2023	2022	2023	2022	2021
1	Number of States & UTs (1)	12	10	10	10	7
2	Number of Branches(2)	535	441	447	423	344
3	Number of MSME Branches(3)	322	224	237	176	118
4	Number of Employees(4)	10,725	8,143	8,438	6,730	5,107
5	AUM (in ₹ million)(5)	95,155.23	67,159.89	73,783.42	47,135.66	34,171.69
6	AUM growth (%)(6)	41.68%	-	56.53%	37.94%	-
7	Disbursements (in ₹ million)(7)	50,403.38	40,594.15	56,228.52	32,260.49	16,340.52
8	Disbursement Growth (%)(8)	24.16%	-	74.30%	97.43%	-
9	Average ticket size on Disbursement (in ₹ million)(9)	0.33	0.31	0.31	0.29	0.29
10	Average LTV (%)(10)	61.96%	65.07%	64.45%	65.64%	68.06%
11	**Product Wise AUM (in terms of Amount in ₹ million)(11)**					
a	*Vehicle Loans*	74,248.53	55,737.32	60,431.29	40,898.99	30,366.47
b	*MSME Loans*	18,364.25	10,199.22	11,919.87	5,763.45	3,642.89
c	*Other Loans*	2,542.46	1,223.35	1,432.26	473.22	162.33
12	**Product Wise Disbursement (in terms of Amount in ₹ million)(12)**					
a	*Vehicle Loans*	38,724.17	33,513.21	46,045.31	28,528.67	14,530.78
b	*MSME Loans*	9,494.47	5,881.39	8,544.14	3,257.85	1,717.25
c	*Other Loans*	2,184.74	1,199.54	1,639.06	473.97	92.48
13	AUM per branch (in ₹ million)(13)	177.86	152.29	165.06	111.43	99.34
14	AUM per employee (in ₹ million)(14)	8.87	8.25	8.74	7.00	6.69
15	Net Worth (in ₹ million)(15)	27,322.10	17,415.74	18,319.34	15,930.17	9,691.92
16	CRAR (%)(16)	30.46%	27.12%	26.10%	30.42%	27.67%
17	Total Assets to Net Worth (in Times)(17)	3.97	4.76	4.94	3.91	4.43
18	Average Cost of borrowings (%) (18)*	7.29%	6.95%	9.39%	8.84%	10.17%
19	Total Income (in ₹ million)(19)	13,152.26	9,283.92	13,142.41	8,206.87	6,824.92
20	Net Interest Income (in ₹ million)(20)	6,203.52	4,786.24	6,630.42	4,254.41	3,410.75
21	Net Income (in ₹ million)(21)	7,653.10	5,461.83	7,667.61	4,738.72	3,854.79
22	Profit for the period/year (in ₹ million)(22)	2,171.01	1,388.83	2,227.86	1,428.74	910.83
23	Yield on average Gross Loans (%)(23)*	13.42%	13.92%	18.71%	17.43%	19.00%
24	Spread (%)(24)*	6.13%	6.97%	9.33%	8.59%	8.84%
25	Interest Margin %(25)*	6.23%	6.59%	8.67%	8.09%	8.73%
26	Operating Expenditure / Average Total Assets (%)(26) *	3.75%	3.87%	5.03%	5.32%	4.33%
27	Impairment on financial instruments / Average Total Assets(27) *	1.11%	1.15%	1.20%	0.31%	2.37%
28	Return on average Total Assets (RoTA) (%)(28) *	2.18%	1.91%	2.91%	2.72%	2.33%
29	Return on Average Net worth (RoNW) (%)(29) *	9.51%	8.33%	13.01%	11.15%	9.87%
30	Gross Loans - Stage 1 / Gross Loans (%)(30)	91.92%	91.86%	94.16%	89.99%	84.48%
31	Gross Loans - Stage 3 ratio (%)(31)	2.87%	2.83%	1.94%	2.83%	4.03%
32	Gross Loans – Regulatory Stage 3 Ratio (%)(32)	1.73%	1.75%	1.17%	-	-
33	Net Loans – Stage 3 ratio (%)(33)	1.64%	1.98%	1.32%	2.04%	1.94%
34	Net Loans – Regulatory Stage 3 Ratio (%)(34)	1.50%	1.51%	1.03%	-	-
35	Provision Coverage Ratio on Gross Loans – Stage 3(%)(35)	43.59%	30.63%	32.26%	28.58%	52.85%
36	Provision Coverage Ratio on Gross Loans – Regulatory Stage 3(%)(36)	13.82%	13.89%	12.27%	-	-
37	Gross non-performing assets Ratio (%)(37)	4.60%	4.58%	3.11%	2.83%	4.03%
38	Net NPAs to net advances (Net NPA Ratio) (%)(38)	3.16%	3.51%	2.36%	2.04%	1.94%
39	Provision Coverage Ratio on Gross non-performing assets (%)(39)	32.38%	24.25%	24.72%	28.58%	52.85%
40	Earnings per share (basic) (in ₹)(40) *	17.78	11.94	19.13	12.62	9.04
41	Earnings per share (diluted) (in ₹)(40) *	17.55	11.69	18.79	12.41	8.95
42	Credit Ratings(41)					
a.	CARE Ratings, Non-convertible debentures	AA- Stable	A+ Stable	A+/Positive	A+	A

S. No.	Key Performance Indicators	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31,		
		2023	2022	2023	2022	2021
b.	CARE Ratings, Market Linked debentures	AA- Stable	A+ Stable	A+/Positive	A+/Stable	A/Stable
c.	CARE Ratings, Subordinated bonds	Withdrawn	A+ Stable	A+/Positive	A+	A
d.	CARE Ratings, Loan facility	AA- Stable	A+ Stable	A+/Positive	A+	A
e.	CRISIL Ratings, Non-convertible debentures	A+ Positive	A + Stable	A+/Stable	A+	A
f.	CRISIL Ratings, Market Linked debentures	A+ Positive	A+ Stable	A+/Stable	A+/Stable	A/Stable
g.	CRISIL Ratings, Loan facility	-	A + Stable	A+/Stable	A+	A
h.	CRISIL Ratings, Commercial paper	-	A1+/ Stable	-	-	-
i.	ICRA Ratings, Non-convertible debentures	AA- Stable	A+ Stable	A+/Positive	A+	-
j.	ICRA Ratings, Market Linked debentures	AA- Stable	A+ Stable	A+/Positive	A+ Stable	-
k.	ICRA Ratings, Structured non-convertible debentures	-	Withdrawn	Withdrawn	A+(CE) (Stable)	AA+(CE) (Stable)
l.	ICRA Ratings, Loan facility	-	A+ Stable	Withdrawn	A+	-
m.	Acuite Ratings, Market Linked debentures	AA- Stable	AA- Stable	AA-/Stable	-	-
n.	Acuite Ratings, Loan facility	-	AA- Stable	AA-/Stable	AA-	-
o.	Acuite Ratings, Commercial paper	-	A1+	A1+	A1+	-
p.	India Ratings, Non-convertible debentures	AA- Stable	-	-	-	-
q.	India Ratings, Loan facility	AA- Stable	A+ Stable	A+/Stable	A+	-
r.	India Ratings, Commercial paper	A1+	A1+	A1+	A1+	-
s.	Brickwork Ratings, Non-convertible debentures	-	-	-	-	A
t.	Brickwork Ratings, Loan facility	-	-	-	-	A

* *This financial data are not annualized for the period ended December 31, 2023 and December 31, 2022.*

Notes:

(1) Number of States and UTs represents the aggregate number of states and UTs where Company has presence as at the end of the relevant period/ year.

(2) Number of branches represents aggregate number of branches as of the last day of relevant period/ year.

(3) Number of MSME branches represents aggregate number of branches as at the end of the relevant period/ year which are extending MSME loans to customers.

(4) Number of employees represents aggregate number of employees as of the last day of relevant period/ year.

(5) AUM represents the aggregate of future principal outstanding and principal overdue held in books as on the last day of the relevant period/ year and loan assets which has been transferred/ sourced by our Company by way of securitization and pool buy out/ assignment/ our share of co-lending loans and are outstanding as on last day of the relevant period/ year.

(6) AUM growth represents the growth percentage in AUM as of the last day of the relevant period/ year over AUM as of the last day of the previous period/ year.

(7) Disbursements is the aggregate of all loan amounts extended to customers in the relevant period/ year.

(8) Disbursement growth represents the percentage growth in disbursement for the relevant period/ year over disbursement for the previous period/ year.

(9) Average ticket size on disbursement represents the aggregate of all loan amounts extended to our customers in the relevant period/ year divided by number of loan accounts extended in the relevant period/ year.

(10) Average LTV is Property/ asset value mortgaged for the loan extended to our customer to loan amount disbursed to our customer during relevant period/ year.

(11) Product wise AUM represents AUM split between loan products (Vehicle, MSME, Others) of the company outstanding as of last day of the relevant period/ year.

(12) Product wise Disbursement represents Disbursement split between loan products (Vehicle, MSME, Others) of the company in the relevant period/ year.

(13) AUM per branch represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.

(14) AUM per employee represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our employees as of the last day of relevant period/ year.

(15) Net worth means the aggregate value of the Equity Share capital and Other equity, after deducting the prepaid expenses as of the end of relevant period/ year.

(16) CRAR is computed by dividing our Tier I and Tier II capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.

(17) Total Assets to Net Worth (in Times) represents total assets as at the end of relevant period/ year divided by net worth as at the end of such period/ year.

(18) Average cost of borrowing is Adjusted finance cost divided by average Total borrowings. Average Total Borrowings is the simple average of our total Borrowings outstanding as at the end of the previous year and the last day of the relevant year. Total borrowing represents the aggregate of debt securities, borrowing (other than debts securities) and subordinated liabilities. Adjusted finance cost represents the finance costs reduced by interest on lease liability for the relevant period/ year.

(19) Total Income represents the Total Income for the relevant period/ year.

(20) Net interest income represents the difference between interest income and finance costs for the period/ year. Interest income represents the sum of interest income on financial assets measured at amortized cost, interest on deposits with Bank and income on investment, for the relevant period/

year.

(21) *Net Income represents the difference between total income and finance costs for the relevant period/ year.*

(22) *Profit for period/ year represents the profit for relevant period/ year.*

(23) *Yield on average gross loans is Interest income on financial assets measured at amortised cost divided by average gross loans.*

(24) *Spread is the difference between yield on average gross loans and average cost of borrowing.*

(25) *Interest Margin represents the difference between interest income and finance costs for the period/ year to the average total assets for the period/ year.*

(26) *Operating expenditure to average total assets represents aggregate of employee benefits expense, depreciation and amortization expense, other expenses for the relevant period/ year divided by the average total assets for the relevant period/ year.*

(27) *Impairment on financial instruments to average total assets represents impairment on loans, bad debts written off (net of recoveries) for the relevant period/ year to the average total assets for the relevant period/ year.*

(28) *Return on Average Total assets (RoTA) represents profit for the period/ year divided by average of total assets as at the end of the relevant period/ year and our total assets as at the end of the previous year.*

(29) *Return on Average Net Worth (RoNW) is calculated as the profit for the period/ year as a percentage of Average Total Net Worth for such period/ year.*

(30) *Gross Loans - Stage 1 represents ratio of gross Loans - Stage 1 to Gross Loans as at the end of the relevant period/ year.*

(31) *Gross Loans - Stage 3 ratio is calculated as Gross Loans - Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. Gross Loans – Stage 3 refer to accounts of more than 90 DPD, which includes all customers loan accounts which have been tagged as Stage 3.*

(32) *Gross Loans – Regulatory Stage 3 ratio is calculated as Gross Loans – Regulatory Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the Master Direction – RBI (NBFC- Scale Based Regulation) Directions, 2023.*

(33) *Net Loans – Stage 3 Ratio represents Gross Loans - stage 3 reduced by Impairment loss allowance – Gross Loans – Stage 3 as of the last day of relevant period/ year divided by Gross Loans reduced by Impairment loss allowance – Gross Loans – Stage 3 as at the end of relevant period/ year.*

(34) *Net Loans – Regulatory Stage 3 Ratio represents Gross Loans – Regulatory stage 3 reduced by Impairment loss allowance – Gross Loans – Regulatory Stage 3 as of the last day of relevant period/ year divided by Gross Loans reduced by impairment loss allowance – Gross Loans – Regulatory Stage 3 as at the end of relevant period/ year.*

(35) *Provision Coverage Ratio on Gross Loans – Stage 3(%) is calculated as Impairment loss allowance -Gross Loans – Stage 3 divided by Gross Loans – Stage 3 as at the end of the relevant period/ year. Gross Loans – Stage 3 refer to accounts of more than 90 DPD, which includes all customers loan accounts which have been tagged as Stage 3.*

(36) *Provision Coverage Ratio on Gross Loans – Regulatory Stage 3 (%) is calculated as Impairment loss allowance - Gross Loans - Regulatory Stage 3 divided by Gross Loans – Regulatory Stage 3 as of the end of the relevant period/ year. Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the Master Direction – RBI (NBFC- Scale Based Regulation) Directions, 2023.*

(37) *Gross non-performing assets ratio is Gross non-performing assets divided by Gross Loans outstanding as of the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as of the end of the relevant period/ year.*

(38) *Net NPAs to net advances (Net NPA Ratio) represents our Net Non-performing assets to our Gross Loans reduced by impairment loss allowance on Gross Non-performing assets as of the end of the relevant period/ year. Net NPA represents Gross non-performing assets reduced by provisions for NPAs (excluding provisions on standard assets) as at the end of relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year.*

(39) *Provision Coverage Ratio on Gross non-performing assets (%) is calculated as provisions for NPAs (excluding provisions on standard assets) divided by Gross Non-Performing Assets as at the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year.*

(40) *Earnings per share (basic) and Earnings per share (diluted) represent the earnings per Equity Share of ₹1 each – Basic and the earnings per Equity Share of ₹1 each – Diluted, respectively, which are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Earnings per share (basic) is calculated by dividing the profit for the period/year attributable to equity holders by the weighted average number of equity shares outstanding during the period/year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Earnings per share (diluted) is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the period/year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.*
The Board in its meeting held on February 1, 2024 and Shareholders in the extraordinary general meeting held on March 11, 2024 approved the sub-division of shares from ₹2 per share to ₹1 per share and also approved the bonus share in the ratio of 1:1 with effect from March 16, 2024. The number of shares used for the calculation of earnings per share, and the earnings per share(including that in the comparative periods), have been adjusted for pursuant to paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

(41) *Credit rating issued by a registered rating agency under the SEBI for long term bank facilities of our Company.*

I. Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

A list of our KPIs along with a brief explanation of the relevance of the KPIs to our business operations are set forth below:

KPIs	Description	Relevance
Number of States & UTs	Number of States and UTs represents the total number of states and UTs where Company has presence as at the end of the relevant period/ year.	These metrics are used by the management to assess the physical presence, footprint and geographical expansion of the business of our Company.
Number of Branches	Number of branches represents total number of branches as of the last day of relevant period/ year.	
Number of MSME Branches	Number of MSME branches represents total number of branches as at the end of the relevant period/ year which are extending MSME loans to customers.	
Number of Employees	Number of employees represents total number of employees as of the last day of relevant period/ year.	These metrics are used by the management to assess the growth in terms of scale and composition of business of our Company.
AUM	AUM represents the aggregate of future principal outstanding and principal overdue held in books as on the last day of the relevant period/ year and loan assets which has been transferred/ sourced by our Company by way of securitization and pool buy out/ assignment/ our	

KPIs	Description	Relevance
	share of co-lending loans and are outstanding as on last day of the relevant period/ year.	
AUM growth	AUM growth represents the growth percentage in AUM as of the last day of the relevant period/ year over AUM as of the last day of the previous period/ year.	
Disbursements	Disbursements is the aggregate of all loan amounts extended to customers in the relevant period/ year.	
Disbursement Growth	Disbursement growth represents the percentage growth in disbursement for the relevant period/ year over disbursement for the previous period/ year.	
Average ticket size on Disbursement	Average ticket size represents the aggregate of all loan amounts extended to our customers in the relevant period/ year divided by number of loan accounts extended in the relevant period/ year.	
Average LTV	Average LTV is Property/ asset value taken for the loan extended to our customer to loan amount extended to our customer for the disbursements during relevant period/ year.	
Product Wise AUM	Product wise AUM represents AUM split between products (Vehicle, MSME, Others) of the company outstanding as of last day of the relevant period/ year.	
Product Wise Disbursement	Product wise Disbursement represents Disbursement split between loan products (Vehicle, MSME, Others) of the company in the relevant period/ year.	
AUM per branch	AUM per branch represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.	
AUM per employee	AUM per employee represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our employees as of the last day of relevant period/ year.	
Net Worth	Net worth means the aggregate value of the Equity Share capital and Other equity, after deducting the prepaid expenses as of the end of relevant period/ year.	These metrics are used by the management to ensure the adequacy of capital for the business growth of our Company.
CRAR	CRAR is computed by dividing our Tier I and Tier II capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.	
Total Assets to Net Worth	Total Assets to Net Worth (in Times) represents total assets as at the end of relevant period/ year divided by net worth as at the end of such period/ year.	This metric is used by the management to assess the capital requirement for the Company.
Average Cost of borrowings	Average cost of borrowing is Adjusted finance cost divided by average Total borrowings. Average Total Borrowings is the simple average of our total Borrowings outstanding as at the end of the previous year and the last day of the relevant period/ year. Total borrowing represents the aggregate of debt securities, borrowing (other than debts securities) and subordinated liabilities. Adjusted finance cost represents the finance costs reduced by interest on lease liability for the relevant period/ year.	This metric is used by the management to assess the cost for financial resources which are deployed for the business growth of our Company.
Total Income	Total Income represents the Total Income for the relevant period/ year.	These metrics are used by the management to assess the financial and profitability metrics and cost efficiency of the business of our Company.
Net Interest Income	Net interest income represents the difference between interest income and finance costs for the period/ year. Interest income represents the sum of interest income on financial assets measured at amortized cost, interest on deposits with Bank and income on investment, for the relevant period/ year.	
Net Income	Net Income represents the difference between total income and finance costs for the relevant period/ year.	
Profit for the period/year	Profit for the period/ year represents the profit for the relevant period/ year.	This metric is used by the management for assessing the financial performance of our Company during a particular period.
Yield on average Gross Loans	Yield on average gross loans is Interest income on financial assets measured at amortised cost divided by average gross loans.	These metrics are used by the management to assess the financial and profitability metrics and cost efficiency of
Spread	Spread is the difference between yield on average gross	

KPIs	Description	Relevance
	loans and average cost of borrowing.	the business of our Company.
Interest Margin	Interest Margin represents the difference between interest income and finance costs for the period/ year to the average total assets for the period/ year.	
Operating Expenditure / Average Total Assets	Operating expenditure to average total assets represents aggregate of employee benefits expense, depreciation and amortization expense, other expenses for the relevant period/ year divided by the average total assets for the relevant period/ year.	
Impairment on financial instruments / Average Total Assets	Impairment on financial instruments to average total assets represents impairment on loans, bad debts written off (net of recoveries) for the relevant period/ year to the average total assets for the relevant period/ year.	
Return on average Total Assets (RoTA)	Return on Average Total assets (RoTA) represents profit for the period/ year divided by average of total assets as at the end of the relevant period/ year and our total assets as at the end of the previous year.	These metrics are used by the management to assess the return on the deployed capital and the assets in the business of our Company.
Return on Average Net worth (RoNW)	Return on Average Net Worth (RoNW) is calculated as the profit for the period/ year as a percentage of Average Total Net Worth for such period/ year.	
Gross Loans - Stage 1 / Gross Loans	Gross Loans - Stage 1/Gross Loans represents ratio of gross Loans - Stage 1 to Gross Loans as at the end of the relevant period/ year.	These metrics are used by the management to assess the asset quality of the loan portfolio and adequacy of provisions against delinquent loans.
Gross Loans - Stage 3 ratio	Gross Loans - Stage 3 ratio is calculated as Gross Loans - Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. Gross Loans – Stage 3 refer to accounts of more than 90 DPD, which includes all customers loan accounts which have been tagged as Stage 3.	
Gross Loans – Regulatory Stage 3 Ratio	Gross Loans – Regulatory Stage 3 ratio is calculated as Gross Loans – Regulatory Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021.	
Net Loans – Stage 3 ratio	Net Loans – Stage 3 Ratio represents Gross Loans - stage 3 reduced by Impairment loss allowance – Gross Loans – Stage 3 as of the last day of relevant period/ year divided by Gross Loans reduced by Impairment loss allowance – Gross Loans – Stage 3 as at the end of relevant period/ year.	
Net Loans – Regulatory Stage 3 Ratio	Net Loans – Regulatory Stage 3 Ratio represents Gross Loans – Regulatory stage 3 reduced by Impairment loss allowance – Gross Loans – Regulatory Stage 3 as of the last day of relevant period/ year divided by Gross Loans reduced by Impairment loss allowance – Gross Loans – Regulatory Stage 3 as at the end of relevant period/ year.	
Provision Coverage Ratio on Gross Loans – Stage 3	Provision Coverage Ratio on Gross Loans – Stage 3(%) is calculated as Impairment loss allowance -Gross Loans – Stage 3 divided by Gross Loans – Stage 3 as at the end of the relevant period/ year. Gross Loans – Stage 3 refer to accounts of more than 90 DPD, which includes all customers loan accounts which have been tagged as Stage 3.	
Provision Coverage Ratio on Gross Loans – Regulatory Stage 3	Provision Coverage Ratio on Gross Loans – Regulatory Stage 3 (%) is calculated as Impairment loss allowance - Gross Loans - Regulatory Stage 3 divided by Gross Loans – Regulatory Stage 3 as of the end of the relevant period/ year. Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021.	
Gross non-performing assets Ratio	Gross non-performing assets ratio is Gross non-performing assets divided by Gross Loans outstanding as of the end of the relevant period/ year.	

KPIs	Description	Relevance
	Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as of the end of the relevant period/ year.	
Net NPAs to net advances (Net NPA Ratio)	Net NPAs to net advances (Net NPA Ratio) represents our Net Non-performing assets to our Gross Loans reduced by impairment loss allowance on Gross Non-performing assets as of the end of the relevant period/ year. Net NPA represents Gross non-performing assets reduced by provisions for NPAs (excluding provisions on standard assets) as at the end of relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year.	
Provision Coverage Ratio on Gross non-performing assets	Provision Coverage Ratio on Gross non-performing assets (%) is calculated as provisions for NPAs (excluding provisions on standard assets) divided by Gross Non-Performing Assets as at the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year.	
Earnings per share (basic)	Earnings Per Share (Basic) represents the earnings per Equity Share of ₹ 1 each – Basic, which is computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Earnings per share (basic) is calculated by dividing the profit for the period/year attributable to equity holders by the weighted average number of equity shares outstanding during the period/year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up	Earnings per share represents the per share profitability of our business.
Earnings per share (diluted)	Earnings Per Share (Diluted) represents the earnings per Equity Share of ₹ 1 each – Diluted, which is computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Earnings per share (diluted) is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the period/year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.	
Credit Rating	Credit rating issued by a registered rating agency under the SEBI for long term bank facilities of our Company.	Credit Ratings represents the long term credit ratings of our Company's various borrowing facilities on the basis of the assessment by independent rating agencies.

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "*Our Business – Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Overview*" on pages 201 and 402, respectively.

J. Comparison of its KPIs with Listed Industry Peers

Key Performance Indicators/ KPIs	Shriram Finance Limited				
	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31		
	2023	2022	2023	2022	2021
Number of States & UTs	30	31	30	30	30
Number of Branches	3,037	2,901	2,922	1,854	1,817
Number of MSME Branches	N.A.	N.A.	N.A.	N.A.	N.A.
Number of Employees	73,485	60,918	64,052	25,456	24,452

Key Performance Indicators/ KPIs	Shriram Finance Limited				
	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31		
	2023	2022	2023	2022	2021
AUM (in ₹ million)	2,142,335	1,774,980	1,856,829	1,270,409	1,172,428
AUM Growth (%) Y-o-Y	21%	13%	46%	8%	7%
Disbursements (in ₹ million)	N.A.	N.A.	1,118,484	618,086	350,275
Disbursements Growth (%)	N.A.	N.A.	81%	76%	
Average Ticket Size on Disbursements (in ₹ million)	N.A.	N.A.	N.A.	N.A.	N.A.
Average LTV (%)	60%-70% (Old CVs) 75%-80% (New CVs)	60%-70% (Old CVs) 75%-80% (New CVs)	60%-70% (Old CVs) 75%-80% (New CVs)	60%-70% (Old CVs) 75%-80% (New CVs)	60%-70% (Old CVs) 75%-80% (New CVs)
Product Wise AUM (in terms of Amount) ₹ Million					
- *Vehicle Loans*	1,757,182	1,495,820	1,553,783	1,239,665	1,124,359
- *MSME Loans*	230,859	177,115	191,508	30,109	47,601
- *Other Loans*	154,294	102,045	111,537	635	469
Product Wise Disbursement (in terms of Amount) ₹ Million					
- *Vehicle Loans*	N.A.	N.A.	N.A.	N.A.	N.A.
- *MSME Loans*	N.A.	N.A.	N.A.	N.A.	N.A.
- *Other Loans*	N.A.	N.A.	N.A.	N.A.	N.A.
Branch Productivity (AUM / Branch) (in ₹ million)	705	612	635	685	645
AUM / Employee (in ₹ million)	29	29	29	50	48
CRAR (%)	21%	23%	23%	23%	23%
Total Assets to Net Worth (in Times)	5	5	5	5	6
Average Cost of Borrowing	9%	9%	9%	9%	9%
Total Income	254,998	220,337	298,029	192,742	174,364
Net Interest Income	137,061	125,172	160,616	89,120	80,739
Net Total Income (Total Income – Finance Cost) (in ₹ million)	146,835	126,234	172,571	95,399	83,821
Profit after tax (in ₹ million)	52,446	46,710	59,793	27,079	24,873
Average Yield on Advances (%)	N.A.	N.A.	19%	16%	16%
Spread on Advances (%)	N.A.	N.A.	10%	7%	7%
Net Interest Income to Average Total Assets (%)	6%	7%	9%	7%	7%
Operating Expenses to Average Total Assets (%)	3%	3%	3%	1%	2%
Credit costs to Average Total Assets (%)	2%	2%	2%	3%	3%
Profit After Tax to Average Total Assets (ROA) (%)	3%	4%	3%	2%	2%
Profit After Tax to Average Net Worth (%)	16%	18%	17%	11%	13%

Key Performance Indicators/ KPIs	Shriram Finance Limited				
	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31		
	2023	2022	2023	2022	2021
Net total income/average total assets	9%	10%	10%	7%	6%
DPD 30+	13%	16%	15%	18%	19%
Stage 3 Assets (%)	6%	6%	6.21%	7.07%	7.06%
Stage 3 Assets (Net) to Net Carrying Amount (%)	3%	3%	3.30%	3.81%	4.22%
Provision Coverage Ratio (%)	53%	51%	50%	50%	42%
GNPA	N.A.	N.A.	N.A.	N.A.	N.A.
NNPA	N.A.	N.A.	N.A.	N.A.	N.A.
Basic earnings per equity share/ EPS (in ₹)	140	125	160	102	101
Diluted earnings per equity share/ EPS (in ₹)	139	124	159	102	101
Credit Rating	CRISIL AA+/Stable	CRISIL AA+/Stable	CRISIL AA+/Stable	CRISIL AA+/Stable	CRISIL AA+/Stable

Note: *Net worth, calculated by our Company is the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year and the peer company has calculated the same as per Sec 2(57) of the Companies Act, 2013.*

Key Performance Indicators/ KPIs	Mahindra and Mahindra Financial Services Limited				
	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31		
	2023	2022	2023	2022	2021
Number of States & UTs	34	34	34	34	34
Number of Branches	1,369	1,386	1,386	1,384	1,388
Number of MSME Branches	N.A.	N.A.	N.A.	N.A.	N.A.
Number of Employees	26,484	26,056	26,329	19,998	19,952
AUM (in ₹ million)	970,480	773,440	827,700	649,610	646,080
AUM Growth (%) Y-o-Y	25%	21%	27%	1%	
Disbursements (in ₹ million)	409,160	357,640	495,410	275,810	190,010
Disbursements Growth (%)	14%	95%	80%	45%	N.A.
Average Ticket Size on Disbursements (in ₹ million)	N.A.	N.A.	N.A.	N.A.	N.A.
Average LTV (%)	N.A.	N.A.	N.A.	N.A.	N.A.
Product Wise AUM (in terms of Amount) ₹ Million					
- *Vehicle Loans*	883,137	703,830	744,930	604,137	607,315
- *MSME Loans*	48,524	38,672	41,385	19,488	19,382
- *Other Loans*	38,819	30,938	41,385	25,984	19,382
Product Wise Disbursement (in terms of Amount) ₹ Million					
- *Vehicle Loans*	391,350	325,130	452,820	262,020	171,009
- *MSME Loans*	12,590	27,010	34,830	8,274	13,301
- *Other Loans*	5,220	5,500	7,760	5,516	5,700
Branch Productivity (AUM / Branch) (in ₹ million)	709	558	597	469	465
AUM / Employee (in ₹ million)	37	30	31	32	32
Net Worth (in ₹ million)	1,75,230	1,63,980	1,70,889	1,56,281	1,47,115
CRAR (%)	18%	23%	23%	28%	26%
Total Assets to Net Worth (in Times)	6	6	6	5	5
Average Cost of Borrowing	8%	7%	7%	7%	8%
Total Income	98,560	79,990	1,10,561	97,188	1,05,168
Net Interest Income	48,698	46,920	61,059	55,554	55,338
Net Total Income (Total Income – Finance Cost) (in ₹ million)	51,640	47,560	64,794	57,986	57,836
Profit after tax (in ₹ million)	11,410	13,000	19,843	9,888	3,352
Average Yield on Advances (%)	N.A.	N.A.	14%	15%	16%

Key Performance Indicators/ KPIs	Mahindra and Mahindra Financial Services Limited				
	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31		
	2023	2022	2023	2022	2021
Spread on Advances (%)	N.A.	N.A.	7%	8%	8%
Net Interest Income to Average Total Assets (%)	5%	6%	7%	7%	7%
Operating Expenses to Average Total Assets (%)	3%	3%	3%	3%	2%
Credit costs to Average Total Assets (%)	2%	2%	1%	3%	5%
Profit After Tax to Average Total Assets (ROA) (%)	1%	2%	2%	1%	0%
Profit After Tax to Average Net Worth (%)	9%	11%	12%	7%	3%
Net total income/average total assets	7%	8%	8%	8%	8%
DPD 30+	N.A.	N.A.	10%	22%	22%
Stage 3 Assets (%)	4%	6%	4%	8%	9%
Stage 3 Assets (Net) to Net Carrying Amount (%)	2%	3%	2%	3%	4%
Provision Coverage Ratio (%)	62%	57%	58%	56%	55%
GNPA	N.A.	N.A.	N.A.	N.A.	N.A.
NNPA	N.A.	N.A.	N.A.	N.A.	N.A.
Basic earnings per equity share/ EPS (in ₹)	9	11	16	8	3
Diluted earnings per equity share/ EPS (in ₹)	9	11	16	8	3
Credit Rating	IND AAA Stable	IND AAA Stable	IND AAA Stable	IND AAA Stable	IND AAA Stable

Note: Net worth, calculated by our Company is the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year and for the peer company prepaid expenses is not reduced.

Key Performance Indicators/ KPIs	Cholamandalam Investment and Finance Company				
	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31		
	2023	2022	2023	2022	2021
Number of States & UTs	32	32	34	32	31
Number of Branches	1,309	1,166	1,191	1,145	1,137
Number of MSME Branches	847	620	641	423	243
Number of Employees	52,408	41,445	44,922	33,077	26,363
AUM (in ₹ million)	1,337,940	954,680	1,064,980	769,070	699,960
AUM Growth (%) Y-o-Y	40%	31%	38%	10%	16%
Disbursements (in ₹ million)	639,400	455,120	665,320	354,900	260,430
Disbursements Growth (%)	40%	100%	87%	36%	-10%
Average Ticket Size on Disbursements (in ₹ million)	N.A.	N.A.	N.A.	N.A.	N.A.
Average LTV (%)	N.A.	N.A.	N.A.	N.A.	N.A.
Product Wise AUM (in terms of Amount) ₹ Million					
- *Vehicle Loans*	796,400	612,850	669,380	528,810	504,150
- *MSME Loans*	421,050	269,050	311,090	184,370	152,350
- *Other Loans*	120,490	72,780	84,510	55,900	43,450
Product Wise Disbursement (in terms of Amount) ₹ Million					
- *Vehicle Loans*	353,850	275,090	396,990	254,390	202,490
- *MSME Loans*	239,400	155,770	230,020	81,540	42,510
- *Other Loans*	46,150	24,250	38,300	18,960	15,430
Branch Productivity (AUM / Branch) (in ₹ million)	1,022	819	894	672	616
AUM / Employee (in ₹ million)	26	23	24	23	27
Net Worth (in ₹ million)	185,980	135,300	142,961	117,077	95,603
CRAR (%)	19%	18%	17%	20%	19%
Total Assets to Net Worth (in Times)	8	8	8	7	8
Average Cost of Borrowing	8%	7%	7%	6%	8%
Total Income	137,240	91,837	129,780	101,388	95,756

Key Performance Indicators/ KPIs	Cholamandalam Investment and Finance Company				
	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31		
	2023	2022	2023	2022	2021
Net Interest Income	60,283	45,685	63,334	52,680	46,483
Net Total Income (Total Income – Finance Cost) (in ₹ million)	70,730	51,690	72,292	58,400	49,997
Profit after tax (in ₹ million)	23,650	18,130	26,662	21,467	15,149
Average Yield on Advances (%)	N.A.	N.A.	13%	13%	15%
Spread on Advances (%)	N.A.	N.A.	6%	7%	7%
Net Interest Income to Average Total Assets (%)	5%	4%	6%	7%	7%
Operating Expenses to Average Total Assets (%)	3%	3%	3%	3%	2%
Credit costs to Average Total Assets (%)	1%	1%	1%	1%	2%
Profit After Tax to Average Total Assets (ROA) (%)	2%	3%	3%	3%	2%
Profit After Tax to Average Net Worth (%)	19%	19%	21%	20%	17%
Net total income/average total assets	7%	7%	7%	7%	7%
DPD 30+	6%	8%	7%	12%	10%
Stage 3 Assets (%)	2.82%	3.51%	3.01%	4.37%	3.96%
Stage 3 Assets (Net) to Net Carrying Amount (%)	1.57%	2.10%	1.66%	2.72%	2.29%
Provision Coverage Ratio (%)	44.33%	40.17%	44.80%	37.78%	42.20%
GNPA	3.92%	5.37%	4.63%	6.82%	4.00%
NNPA	2.56%	3.76%	3.11%	4.70%	2.20%
Basic earnings per equity share/ EPS (in ₹)	28.57	22.07	32.45	26.16	18.48
Diluted earnings per equity share/ EPS (in ₹)	28.49	22.04	32.40	26.11	18.45
Credit Rating	IND AA+ Stable	IND AA+ Stable	IND AA+ Stable	IND AA+ Stable	IND AA+ Stable

Note: *Net worth, calculated by our Company is the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year and for the peer company prepaid expenses is not reduced.*

Key Performance Indicators/ KPIs	Sundaram Finance Limited				
	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31		
	2023	2022	2023	2022	2021
Number of States & UTs	N.A.	N.A.	19	19	20
Number of Branches	704	652	671	618	588
Number of MSME Branches	N.A.	N.A.	N.A.	N.A.	N.A.
Number of Employees	7,677	6,882	7,371	6,381	5,773
AUM (in ₹ million)	421,720	335,580	345,520	295,320	308,820
AUM Growth (%) Y-o-Y	26%	13%	17%	-4%	3%
Disbursements (in ₹ million)	199,540	157,070	209,660	132,750	117,420
Disbursements Growth (%)	27%	65%	58%	13%	-23%
Average Ticket Size on Disbursements (in ₹ million)	N.A.	N.A.	N.A.	N.A.	N.A.
Average LTV (%)	N.A.	N.A.	N.A.	N.A.	N.A.
Product Wise AUM (in terms of Amount) ₹ Million					
- *Vehicle Loans*	375,753	304,036	312,696	265,493	280,409
- *MSME Loans*	25,725	13,423	14,166	9,155	-
- *Other Loans*	20,243	18,121	18,658	20,672	28,411
Product Wise Disbursement (in terms of Amount) ₹ Million					
- *Vehicle Loans*	178,987	144,975	191,839	124,520	100,159
- *MSME Loans*	14,167	8,639	14,467	5,045	-

Key Performance Indicators/ KPIs	Sundaram Finance Limited				
	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31		
	2023	2022	2023	2022	2021
- *Other Loans*	6,385	3,456	3,355	3,186	17,261
Branch Productivity (AUM / Branch) (in ₹ million)	599	515	515	478	525
AUM / Employee (in ₹ million)	55	49	47	46	53
Net Worth (in ₹ million)	85,210	75,580	77,374	68,931	61,795
CRAR (%)	20%	23%	23%	24%	22%
Total Assets to Net Worth (in Times)	6	5	5	5	6
Average Cost of Borrowing	7%	6%	6%	6%	7%
Total Income	38,590	29,620	41,099	38,905	40,142
Net Interest Income	14,318	12,618	16,918	16,944	14,406
Net Total Income (Total Income – Finance Cost) (in ₹ million)	20,075	16,728	23,297	21,904	19,835
Profit after tax (in ₹ million)	9,477	7,720	10,883	9,034	8,091
Average Yield on Advances (%)	N.A.	N.A.	11%	11%	12%
Spread on Advances (%)	N.A.	N.A.	5%	5%	4%
Net Interest Income to Average Total Assets (%)	3%	3%	4%	5%	4%
Operating Expenses to Average Total Assets (%)	2%	2%	2%	2%	2%
Credit costs to Average Total Assets (%)	0%	0%	0%	1%	1%
Profit After Tax to Average Total Assets (ROA) (%)	3%	3%	3%	3%	2%
Profit After Tax to Average Net Worth (%)	16%	14%	15%	14%	14%
Net total income/average total assets	6%	6%	6%	6%	6%
DPD 30+	N.A.	N.A.	5%	9%	8%
Stage 3 Assets (%)	1.77%	2.43%	1.66%	2.20%	1.84%
Stage 3 Assets (Net) to Net Carrying Amount (%)	1.02%	1.35%	0.88%	1.08%	1.37%
Provision Coverage Ratio (%)	42.37%	44.44%	47.08%	51.01%	25.75%
GNPA	2.61%	3.97%	3.04%	2.43%	2.29%
NNPA	1.82%	2.78%	2.10%	1.26%	1.35%
Basic earnings per equity share/ EPS (in ₹)	85.30	69.48	97.95	81.31	72.82
Diluted earnings per equity share/ EPS (in ₹)					
Credit Rating	ICRA AAA Stable	ICRA AAA Stable	ICRA AAA Stable	ICRA AAA Stable	ICRA AAA Stable

Note: *Net worth, calculated by our Company is the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year and for the peer company prepaid expenses is not reduced.*

Key Performance Indicators/ KPIs	Five Star Business Finance Limited				
	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31		
	2023	2022	2023	2022	2021
Number of States & UTs	10	8	8	8	8
Number of Branches	480	369	373	299	262
Number of MSME Branches					
Number of Employees	8,714	6,933	7,347	5,675	3,938
AUM (in ₹ million)	89,308	62,424	69,148	50,671	44,454
AUM Growth (%) Y-o-Y			36%	14%	14%
Disbursements (in ₹ million)	35,450	22,800	33,914	17,562	12,450
Disbursements Growth (%)	55%	33%	93%	41%	-48%

Key Performance Indicators/ KPIs	Five Star Business Finance Limited				
	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31		
	2023	2022	2023	2022	2021
Average Ticket Size on Disbursements (in ₹ million)	0	0	0	0	N.A.
Average LTV (%)	0	0	0	N.A.	N.A.
Product Wise AUM (in terms of Amount) ₹ Million					
- *Vehicle Loans*	N.A.	N.A.	N.A.	N.A.	N.A.
- *MSME Loans*	89,308	62,424	69,148	50,671	44,454
- *Other Loans*	N.A.	N.A.	N.A.	N.A.	N.A.
Product Wise Disbursement (in terms of Amount) ₹ Million					
- *Vehicle Loans*	N.A.	N.A.	N.A.	N.A.	N.A.
- *MSME Loans*	35,450	22,800	33,914	17,562	12,450
- *Other Loans*	N.A.	N.A.	N.A.	N.A.	N.A.
Branch Productivity (AUM / Branch) (in ₹ million)	186	169	185	169	170
AUM / Employee (in ₹ million)	10	9	9	9	11
Net Worth (in ₹ million)	49,562	41,652	43,395	37,104	23,182
CRAR (%)	53%	68%	67%	75%	59%
Total Assets to Net Worth (in Times)	2	2	2	2	2
Average Cost of Borrowing	9%	9%	8%	10%	11%
Total Income	15,760	10,896	15,289	12,562	10,513
Net Interest Income	11,865	8,864	12,325	9,032	6,897
Net Total Income (Total Income – Finance Cost) (in ₹ million)	12,452	9,007	12,627	9,556	7,261
Profit after tax (in ₹ million)	5,999	4,346	6,035	4,535	3,590
Average Yield on Advances (%)	24%	24%	25%	25%	24%
Spread on Advances (%)	16%	15%	17%	15%	13%
Net Interest Income to Average Total Assets (%)	12%	13%	16%	15%	14%
Operating Expenses to Average Total Assets (%)	6%	6%	6%	5%	4%
Credit costs to Average Total Assets (%)	0%	0%	0%	1%	1%
Profit After Tax to Average Total Assets (ROA) (%)	8%	8%	8%	7%	7%
Profit After Tax to Average Net Worth (%)	17%	15%	15%	15%	17%
Net total income/average total assets	17%	17%	17%	16%	14%
DPD 30+	8.35%	12.10%	10.48%	16.33%	12.36%
Stage 3 Assets (%)	1.40%	1.45%	1.35%	1.02%	1.02%
Stage 3 Assets (Net) to Net Carrying Amount (%)	0.65%	0.82%	0.70%	0.68%	0.85%
Provision Coverage Ratio (%)	53.50%	43.71%	48.51%	33.58%	16.33%
GNPA	N.A.	N.A.	N.A.	N.A.	N.A.
NNPA	N.A.	N.A.	N.A.	N.A.	N.A.
Basic earnings per equity share/ EPS (in ₹)	20.57	14.92	20.71	16.09	14.01
Diluted earnings per equity share/ EPS (in ₹)	20.38	14.76	20.49	15.92	13.61
Credit Rating	ICRA AA- Stable	CARE A+ Stable	ICRA AA- Stable	ICRA A+ Stable	ICRA A Stable

Note: *Net worth, calculated by our Company is the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year and for the peer company prepaid expenses is not reduced.*

Key Performance Indicators/ KPIs	SBFC Finance				
	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31		
	2023	2022	2023	2022	2021
Number of States & UTs	18	N.A.	18	18	18
Number of Branches	177	N.A.	152	135	124

Key Performance Indicators/ KPIs	SBFC Finance				
	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31		
	2023	2022	2023	2022	2021
Number of MSME Branches	N.A.	N.A.	N.A.	N.A.	N.A.
Number of Employees	3,535	N.A.	2,822	2,048	1,471
AUM (in ₹ million)	62,660	44,757	49,428	31,922	22,596
AUM Growth (%) Y-o-Y	40%	N.A.	55%	41%	37%
Disbursements (in ₹ million)	20,690	N.A.	36,313	25,709	15,025
Disbursements Growth (%)	-	-	46%	94%	23%
Average Ticket Size on Disbursements (in ₹ million)	0.97 (MSME) 0.09 (LAG)	N.A.	0.99(MSME) 0.09 (LAG)	0.98 (MSME) 0.10 (LAG)	1.08 (MSME) 0.10 (LAG)
Average LTV (%)	43% (MSME) 68% (LAG)	N.A.	43% (MSME) 69% (LAG)	43% (MSME) 69% (LAG)	45% (MSME) 68% (LAG)
Product Wise AUM (in terms of Amount) ₹ Million					
- *Vehicle Loans*	N.A.	N.A.	N.A.	N.A.	N.A.
- *MSME Loans*	52,460	N.A.	39,200	23,270	14,822
- *Other Loans*	10,200	N.A.	10,228	8,652	7,774
Product Wise Disbursement (in terms of Amount) ₹ Million					
- *Vehicle Loans*	N.A.	N.A.	N.A.	N.A.	N.A.
- *MSME Loans*	20,690	N.A.	22,768	13,328	5,955
- *Other Loans*	N.A.	N.A.	13,233	11,270	9,069
Branch Productivity (AUM / Branch) (in ₹ million)	354	-	325	236	182
AUM / Employee (in ₹ million)	18	-	18	16	15
Net Worth (in ₹ million)	26,776	16,820	17,273	12,872	12,054
CRAR (%)	42%	N.A.	32%	26%	26%
Total Assets to Net Worth (in Times)	2	3	3	4	4
Average Cost of Borrowing	9%	8%	8%	8%	8%
Total Income	7,404	5,317	7,404	5,307	5,112
Net Interest Income	3,984	2,673	3,777	2,525	2,249
Net Total Income (Total Income – Finance Cost) (in ₹ million)	4,780	3,339	4,639	3,101	2,727
Profit after tax (in ₹ million)	1,636	1,070	1,498	645	852
Average Yield on Advances (%)	17%	16%	16%	15%	15%
Spread on Advances (%)	7%	8%	8%	7%	7%
Net Interest Income to Average Total Assets (%)	6%	5%	7%	6%	5%
Operating Expenses to Average Total Assets (%)	6%	4%	4%	4%	3%
Credit costs to Average Total Assets (%)	1%	1%	1%	1%	1%
Profit After Tax to Average Total Assets (ROA) (%)	4%	3%	3%	1%	2%
Profit After Tax to Average Net Worth (%)	10%	10%	10%	5%	8%
Net total income/average total assets	10%	9%	9%	7%	6%
DPD 30+	7%	6%	6%	9%	13%
Stage 3 Assets (%)	2.39%	2.64%	2.57%	2.91%	3.07%
Stage 3 Assets (Net) to Net Carrying Amount (%)	1.36%	1.73%	1.59%	1.85%	1.95%

Key Performance Indicators/ KPIs	SBFC Finance				
	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31		
	2023	2022	2023	2022	2021
Provision Coverage Ratio (%)	43%	35%	38%	37%	36%
GNPA	N.A.	N.A.	N.A.	N.A.	N.A.
NNPA	N.A.	N.A.	N.A.	N.A.	N.A.
Basic earnings per equity share/ EPS (in ₹)	1.64	1.22	1.71	0.81	1.09
Diluted earnings per equity share/ EPS (in ₹)	1.60	1.17	1.62	0.79	1.06
Credit Rating	IND AA- Stable	ICRA A+ Stable	ICRA A+ Stable	IND A+ Stable	ICRA A Stable

Note: *Net worth, calculated by our Company is the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year and the peer company has not reduced prepaid expenses for the same.*

Key Performance Indicators/ KPIs	AU Small Finance Bank				
	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31		
	2023	2022	2023	2022	2021
Number of States & UTs	24	24	24	20	17
Number of Branches	476	469	474	413	552
Number of MSME Branches	N.A.	N.A.	N.A.	N.A.	N.A.
Number of Employees	28,904	27,800	28,320	27,817	22,484
AUM (in ₹ million)	761,770	585,880	640,720	479,950	377,120
AUM Growth (%) Y-o-Y	30%	39%	33%	27%	22%
Disbursements (in ₹ million)	N.A.	270,620	N.A.	254,070	186,230
Disbursements Growth (%)	-	70.3%	-	36%	-5.6%
Average Ticket Size on Disbursements (in ₹ million)	0.28 (Vehicle portfolio) 0.12 (Home loan) 0.1059 (Micro business loans)	N.A.	N.A.	N.A.	0.36 (Vehicle portfolio) 0.87 (Small business loans)
Average LTV (%)	46% (Micro business loan)	N.A.	N.A.	N.A.	N.A.
Product Wise AUM (in terms of Amount) ₹ Million				20	10
- **Vehicle Loans**	270,676	215,320	228,827	173,500	149,240
- **MSME Loans**	279,306	229,410	248,038	198,650	161,700
- **Other Loans**	211,787	141,150	163,855	107,780	66,170
Product Wise Disbursement (in terms of Amount) ₹ Million					
- **Vehicle Loans**	N.A.	107,570	N.A.	92,790	66,770
- **MSME Loans**	N.A.	71,270	N.A.	69,440	N.A.
- **Other Loans**	N.A.	91,800	N.A.	91,840	N.A.
Branch Productivity (AUM / Branch) (in ₹ million)	1,600	1,249	1,352	1,162	683
AUM / Employee (in ₹ million)	26	21	23	17	17
Net Worth (in ₹ million)	121,673	105,400	109,773	75,140	62,752
CRAR (%)	21%	22%	24%	21%	23%
Total Assets to Net Worth (in Times)	8	8	8	9	8
Average Cost of Borrowing	6%	6%	6%	5%	7%
Total Income	89,155	6,63,197	92,399	69,154	63,710
Net Interest Income	38,198	32,121	44,253	32,341	23,654
Net Total Income (Total Income – Finance Cost) (in ₹ million)	50,103	6,36,012	54,597	42,278	37,864

Key Performance Indicators/ KPIs	AU Small Finance Bank				
	As at and for the nine months ended December 31,		As at and for the Financial Year ended March 31		
	2023	2022	2023	2022	2021
Profit after tax (in ₹ million)	11,640	10,033	14,280	11,298	11,707
Average Yield on Advances (%)	13%	13%	13%	12%	13%
Spread on Advances (%)	7%	7%	7%	7%	6%
Net Interest Income to Average Total Assets (%)	4%	4%	6%	5%	5%
Operating Expenses to Average Total Assets (%)	4%	4%	4%	4%	4%
Credit costs to Average Total Assets (%)	0%	0%	1%	1%	2%
Profit After Tax to Average Total Assets (ROA) (%)	2%	2%	2%	2%	2%
Profit After Tax to Average Net Worth (%)	13%	15%	15%	16%	22%
Net total income/average total assets	7%	7%	7%	7%	8%
DPD 30+	N.A.	N.A.	N.A.	N.A.	N.A.
Stage 3 Assets (%)	1.98%	1.81%	1.66%	1.98%	4.25%
Stage 3 Assets (Net) to Net Carrying Amount (%)	0.68%	0.51%	0.42%	0.50%	2.18%
Provision Coverage Ratio (%)	65%	72%	75%	75%	49%
GNPA	N.A.	N.A.	N.A.	N.A.	N.A.
NNPA	N.A.	N.A.	N.A.	N.A.	N.A.
Basic earnings per equity share/ EPS (in ₹)	17	15	22	18	38
Diluted earnings per equity share/ EPS (in ₹)	17	15	22	18	38
Credit Rating	CRISIL AA Stable	CRISIL AA Stable	CRISIL AA Stable	CRISIL AA Stable	CRISIL AA- Stable

Note:

1. *Net worth, calculated by our Company is the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year and for the peer company prepaid expenses is not reduced.*
2. *Net Total Income (Total Income – Finance Cost) (in ₹ million), Profit after tax (in ₹ million), Spread on Advances (%), Net Interest Income to Average Total Assets (%), Credit costs to Average Total Assets (%), Profit After Tax to Average Total Assets (ROA) (%), Profit After Tax to Average Net Worth (%), Stage 3 Assets (%), Stage 3 Assets (Net) to Net Carrying Amount (%) and Provision Coverage Ratio (%) have different Nomenclature in the company's KPI disclosure.*
3. *All numbers of peer companies are taken as is taken from public information available in results or annual reports published by the respective peer companies on their websites.*

K. Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Scheme and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

Date of Allotment	Name of allottees	Number of Equity Shares or convertible securities allotted	Transaction as a % of fully diluted capital of the Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested)	Price per Equity Share or convertible securities (in ₹)	Weighted average cost of acquisition based on primary issue of Equity Shares or convertible securities
September 13, 2023	Norwest, TPG, Baring Private Equity India AIF 2, Baring Private Equity India AIF 2 Co-Invest, DC Ikka Ltd, DC Uno Ltd, Axis Growth Avenues AIF – I, and Mirae Asset Late Stage Opportunities Fund	10,230,220	8.62 %	576.72	576.72
Weighted average cost of acquisition (WACA)					576.72

Note: As certified by Shah Patni & Co., Chartered Accountants, by way of their certificate dated May 1, 2024.

(1) Pursuant to a sub-division of shares, the Company has sub-divided 3,34,36,266 equity shares of face value of ₹ 2 each to 6,68,72,532 Equity Shares of face value of ₹1 each. The number of incremental shares due to sub-division have taken into consideration for calculation of weighted average price of Equity Shares acquired in the last one year, eighteen months and three years.

(2) The bonus issue of 6,68,72,532 equity shares of Face Value₹ 1 each in the ratio of one Equity Share for every one Equity Share held by the Shareholders, authorized by a resolution passed by the Shareholders dated March 11, 2024, with the record date as March 16, 2024, has been considered for calculation of weighted average price of Equity Shares acquired in the last one year, eighteen months and three years. Such transaction is authorized by resolution passed by the Shareholders dated March 11, 2024, with the record date as March 16, 2024.

L. Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group, Selling Shareholders or other shareholders with rights to nominate Directors during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

S. No.	Name of the acquirer/ transferee	Name of the transferor	Details of transferor (Promoter/ members of Promoter Group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s))	Date of acquisition/ transfer of Equity Shares or convertible securities	Number of Equity Shares or convertible securities acquired	Price per Equity Share or convertible securities (in ₹)	Transaction as a % of fully diluted capital of the Company (*calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested*) *	Weighted average cost of acquisition based on secondary sale/ acquisition of Equity Shares or convertible securities
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Weighted average cost of acquisition (WACA)								NA

Note: As certified by Shah Patni & Co., Chartered Accountants, by way of their certificate dated May 1, 2024.

M. The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition at which the Equity Shares were issued by our Company, or acquired or sold by our Promoters, the Promoter Group, Selling Shareholders or other Shareholders with rights to nominate directors in the last 18 months preceding the date of this Draft Red Herring Prospectus are disclosed below:

Types of transactions	Weighted average cost of acquisition (` per Equity Share)	Floor price* (i.e. ₹ [●])	Cap price* (i.e. ₹ [●])
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	576.72	[●]	[●] times
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where promoter / promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	[●] times	[●] times

* *To be updated at Prospectus stage*

Note: As certified by Shah Patni & Co., Chartered Accountants, by way of their certificate dated May 1, 2024.

N. Justification for Basis of Offer Price

1. The following provides an explanation to the Offer Price/ Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoters, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions in the last 18 months preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs and financial ratios for the Financial Years ended March 31, 2023, 2022 and 2021

[●]*

* *To be included on finalisation of Price Band*

2. The following provides an explanation to the Offer Price/ Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by our Promoters, the Promoter Group or other Shareholders with rights to nominate directors by way of primary and secondary transactions in the last 18 months preceding the date of this Draft Red Herring Prospectus in view of external factors, if any, which may have influenced the pricing of the Offer

[●]*

* *To be included on finalisation of Price Band*

O. The Offer price is [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company, in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process.

Investors should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Restated Summary Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 28, 201, 312 and 402, respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SK FINANCE LIMITED (THE "COMPANY"), AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The Board of Directors,
SK Finance Limited
G-1/2, New Market, Khasa Kothi
Jaipur, Rajasthan
302006

Dear Sirs,

Re: Statement of Special Tax Benefits available to SK Finance Limited, and its shareholders under the Indian tax laws.

1 We hereby confirm that the enclosed Annexures 1 and 2 (together, the "Annexures"), prepared by the Company, provides the special tax benefits available to the Company and to the shareholders of the Company as stated in those Annexures, under:

- the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India; and

- the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State/Union Territory Goods and Services Tax Act, 2017 ("GST Acts"), as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2023 applicable for the Financial Year 2023-24, presently in force in India.

The Act, the GST Acts, Customs Act and Tariff Act, as defined above, are collectively referred to as the "Relevant Acts"

2 Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Relevant Acts. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon their fulfilling of such conditions which, based on business imperatives the Company face in the future, the Company or its shareholders may or may not choose to fulfil.

3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the management of the Company. We are informed that these Annexures are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (the "Proposed IPO") of the Company.

4. We do not express any opinion or provide any assurance as to whether:

   i) the Company or its shareholders will continue to obtain these benefits in future;

   ii) the conditions prescribed for availing the benefits have been / would be met with; and

   iii) the revenue authorities/courts will concur with the views expressed herein.

5. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

6. This Statement is issued solely in connection with the Proposed IPO of equity shares of face value Rs. 1 each of the Company and is not to be used, referred to or distributed for any other purpose.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W / E300004
per **Amit Kabra**
Partner
Membership Number: 094533
Place of Signature: Gurugram

Date: April 30, 2024

ANNEXURE-1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SK FINANCE LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961

Outlined below are the special tax benefits available to the Company and its Shareholders under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.

A) TO THE COMPANY

1. **Accelerated deduction of bad and doubtful debts in terms of provision for bad and doubtful debts up to a specified limit under section 36(1)(viia)** –

   The Company is a Non-Banking Financial Company and is entitled to accelerated deduction of bad and doubtful debts in terms of provision for bad and doubtful debts up to a specified limit under section 36(1)(viia) of the Act in computing its income under the head "Profits and gains of business or profession". As per the provisions of section 36(1)(viia) of the IT Act, the Company could claim a deduction of provision created for bad and doubtful debts in its books of accounts to the extent of five per cent of its gross total income (computed before making any deduction under this section and Chapter VI-A of the Act), subject to satisfaction of certain prescribed conditions.

2. **Deductions from gross total income - Section 80JJAA of the IT Act - Deduction in respect of employment of new employees:**

   Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

B) TO THE SHAREHOLDERS

There are no special tax benefits available to the shareholders for investing in the shares of the Company under the Act.

Notes:

1. This Annexure sets out only the special tax benefits available to the Company and its shareholders under the Act as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.

2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

4. In terms of section 115BAA, the Company has an option to avail a concessional tax rate of 25.168% (i.e. 22% along with surcharge and health and education Cess) on fulfilment of certain conditions. The option to apply this tax rate was available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised shall apply to subsequent AYs. The Company have adopted the said tax rate with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). The concessional rate is subject to the company not availing any of the following deductions/exemptions under the provisions of the Act:

   i. Section10AA: Tax holiday available to units in a Special Economic Zone.

   ii. Section 32(1) (iia): Additional depreciation;

   iii. Section 32AD: Investment allowance.

   iv. Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses

   v. sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of Section 35: Expenditure on scientific research.

   vi. Section 35AD: Deduction for capital expenditure incurred on specified businesses.

   vii. Section 35CCC/35CCD: expenditure on agricultural extension /skill development.

   viii. Deduction under any provisions of Chapter VI-A except for the provisions of section 80JJAA or section

80M.

ix. Without set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i) to viii) above.

x. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i) to viii) above

5. Further, it was clarified by the Central Board of Direct Taxes vide Circular No. 29/ 2019 dated October 2, 2019 and under section 115JB(5A) that if the Company opts for concessional income tax rate under section 115BAA, the provisions of Minimum Alternate Tax ('MAT') under section 115JB of the Act shall not be applicable. Further, any carried forward MAT credit also cannot be claimed.

6. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Proposed IPO.

7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.

8. The views expressed in this annexure are based on the facts and assumptions as indicated in the annexure. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For SK Finance Limited

Atul Arora

Chief Financial Officer

Place: Jaipur

Date: April 30, 2024

ANNEXURE-2

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SK FINANCE LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER INDIRECT TAX LAWS AS MENTIONED BELOW

Outlined below are the special tax benefits available to the Company, and its Shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, and respective State Goods and Services Tax Act, 2017, as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2023 applicable for the Financial Year 2023-24, presently in force in India (collectively referred to as "Indirect Tax Laws").

A) TO THE COMPANY

There are no special Indirect tax benefits are available to the Company under the GST Acts.

B) TO THE SHAREHOLDERS

There are no special indirect tax benefits available to the shareholders of the Company.

Notes:

1. This Annexure sets out the only the special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017, and relevant rules made thereunder ("GST Acts"), as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2023 applicable for the Financial Year 2023-24, presently in force in India.

2. Our comments are based on specific activities carried out by the Company from April 1, 2023, till the December 31, 2023. Any variation in the understanding could require our comments to be suitably modified.

3. During the period from April 1, 2023, to December 31, 2023, the Company has:

    i. not claimed any exemption or benefits or incentives under the indirect tax laws;

    ii. not exported any goods or services outside India;

    iii. not imported any goods or services from outside India;

    iv. not made any fresh investment in any State of the country and has not claimed any incentive under any State Incentive Policy.

4. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, the changing tax laws, each investor is advised to consult his/her own tax advisor with respect to specific tax implications arising out of their participation in the Proposed IPO.

5. This annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

6. These comments are based upon the provisions of the specified Indirect Tax Laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

7. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For SK Finance Limited

Atul Arora

Chief Financial Officer

Place: Jaipur

Date: April 30, 2024

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information contained in this section is derived from a report titled "Analysis of NBFC Sector and Select Asset Classes in India" dated April 2024, which is exclusively prepared for the purposes of the Offer and issued by CRISIL Market Intelligence & Analytics ("**CRISIL MI&A**"), a division of CRISIL Limited (together with CRISIL MI&A, "**CRISIL**") and is commissioned and paid for by our Company ("**CRISIL Report**"). CRISIL was appointed on January 30, 2024. We commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry specifically for the purposes of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's products, that may be similar to the CRISIL Report. The CRISIL Report is available on the website of our Company at www.skfinin/investor/investor-services and has also been included in "Material Contracts and Documents for Inspection – Material Documents" on page 502. Industry publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. Forecasts, estimates, predictions, and other forward-looking statements contained in the CRISIL Report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in this Draft Red Herring Prospectus and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. See "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page 15. In this section, please note that numbers or multiples denoting (a) a 'lakh' is equal to 100,000 and 10 lakhs is equal to 1 million or one million; and (b) a 'crore' is equal to 10,000,000 and 100 lakhs or one crore is equal to 10 million.*

Further, references to segments in CRISIL Report and in this section, and information derived there from are in accordance with the presentation, analysis and categorization in the CRISIL Report. The segment reporting in the Restated Summary Statements is based on the criteria set out in Ind AS 108 (Operating Segments). Our Company does not prepare its financial statements based on the segments outlined in this section.

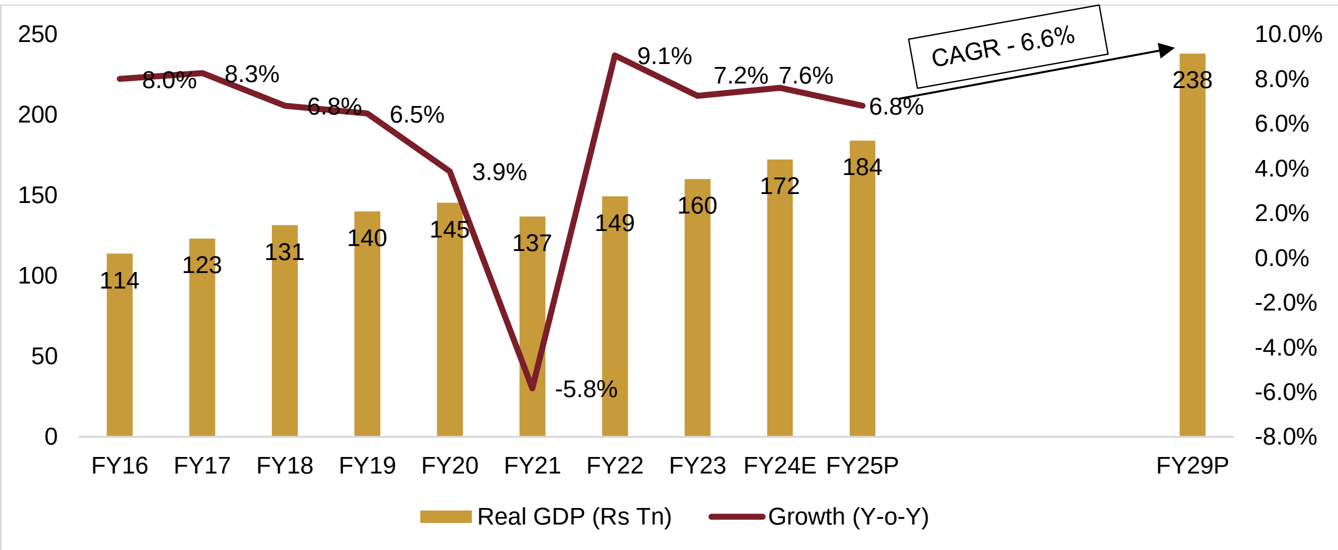
1. Macroeconomic scenario

1.1. Global economy is witnessing tightening of monetary conditions

The global economy is witnessing tightening of monetary conditions in most regions. As per the International Monetary Fund (the "**IMF**") (World Economic Outlook Update – April 2024), global growth prospects are estimated to remain stable at 3.2% in 2025, well below the historical (2000-2019) average of 3.8%. Global trade is estimated to have reached a record level of approximately $32 trillion in calendar year 2022 but is expected to drop below $31 trillion in calendar year 2023. The trade outlook for the calendar year 2024 is expected to be negatively impacted by geopolitical frictions, persisting inflation and lower global demand. Furthermore, deceleration in domestic growth could lead to some softening in imports. Globally, the central bank policy rates are expected to be elevated to fight inflation amid withdrawal of fiscal support and low underlying productivity growth. Due to restrictive monetary policy, inflation is falling in most regions. As per the IMF (World Economic Outlook Update – April 2024), global headline inflation is expected to be around 5.9% in 2024 and 4.5% in 2025.

1.2. India is one of the fastest growing major economies

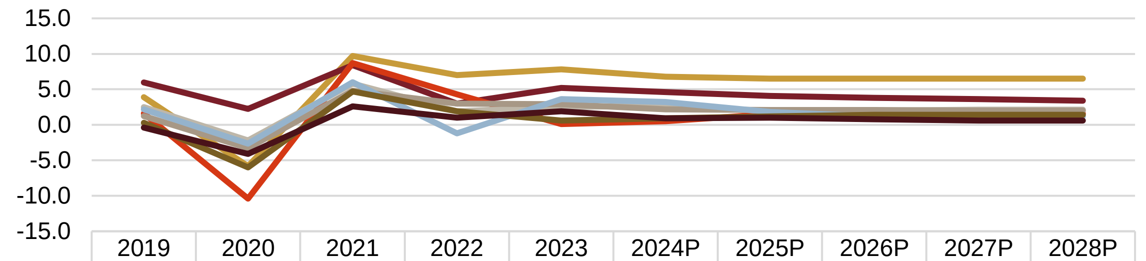
India's economy expected to grow at 6.8% in Fiscal 2025



*Note: E = Estimated, P = Projected; GDP growth is based on constant prices, GDP growth till Fiscal 2023 is actuals. GDP Estimates for Fiscals 2023-2024 is based on NSO Estimates and 2024-2025 is projected based on CRISIL MI&A estimates; and that for Fiscals 2026-2029 based on IMF estimates; Source: National Statistics Office ("**NSO**"), CRISIL MI&A, IMF (World Economic Outlook – April 2024 update)*

From Fiscal 2021 to Fiscal 2023, the Indian economy has outperformed its global counterparts by witnessing a faster growth. Going forward as well, IMF projects that Indian economy will remain strong and would continue to be one of the fastest growing major economies.

India is one of the fastest-growing major economies (Gross Domestic Product ("GDP") growth, % year-on-year ("y-o-y"))



	2019	2020	2021	2022	2023	2024P	2025P	2026P	2027P	2028P
India	3.9	-5.8	9.7	7.0	7.8	6.8	6.5	6.5	6.5	6.5
China	6.0	2.2	8.4	3.0	5.2	4.6	4.1	3.8	3.6	3.4
United Kingdom	1.6	-10.4	8.7	4.3	0.1	0.5	1.5	1.7	1.7	1.6
United States	2.5	-2.2	5.8	1.9	2.5	2.7	1.9	2.0	2.1	2.1
Brazil	1.2	-3.3	4.8	3.0	2.9	2.2	2.1	2.1	2.0	2.0
Russia	2.2	-2.7	6.0	-1.2	3.6	3.2	1.8	1.2	1.3	1.2
South Africa	0.3	-6.0	4.7	1.9	0.6	0.9	1.2	1.4	1.4	1.4
Japan	-0.4	-4.1	2.6	1.0	1.9	0.9	1.0	0.8	0.6	0.6

Note: All forecasts refer to IMF forecasts. GDP growth is based on constant prices, Data represented is for calendar years (except India where data is presented on a fiscal year basis, with FY 2019/20 (starting in April 2019) shown in the 2019 column and so on), P: Projected; Source: IMF (World Economic Outlook – April 2024), CRISIL MI&A

Indian economy to be a major part of world trade

Along with being one of the fastest growing major economies in the world, India ranked fifth in the world in terms of nominal GDP for 2023 (at ₹ 295,768 billion or US$ 3,572 billion) according to IMF forecasts (World Economic Outlook – April 2024 Update). India overtook the United Kingdom to become the fifth largest economy in the world in calendar year 2022. In terms of purchasing power parity ("**PPP**"), India is the third largest economy in the world, only after China and the United States.

Repo rate remains unchanged, with phase of aggressive rate hikes behind us

In Fiscal 2023, the Reserve Bank of India ("**RBI**") raised the repo rate by 90 basis points ("**bps**") in the first quarter, and since then, it has continued to increase every quarter. By the fourth quarter of Fiscal 2023, the repo rate reached 6.50% and as per the April 2024 monetary policy, the rates have remained unchanged at 6.50%. The initial rate hike occurred in May 2022, when the central bank's rate-setting panel unanimously raised the benchmark lending rate by 40 bps.

Consumer Price Index ("CPI") inflation to average at 4.5% in Fiscal 2025

Inflation based on the CPI eased to a five-month low of 4.9% in March 2024 from 5.1% in February 2024. Core inflation inched down to a record low of 3.3% in March 2024 from 3.4% in February 2024. Falling fuel inflation, supported by government measures to reduce cooking gas prices has helped but so has easing global raw material prices. Fuel inflation fell 3.2% on-year in March 2024 compared with a decline of 0.8% in February 2024. As per the RBI monetary policy meeting in April 2024, CPI inflation is projected at 4.5% for Fiscal 2025. Further, CRISIL MI&A expects the CPI inflation for Fiscal 2025 to average 4.5%. Cooling domestic demand, assumption of a normal monsoon along with a high base for food inflation should help moderate inflation in Fiscal 2025.

Macroeconomic outlook for Fiscal 2025

Macro variables	Fiscal 2024 E	Fiscal 2025 P	Rationale for outlook
Real GDP (y-o-y)	7.6%^	6.8%	Slowing global growth is likely to weaken India's exports, while peak impact of past rate hikes and lower fiscal impulse could temper domestic demand. Despite the lower forecast, India continues to grow at the highest rate in world propelled by budgetary support to capital expenditure and rural incomes to support growth.
CPI inflation (y-o-y)	5.5%	4.5%	Lower commodity prices, higher base effect (i.e. Fiscal 2024 had a higher base), and cooling off domestic demand is likely to help in moderating inflation in Fiscal 2025.
10-year Government security yield (Fiscal end)	7.0%	6.8%	A moderate reduction in gross market borrowings is expected to lower pressures on yields in Fiscal 2025. This, coupled with lower inflation, is likely to moderate yields in Fiscal 2025. India's inclusion in the JP Morgan Emerging Market Bond Index is favorable for capital flows into government debt.
Fiscal Deficit (% of GDP)*	5.8%	5.1%	Persistent efforts in fiscal consolidation aided by moderation in revenue spend and robust tax collections is expected to bring down the deficit and allow for lower government market borrowings.

*^ NSO's Second Advance Estimate; *Fiscal 2024 and Fiscal 2025 numbers are government's revised and budget estimates; E – Estimated, P – Projected*
Source: RBI, NSO, CRISIL MI&A

1.3. State wise key parameters

Contribution of Indian States to GDP

Maharashtra has the highest gross state domestic product ("**GSDP**") among Indian states, thereby contributing approximately 13.40% to overall GDP of India. It is followed by Tamil Nadu (12.20% of India's GDP) and Karnataka (11.10% of India's GDP). Maharashtra has the highest share due to the large contribution of the industrial and services activities in the state. Moreover, these top three states (in terms of contribution to GDP), Maharashtra, Tamil Nadu and Karnataka are among the top states attracting foreign capital investments and have seen substantial inflow in Fiscal 2023 to the extent of ₹1,001 billion, ₹302 billion and ₹145 billion respectively, and is expected to see continuous growth in the future.

State wise GDP contribution and 3-year growth

State/ Union Territory ("UT")	3 Year Compounded Annual Growth Rate ("CAGR") GDP (Fiscals 2020-2023)	% Share of GDP (Fiscal 2023)
Maharashtra*	1.19%	13.40%
Tamil Nadu	5.33%	12.20%
Karnataka	4.91%	11.10%
Uttar Pradesh	4.55%	11.00%
Gujarat*	5.07%	9.00%
West Bengal	3.88%	7.20%
Rajasthan	5.71%	6.70%
Andhra Pradesh	5.10%	6.30%
Telangana	4.27%	6.10%
Delhi	3.65%	5.50%
Madhya Pradesh	4.26%	5.40%
Haryana	3.78%	5.10%
Odisha	5.28%	3.90%
Punjab	3.75%	3.90%
Kerala*	1.10%	3.80%
Bihar	3.57%	3.70%
Assam	6.31%	2.40%
Chhattisgarh	4.78%	2.40%
Jharkhand	3.88%	2.20%
Uttarakhand	2.96%	1.70%
Himachal Pradesh	3.55%	1.10%
Jammu & Kashmir-UT	5.75%	1.10%
Goa*	1.54%	0.40%
Tripura	4.15%	0.40%
Meghalaya	0.38%	0.20%
Sikkim	4.34%	0.20%
Chandigarh*	0.47%	0.20%
Puducherry*	2.02%	0.20%
Arunachal Pradesh*	5.91%	0.10%
Manipur*	3.95%	0.10%
Mizoram*	4.73%	0.10%
Nagaland*	2.87%	0.10%
Andaman & Nicobar Islands*	1.46%	0.00%

*Note: GDP taken as GSDP at constant prices, * GSDP taken for Fiscal 2022 and 3 Year GDP taken as CAGR Fiscals 2019-2022; States have been arranged in the descending order of share of GDP*

Source: RBI, MOSPI, CRISIL MI&A

Revenues from goods and services tax ("GST") collection among Indian states

State/UT	GST Revenues (Fiscal 2023E) (₹ in billion)	GST Revenues (9MFY24E) (₹ in billion)	Share in Fiscal 2023 (%)	Share in nine months ended December 31, 2023 (%)
Maharashtra	2,458.34	2097.13	20.37%	21.08%
Karnataka	1,114.99	941.46	9.24%	9.46%
Gujarat	1,042.12	820.49	8.64%	8.25%
Tamil Nadu	955.67	802.34	7.92%	8.06%
Uttar Pradesh	802.13	669.90	6.65%	6.73%
Haryana	787.39	667.63	6.53%	6.71%
West Bengal	530.84	415.53	4.40%	4.17%
Delhi	509.60	414.65	4.22%	4.18%
Telangana	470.89	390.17	3.90%	3.92%
Odisha	451.85	353.62	3.74%	3.55%
Rajasthan	413.04	325.94	3.42%	3.28%
Andhra Pradesh	367.99	295.47	3.05%	2.97%
Madhya Pradesh	328.83	276.09	2.73%	2.77%
Chhattisgarh	291.71	229.79	2.42%	2.31%
Jharkhand	290.87	225.83	2.41%	2.27%
Kerala	248.01	201.97	2.06%	2.03%
Punjab	191.53	158.45	1.59%	1.59%
Uttarakhand	153.35	125.25	1.27%	1.26%
Bihar	150.95	115.67	1.25%	1.16%
Assam	124.64	99.84	1.03%	1.00%
Himachal Pradesh	80.12	65.99	0.66%	0.66%
Goa	49.33	44.10	0.41%	0.42%

State/UT	GST Revenues (Fiscal 2023E) (₹ in billion)	GST Revenues (9MFY24E) (₹ in billion)	Share in Fiscal 2023 (%)	Share in nine months ended December 31, 2023 (%)
Jammu and Kashmir	47.73	42.13	0.40%	0.44%
Dadra and Nagar Haveli and Daman and Diu	34.58	27.56	0.29%	0.28%
Sikkim	28.71	24.85	0.24%	0.25%
Other Territory	23.68	18.60	0.20%	0.17%
Puducherry	21.52	17.34	0.18%	0.17%
Chandigarh	21.33	17.14	0.18%	0.19%
Meghalaya	18.88	15.10	0.16%	0.15%
Arunachal Pradesh	9.41	8.75	0.08%	0.09%
Tripura	8.02	6.74	0.07%	0.07%
Manipur	5.48	4.78	0.05%	0.04%
Nagaland	5.13	4.18	0.04%	0.05%
Mizoram	3.75	3.22	0.03%	0.03%
Andaman and Nicobar Islands	3.40	3.14	0.03%	0.03%
Ladakh	2.86	2.93	0.02%	0.03%
Lakshadweep	0.19	0.38	0.00%	0.00%
Grand Total	**12,066.62**	**9,934.16**	**100.00%**	**100.00%**

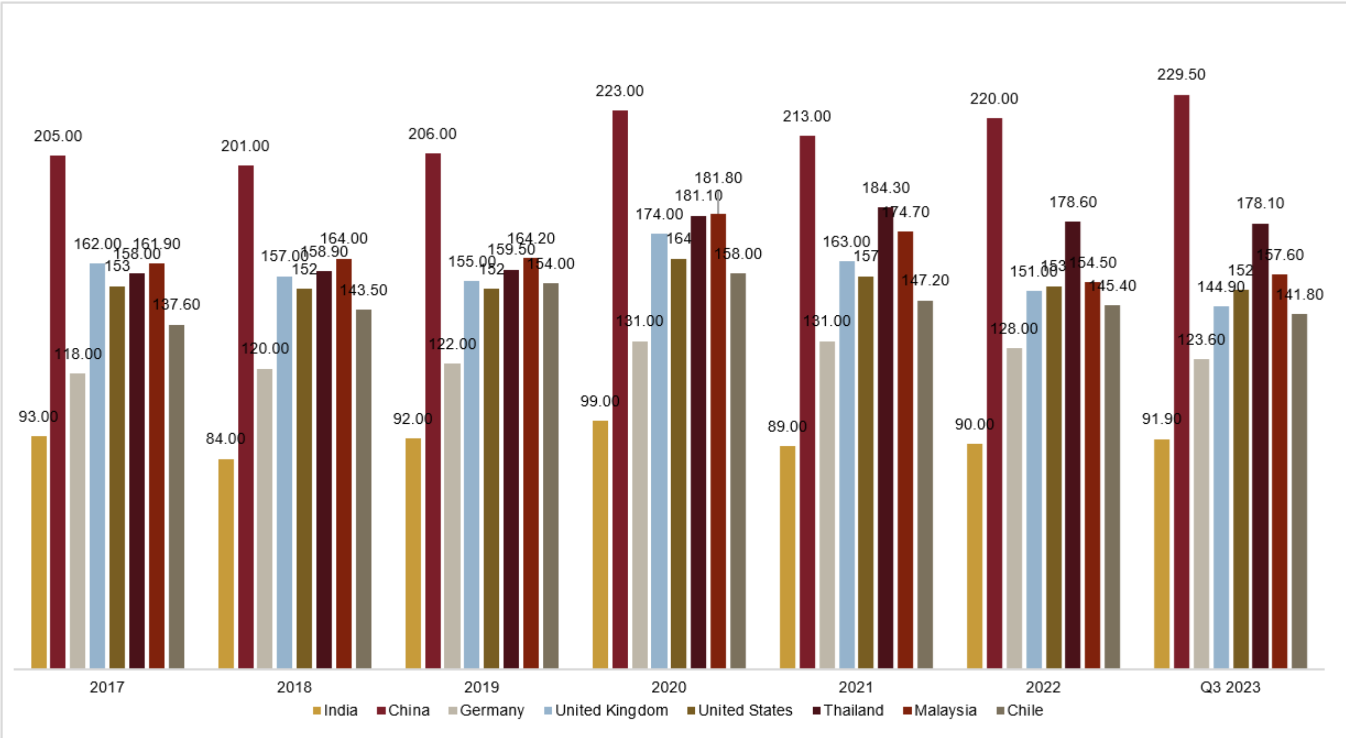
Note: E- Estimated; Data is from April-December 2022 and February and March 2023, state wise data for January 2023 and October 2023 is not available
Source: Ministry of Finance, CRISIL MI&A

2.3 Credit penetration in India

Credit penetration is lower in India compared to other countries

In terms of the credit to GDP ratio, India has a low credit penetration compared with other developing countries, such as China indicating the potential that can be tapped. Similarly, in terms of credit to households as a proportion of GDP as well, India lags other markets, with retail credit hovering at around 26% of GDP as of Fiscal 2023.

Credit to GDP ratio (%) (The third quarter of calendar year 2023)



Note: Data is represented for calendar years for all countries except India. For India, numbers are for fiscal year.
Source: Bank of International Settlements[1], CRISIL MI&A

Rural and semi-urban India – Under penetration and untapped market presents a huge opportunity for growth of financiers

Bank credit to metropolitan areas has decreased over the past few years with its share decreasing from 66% as of March 31, 2019, to 61% as of September 30, 2023. Between the same period, credit share has witnessed a marginal rise in rural (7% in Fiscal 2019 to 8% in first half of Fiscal 2024) and semi-urban areas (12% in Fiscal 2019 to 14% in first half of Fiscal 2024). As of March 31, 2023, rural areas, which accounted for 47%

of GDP, received just 8% of the overall banking credit, which shows the vast market opportunity for banks and non-banking financial companies ("**NBFCs**") to lend in these areas. With increasing focus of government towards financial inclusion, rising financial awareness, increasing smartphone and internet penetration, CRISIL MI&A expects delivery of credit services in rural area to increase. Further, usage of alternative data to underwrite customers is also expected to help banks and NBFCs to assess customers and cater to the informal sections of the society in these regions.

Rural and semi-urban areas account for approximately 32.98% of overall credit outstanding

	Tier-wise outstanding (₹ in billion)					% share in total outstanding				
Tier	**Fiscal 2019**	**Fiscal 2020**	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**	**Fiscal 2019**	**Fiscal 2020**	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**
Metro	21,608.90	23,098.59	25,133.36	27,804.18	32,430.39	46.78%	45.90%	45.27%	44.92%	44.19%
Urban	10,605.55	11,543.82	12,681.99	14,158.59	16,755.43	22.96%	22.94%	22.84%	22.88%	22.83%
Semi-urban	9,110.26	10,117.01	11,363.43	12,721.62	15,296.12	19.72%	20.11%	20.47%	20.55%	20.84%
Rural	4,872.00	5,561.26	6,342.69	7,206.79	8,908.68	10.55%	11.05%	11.42%	11.64%	12.14%

Note: This includes Bank Credit and NBFC Credit (Housing Finance, Vehicle Finance (Auto Loans, Used Car, Passenger Vehicles, Two-wheelers, Tractor, Commercial Vehicles) Property Loan and Micro, Small and Medium Enterprises ("MSME") Credit) and other players
Source: TransUnion CIBIL, CRISIL MI&A

Rural economy is becoming structurally far more resilient

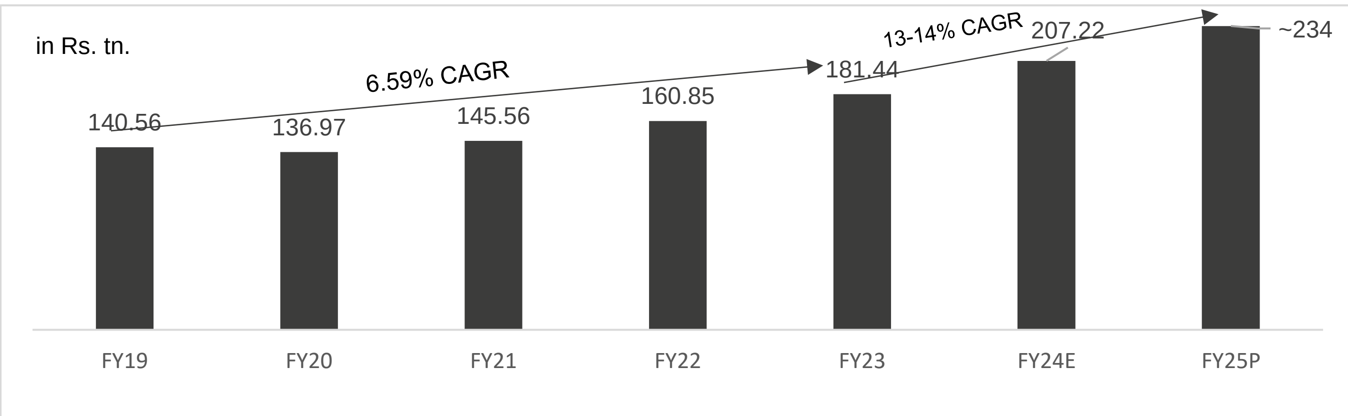
According to Census 2011, there were about 640,000 villages in India, which are inhabited by about 893 million people. The rural economy is far more resilient today due to increased spends under PM-Kisan scheme, Mahatma Gandhi National Rural Employment Guarantee Act, 2005 and irrigation programmes. Additionally, schemes such as direct benefit transfer ("**DBT**"), PM Ujwala Yojana for cooking gas, PM Awas Yojana for housing, and Ayushman Bharat scheme for healthcare are supporting growth in rural areas. To supplement this, there has been a continuous improvement in rural infrastructure such as electricity and roads. These government initiatives have led to lesser leakages and higher incomes in the hands of the rural populace, thereby enhancing their ability and willingness to spend on discretionary products and services. The structural changes, combined with a positive macro environment, is expected to improve rural business prospects, provide business opportunities for the banking and financial services sector and drive the long-term growth of the economy.

2. Overview and Market Landscape of NBFC Sector in India

2.1. Systemic credit

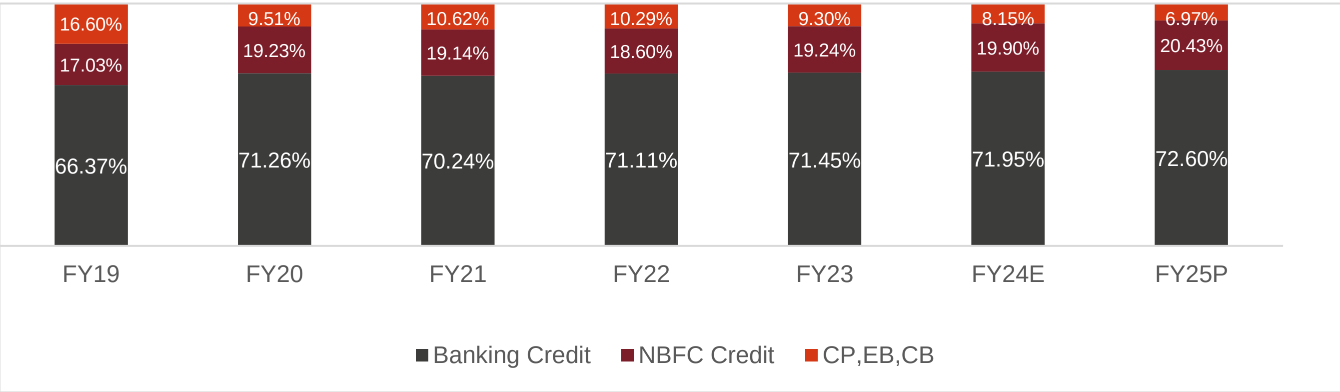
Systemic credit to grow at 13-14% CAGR between Fiscal 2023-Fiscal 2025

The systemic credit grew at 10.3% from Fiscal 2022 to reach approximately ₹161 trillion. The growth was mainly driven by the budgetary push towards investments, pick-up in private investment, and business activities. In Fiscal 2023, Systemic credit showed strong growth on back of pent-up retail demand from sectors like housing and vehicle and strong credit demand from NBFCs and trade segment. CRISIL MI&A projects systemic credit to grow at 13-14% CAGR between Fiscal 2023 and Fiscal 2025.



Note: E: Estimated, P: Projected; Systemic credit includes domestic banking credit (after deduction of bank lending to NBFC), NBFC credit, commercial papers, external borrowings, corporate bonds excluding those issued by Banks and NBFC; Source: RBI, Company Reports, CRISIL MI&A

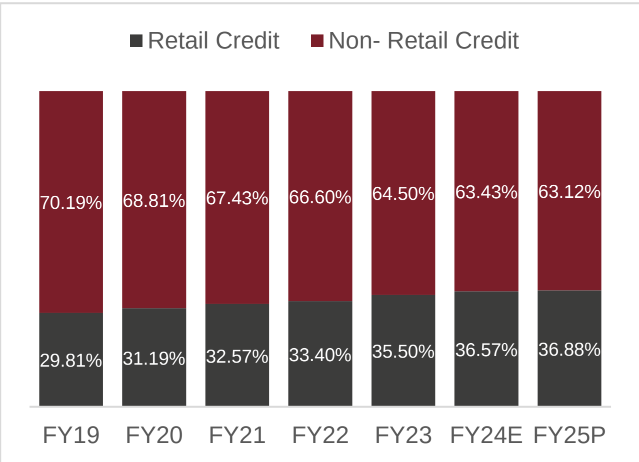
Share of NBFC credit in overall systemic credit to reach approximately 20% in Fiscal 2025



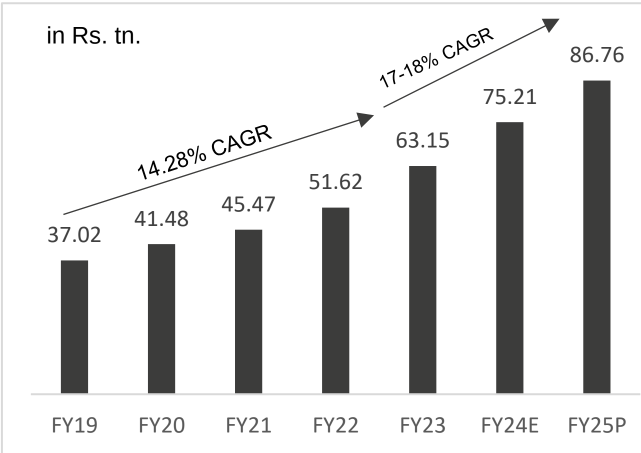
Note: E: Estimated, P: Projected; Systemic credit includes domestic banking credit, NBFC credit, commercial papers, external borrowings, corporate bonds excluding those issued by Banks and NBFC; Source: RBI, Company Reports, CRISIL MI&A

The retail credit (includes Housing finance, Vehicle Financing, Gold Loans, Education Loans, Consumer Durables, Personal loans, credit cards and microfinance) in India stood at ₹ 63.15 trillion, as of Fiscal 2023 which rapidly grew at a CAGR of 14.28% between Fiscals 2019 and 2023. Retail credit growth in Fiscal 2020 was around approximately 12.04% which came down to approximately 9.62% in Fiscal 2021. However, post-pandemic, retail credit growth revived back to reach approximately 13.52% in Fiscal 2022. In Fiscal 2023, retail credit has grown at approximately 22.34% year on year basis. The Indian retail credit market has grown at a strong pace over the last few years and is expected to further grow at a CAGR of 17-18% between Fiscals 2023 and 2025 to reach ₹ 86.76 trillion by Fiscal 2025. Moreover, the increasing demand and positive sentiments in the Indian retail credit market, presents an opportunity for both banks and NBFCs to broaden their investor base.

Retail segment to account for 36.88% of overall systemic credit by Fiscal 2025



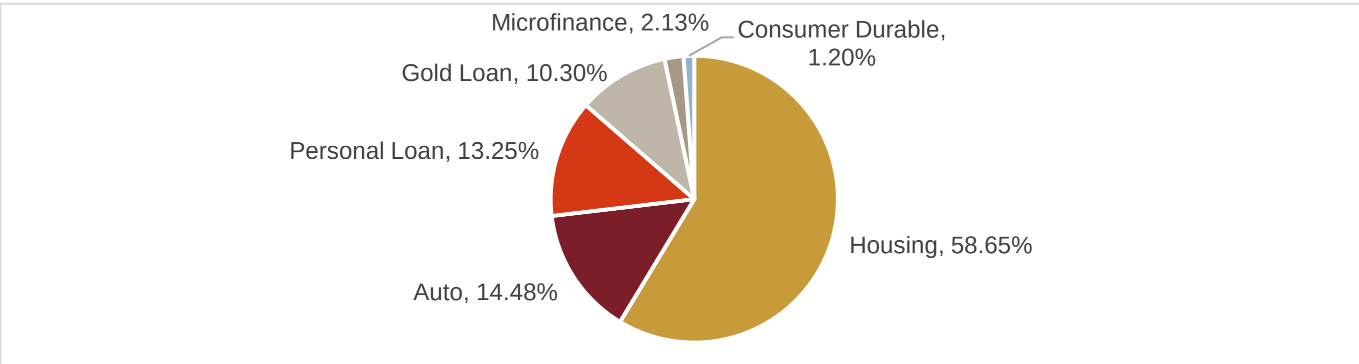
Retail credit growth to continue on a strong footing in Fiscals 2024 and 2025



Note: E: Estimated, P: Projected

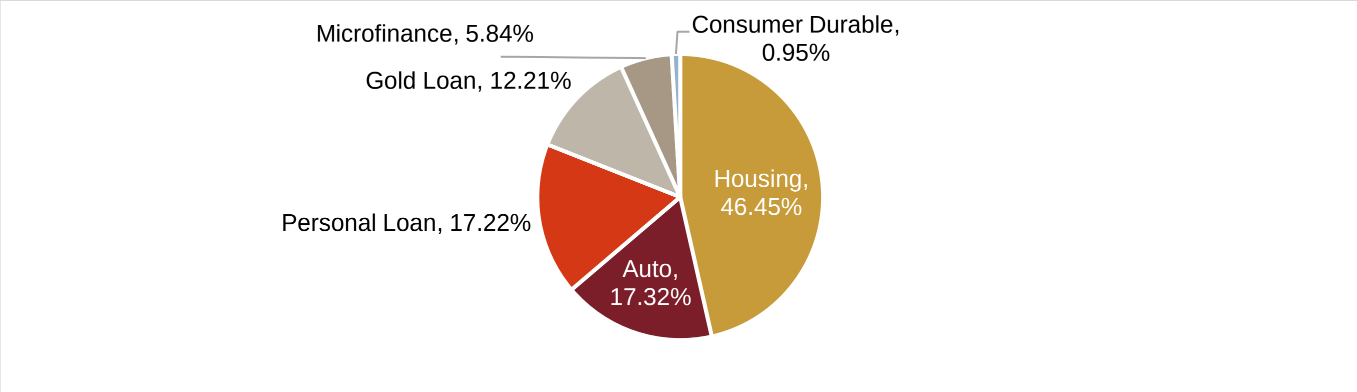
Source: RBI, CRISIL MI&A

Retail credit mix as of March 31, 2019



Source: CRISIL MI&A

Retail credit mix as of March 31, 2023

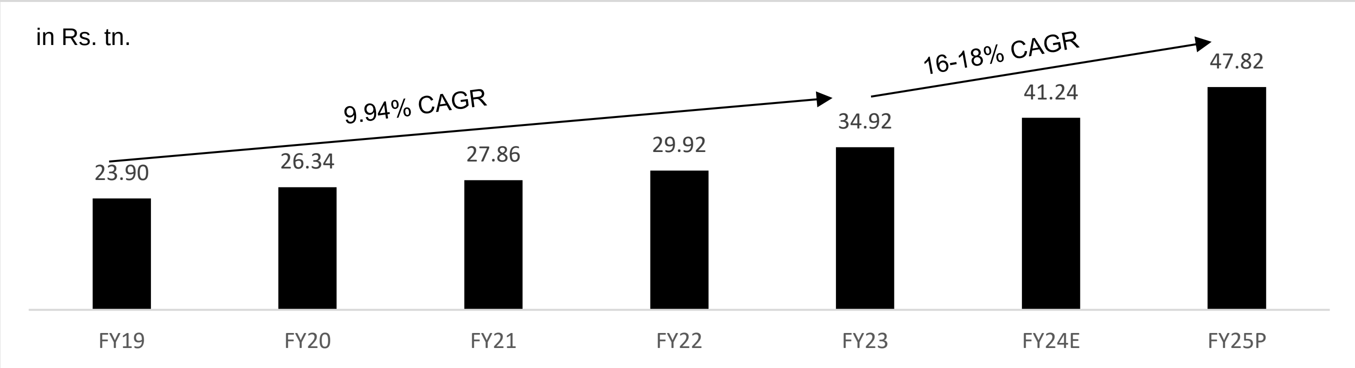


Source: CRISIL MI&A

2.2. NBFC Market Landscape

NBFC Credit to grow faster than systemic credit

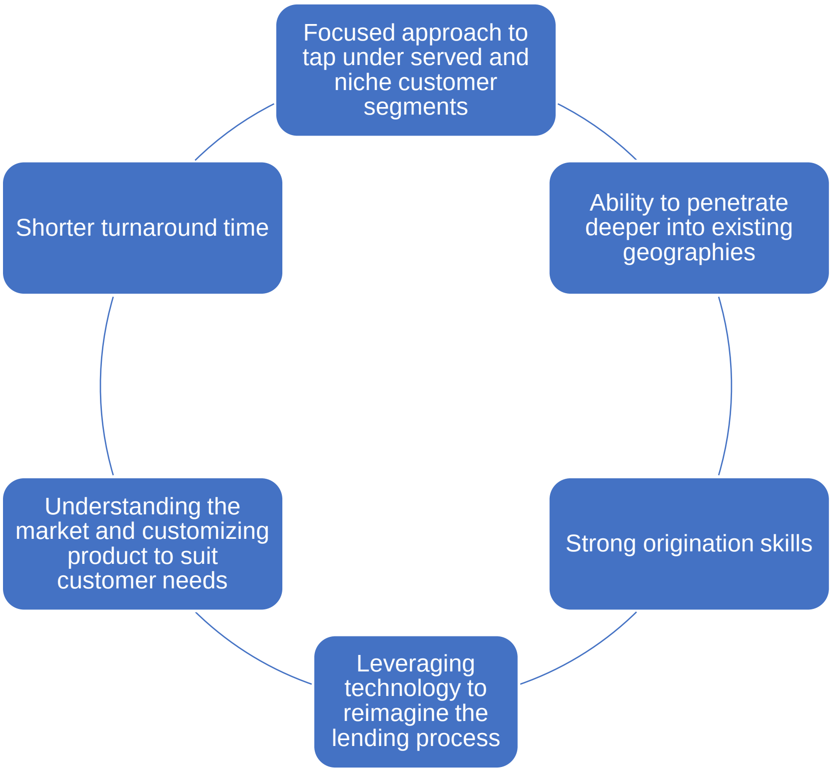
NBFC credit to grow at CAGR 16-18% between Fiscals 2023 and 2025



Note: E: Estimated, P: Projected; Source: RBI, Company reports, CRISIL MI&A, note: HDFC is not considered while calculating overall NBFC Credit

CRISIL MI&A believes that NBFCs are expected to remain a force to reckon within the Indian credit landscape, given their inherent strength of providing last-mile funding and catering to customer segments that are less in focus by the Banks.

Growth of NBFCs reflects the customer value proposition offered by them

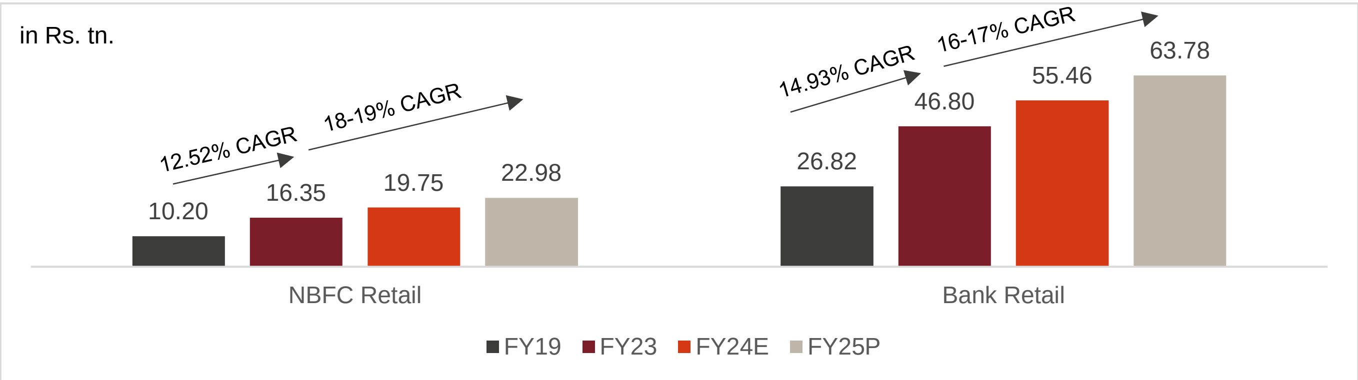


Source: CRISIL MI&A

Retail segment to support NBFCs overall credit growth

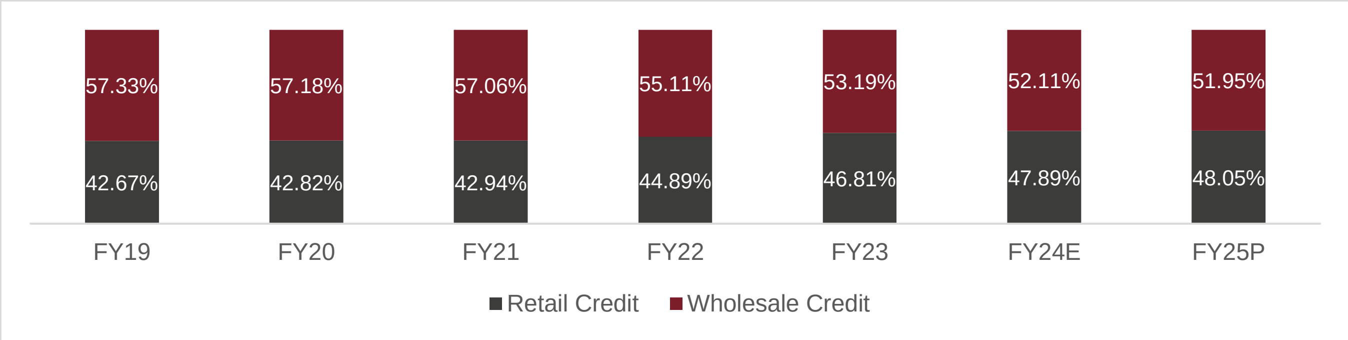
Overall NBFC credit during Fiscals 2019 to 2023, witnessed a CAGR of approximately 10% which was majorly led by retail segment which accounts for approximately 47% of overall NBFC credit and witnessed a CAGR of approximately 13%, while NBFC non-retail credit witnessed a growth of approximately 8% during the same period. Going forward, growth in the NBFC retail segment is expected at 18-19% CAGR between Fiscals 2023-2025 which is expected to support overall NBFC credit growth, with continued focus on the retail segment and multiple players announcing plans to reduce wholesale exposure, the retail segment's market share is expected to rise further to 48% (vs the wholesale's 52%) by end of Fiscal 2024 and remain stable in Fiscal 2025.

Growth in retail credit for banks and NBFCs



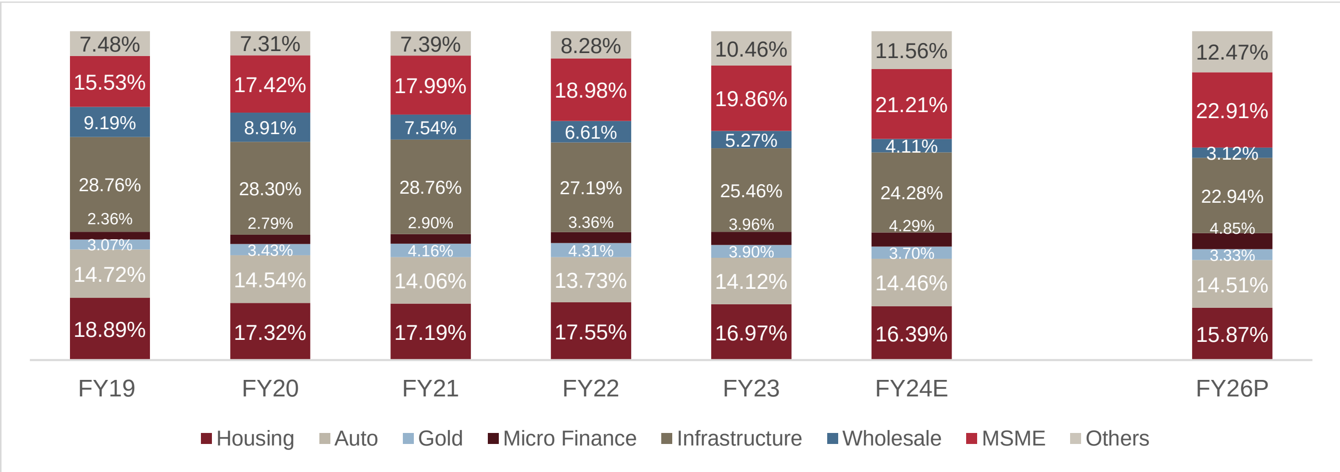
Note: E: Estimated, P: Projected; Retail credit above includes housing finance, vehicle finance, microfinance, gold loans, construction equipment finance, consumer durable finance, MSME loans and education loans; Source: Company reports, RBI, CRISIL MI&A

Share of retail credit in total NBFCs credit to grow to 47.89% by end of Fiscal 2024 and expected to remain stable in Fiscal 2025



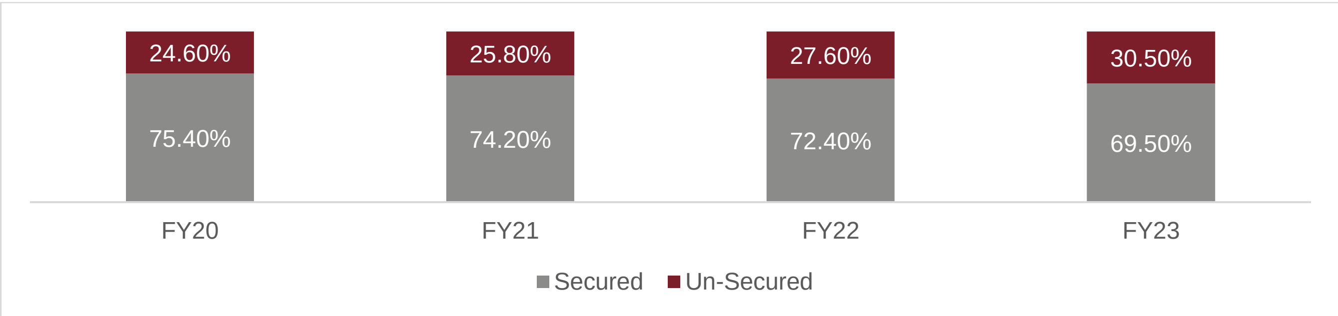
Note: E: Estimated, P: Projected; Retail credit includes housing finance, vehicle finance, microfinance, gold loans, construction equipment finance, consumer durable finance, MSME loans and education loans; Source: Company reports, CRISIL MI&A

MSME, Housing and Vehicle segments constitute approximately 51% of overall NBFCs credit (Fiscal 2023)



Note: E: Estimated, P: Projected; Others include education loan, consumer durable loans, personal loans, and construction equipment finance; Source: Company reports, CRISIL MI&A

Share of loans and advances from secured products remains high for NBFCs



Source: RBI, CRISIL MI&A

NBFCs have a reasonable market share across segments

Under-served households and businesses represent a significant proportion of India's population that face challenges in obtaining credit due to reasons such as a lack of credit history and the inability to provide collateral. NBFCs have generally been able to address this opportunity on account of their strong origination skills, extensive reach, better customer service, faster processing, streamlined documentation requirements, digitization of customer on-boarding process, customized product offerings, local knowledge, and differentiated credit appraisal methodology.

Micro Finance Institutions ("MFI") and MSME Loans to witness the fastest growth in credit among NBFCs asset classes

Asset Class	NBFC Share Fiscal 2023	Expected growth in NBFC credit Fiscal 2024E	Fiscal 2025P
Housing Loan	20%	13-14%	11-13%
MSME (LAP & Non-LAP)	24%	25-27%	23-25%
Gold	22%	11-13%	11-13%
MFI	40%	28-30%	23-25%
Vehicle Financing	40%	20-21%	15-16%

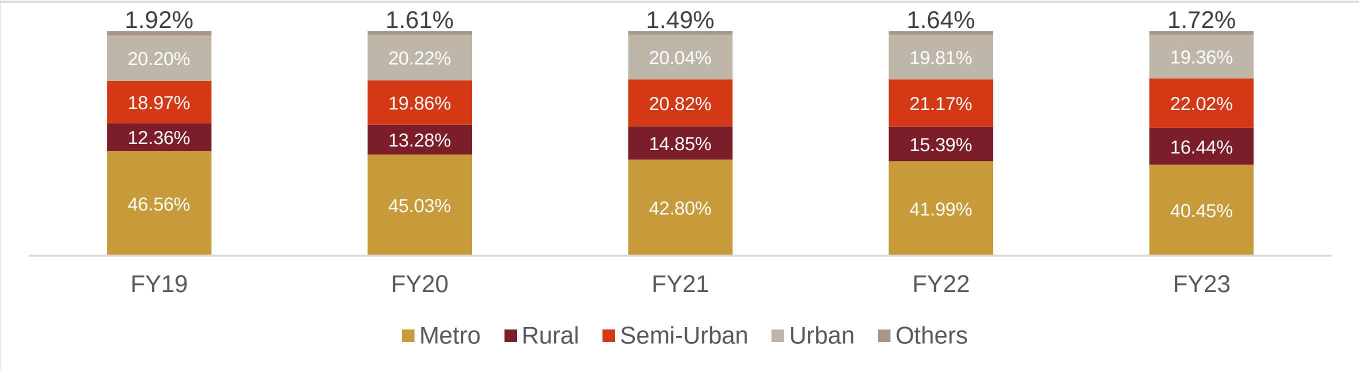
Note: E: Estimated, P: Projected; Source: CRISIL MI&A, Company Reports

NBFCs have consistently gained or maintained market share in most of the asset classes over the last few years. Going forward, MFI & MSME loans are expected to witness the fastest growth among asset classes.

Tier-based distribution of outstanding NBFCs credit

Metro tier accounted for approximately 40.45% share in NBFC credit as of Fiscal 2023, with semi-urban areas accounting for second highest share at 22.02%, followed by urban and rural areas accounting for 19.36% and 16.44% respectively.

Tier-based distribution of outstanding NBFC credit



Note: NBFC outstanding includes (Vehicle Finance (Car, Used car, CV, 2W, Tractor), Housing Finance, LAP, MSME loans)

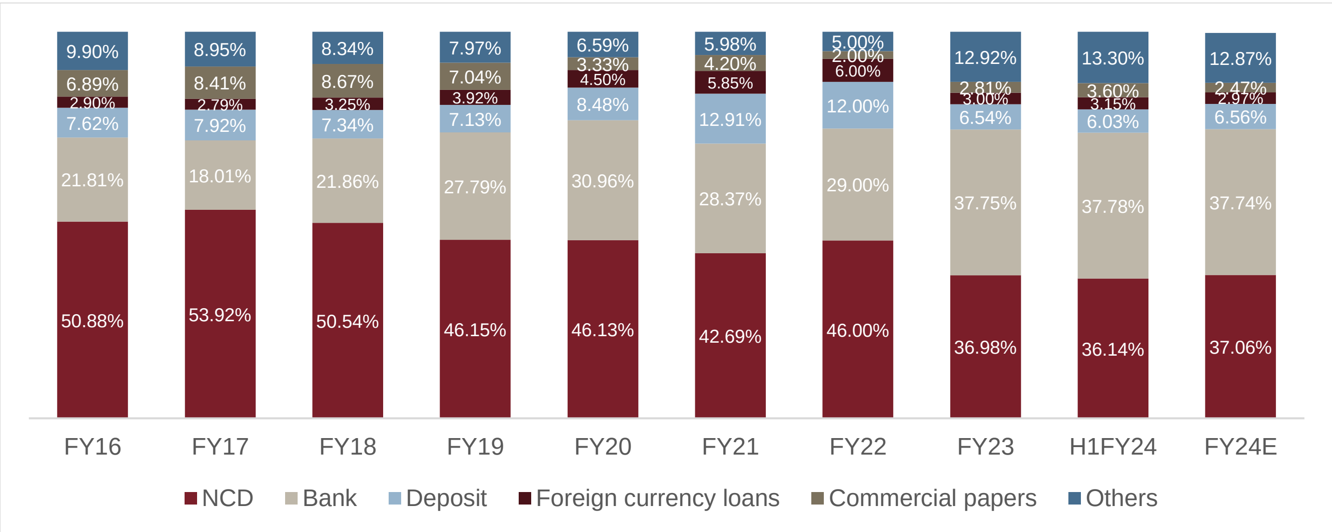
Source; TransUnion CIBIL, CRISIL MI&A

NBFCs Credit outstanding across states from Fiscal 2021 to Fiscal 2023

Maharashtra had a credit outstanding of ₹ 2,659.82 billion as of Fiscal 2023 accounting for 16.29% of overall NBFC credit, followed by Tamil Nadu which had an outstanding of ₹ 1,650.20 billion which accounted for 10.10% share. Among top 20 states as per credit outstanding, Rajasthan witnessed the fastest growth witnessing a CAGR of 16.16% during Fiscals 2021 to 2023, followed by Madhya Pradesh which witnessed a CAGR of 15.47%.

2.3. Banks continue to gain share in borrowing mix of NBFCs; expected to undergo moderation in near to medium term

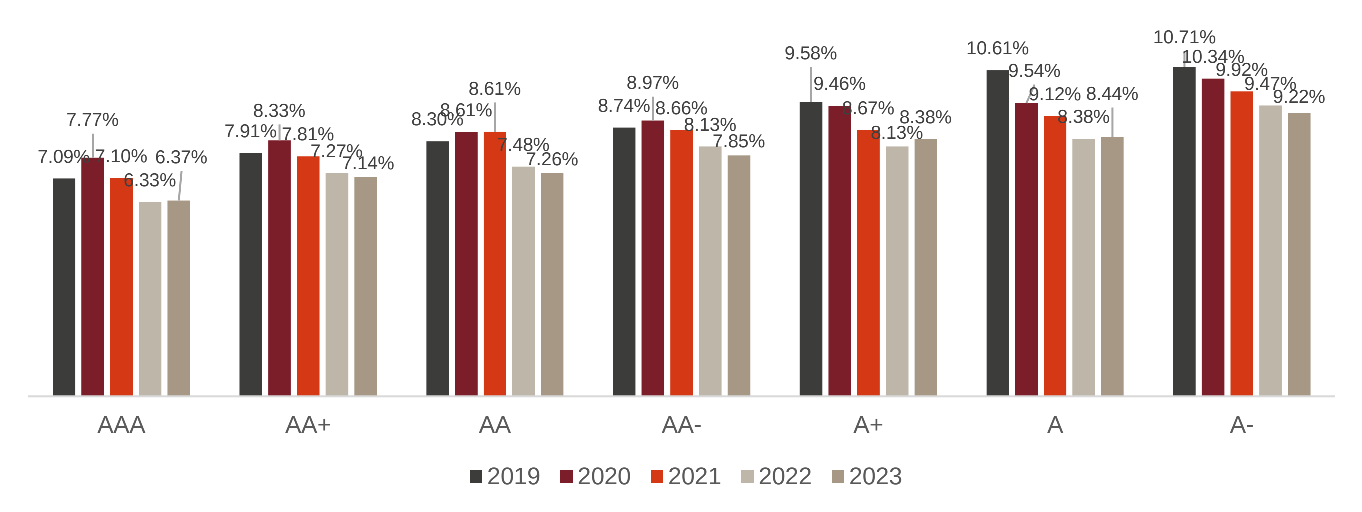
Bank borrowings expected to remain primary source of funds for the NBFCs, apart from Non-Convertible Debentures ("NCDs")



Note: E: Estimated; Based on sample set of NBFCs accounting for more than 80% of overall borrowings of NBFCs as of March 2023; For Fiscal 2023, NCD includes Debt Securities and NCDs, Bank includes Banks and National Housing Bank, and Others include Related Parties, Foreign Institutions, External Commercial Borrowings, and other sources

Source: Company reports, CRISIL MI&A

Average cost of borrowings trend by rating category



Source: CRISIL MI&A

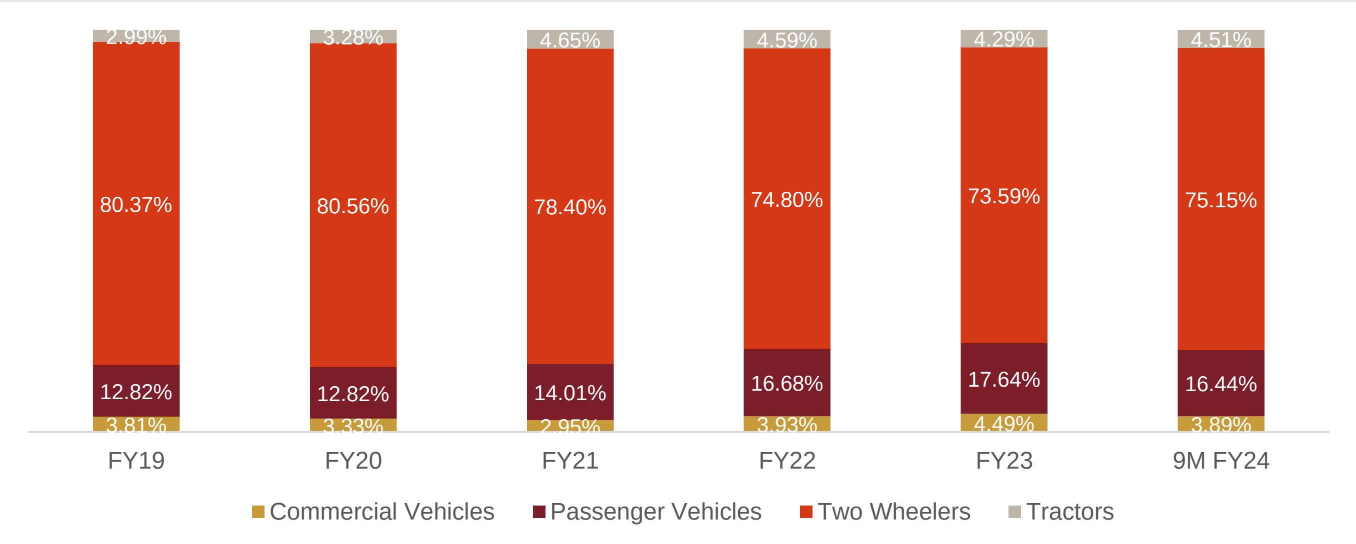
Average cost of borrowing for companies increases with deterioration in credit rating. Average cost of borrowings for AAA rating category NBFCs was in the range of 6.3% to 7.8% between Fiscals 2019 and 2023, whereas average cost of borrowings for A- rating category NBFCs was in the range of 9.2% to 10.7% between Fiscals 2019 and 2023.

3. Overall Domestic Vehicle Loans in India

3.1. Total domestic vehicle sales stood at 22.06 million as of Fiscal 2023

As of Fiscal 2023, total domestic vehicles sales stood at 22.06 million. Commercial vehicles sales grew at 32% CAGR between Fiscal 2021 and Fiscal 2023 with revival in economic activities. Further, Passenger vehicles witnessed a strong growth during Fiscal 2023 and nine months ended December 31, 2023, supported by healthy festive demand supported by increase in production by Original Equipment Manufacturers (“**OEMs**”). Tractor sales grew at 2.5% CAGR between Fiscal 2021 and Fiscal 2023. In the two-wheeler segment, volumes are expected to be driven by recovery in scooter sales as urban income sentiments improve and EV penetration increases. Normal monsoon prediction is expected to support demand for motorcycles segment positively. Going forward, during Fiscals 2023-2027, overall vehicle sales to grow at 7-9% CAGR, passenger vehicle sales are expected to grow at a CAGR of 6-8%, fastest growth is expected in the two-wheeler segment at a CAGR of 8-10%, while tractor and commercial vehicle segments are expected to grow at 3-5% CAGR each.

Total domestic vehicle sales stood at 22.06 million as of Fiscal 2023

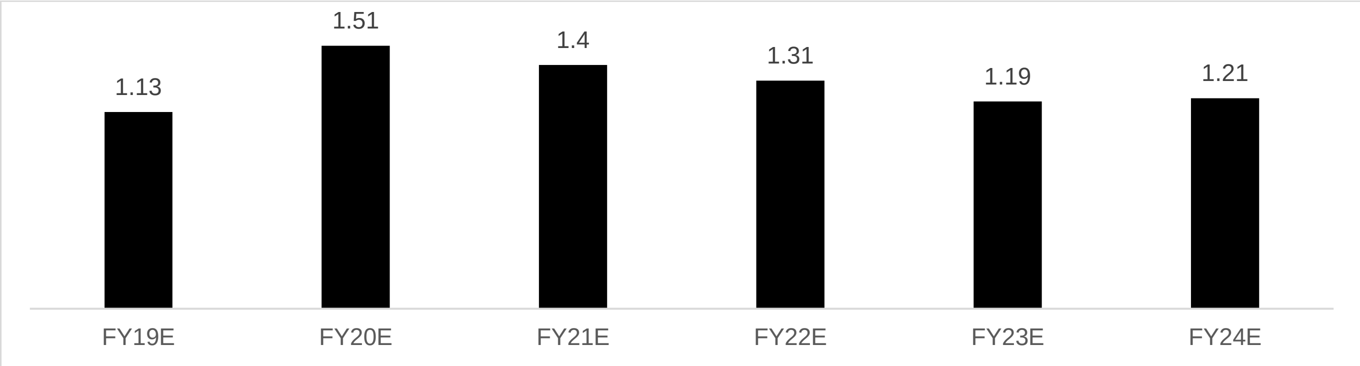


Source: SIAM, CRISIL MI&A

Category (in million)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	CAGR (Fiscals 2021-2023)
Commercial Vehicles	1.00	0.72	0.57	0.72	0.99	0.76	32.1%
Passenger Vehicles	3.37	2.77	2.71	3.06	3.89	3.21	19.8%
Two Wheelers	21.12	17.4	15.17	13.72	16.23	14.67	2.3%
Tractor Loans	0.79	0.71	0.90	0.84	0.95	0.88	2.5%
Total	**26.28**	**21.60**	**19.35**	**18.34**	**22.06**	**19.52**	**6.8%**

Source: SIAM, CRISIL MI&A

Used to New Vehicle Ratio in India

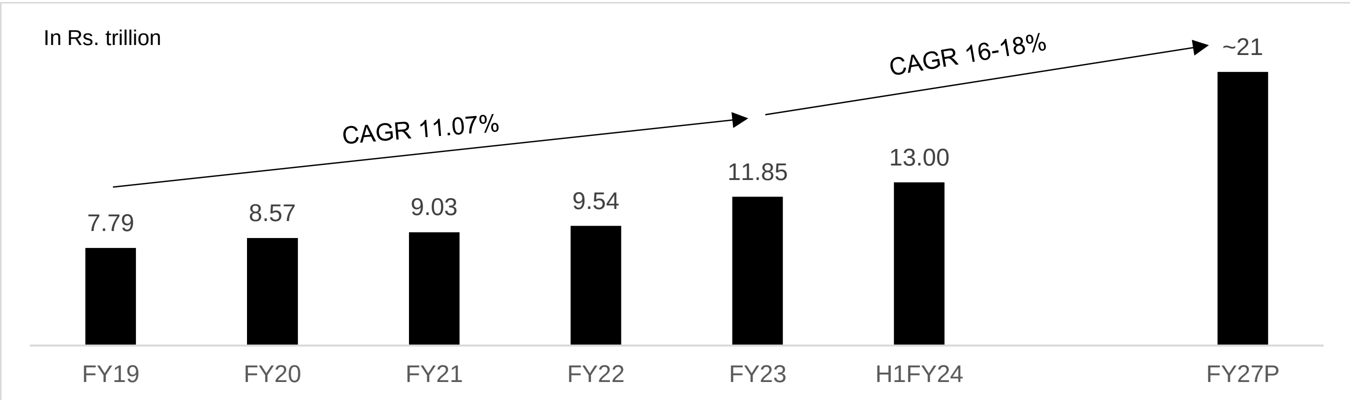


Note: E: Estimated; Source: CRISIL MI&A estimates

3.2. Overview of Vehicle Finance Market in India

Vehicle finance segment (commercial vehicles, passenger vehicles, two-wheelers, tractors, used cars) is closely linked with the macroeconomic environment and underlying asset sales. Overall vehicle finance segment in India stood at approximately ₹ 11.85 trillion as of Fiscal 2023, witnessing a CAGR of approximately 11.07% from Fiscal 2019. The growth witnessed a slow down during Fiscal 2021 and Fiscal 2022, primarily due to the impact of COVID-19 outbreak growing at a pace of 5.42% and 5.58% y-o-y respectively. During Fiscal 2023 with easing of semiconductor shortage and uptick in demand of passenger vehicles led to growth in car and utility vehicle volumes. With the recovery on demand side the vehicle financing outstanding witnessed a 24.24% y-o-y growth from Fiscal 2022. Going forward, the outstanding credit is expected to grow at a CAGR of 16-18% from Fiscal 2023 to Fiscal 2027 to reach approximately ₹ 21 trillion.

Overall vehicle finance witnessed a CAGR of 11.07% from Fiscal 2019 to Fiscal 2023, expected to grow at a CAGR of 16-18% from Fiscals 2023-2027



Note: P: Projected, Source: TransUnion CIBIL, CRISIL MI&A

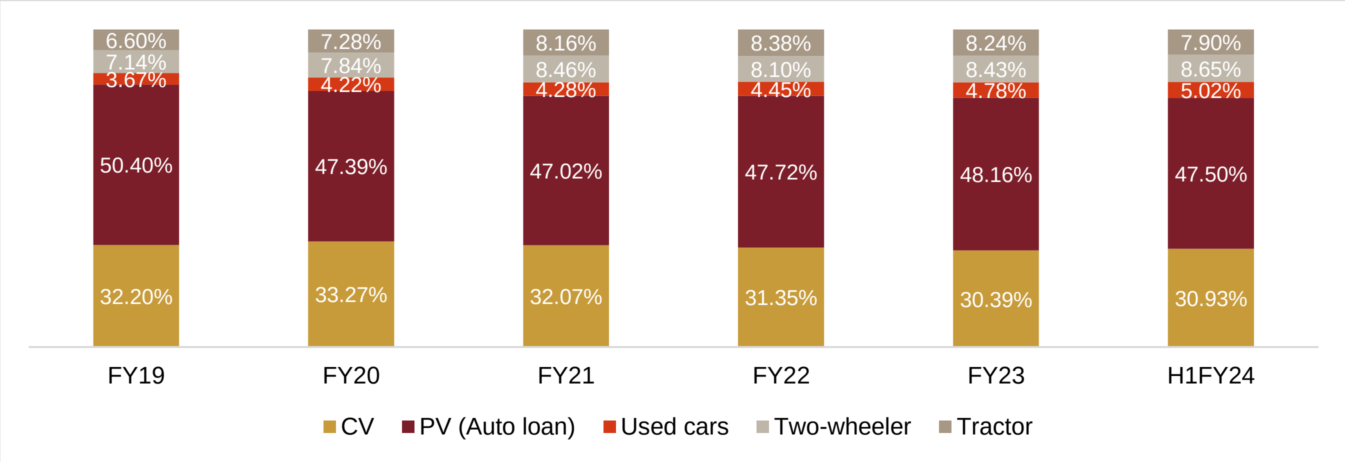
Overall Vehicle Finance Mix

Portfolio outstanding (₹ Trillion)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First Half Fiscal 2024	Fiscal 2027P
Overall vehicle	7.79	8.57	9.03	9.54	11.85	13.00	~21
NBFC share	3.41	3.82	3.86	3.86	4.74	5.28	N.E.
NBFC share %	43.76%	44.56%	42.77%	40.42%	39.97%	40.59%	N.E.
CV	2.51	2.85	2.90	2.99	3.60	4.02	5.50-6.00
NBFC share	1.50	1.77	1.82	1.84	2.08	2.33	N.E.
NBFC share %	59.92%	62.03%	62.94%	61.61%	57.84%	57.88%	N.E.
PV (Auto loan)	3.92	4.06	4.25	4.55	5.71	6.18	9.70-10.30
NBFC share	1.19	1.16	1.04	0.98	1.32	1.45	N.E.
NBFC share %	30.45%	28.54%	24.59%	21.59%	23.11%	23.49%	N.E.
Used cars	0.29	0.36	0.39	0.42	0.57	0.65	N.E.
NBFC share	0.06	0.09	0.09	0.10	0.16	0.20	N.E.
NBFC share %	20.40%	23.72%	23.43%	24.44%	27.85%	29.88%	N.E.
Two-wheeler	0.56	0.67	0.76	0.77	1.00	1.12	1.90-2.00
NBFC share	0.35	0.43	0.49	0.51	0.66	0.76	N.E.
NBFC share %	63.12%	63.86%	63.88%	65.47%	65.89%	67.34%	N.E.
Tractor	0.51	0.62	0.74	0.80	0.98	1.03	1.55-1.60

Portfolio outstanding (₹ Trillion)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First Half Fiscal 2024	Fiscal 2027P
NBFC share	0.30	0.38	0.42	0.42	0.52	0.55	N.E.
NBFC share %	58.57%	60.37%	56.54%	52.70%	53.18%	53.20%	N.E.

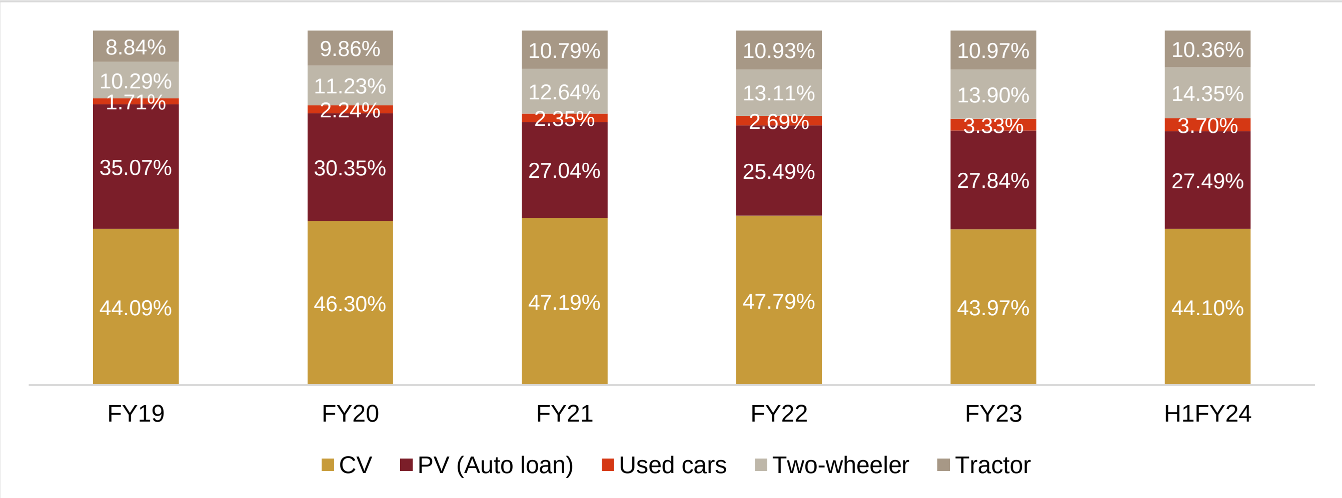
Note: N.E. – Not estimated, P: Projected; Source: TransUnion CIBIL, CRISIL MI&A

Overall vehicle finance portfolio outstanding mix



Source: TransUnion CIBIL, CRISIL MI&A

NBFC – overall vehicle finance portfolio outstanding mix



Source: TransUnion CIBIL, CRISIL MI&A

Vehicle Finance is a heterogeneous business and is highly fragmented in comparison to other loan products

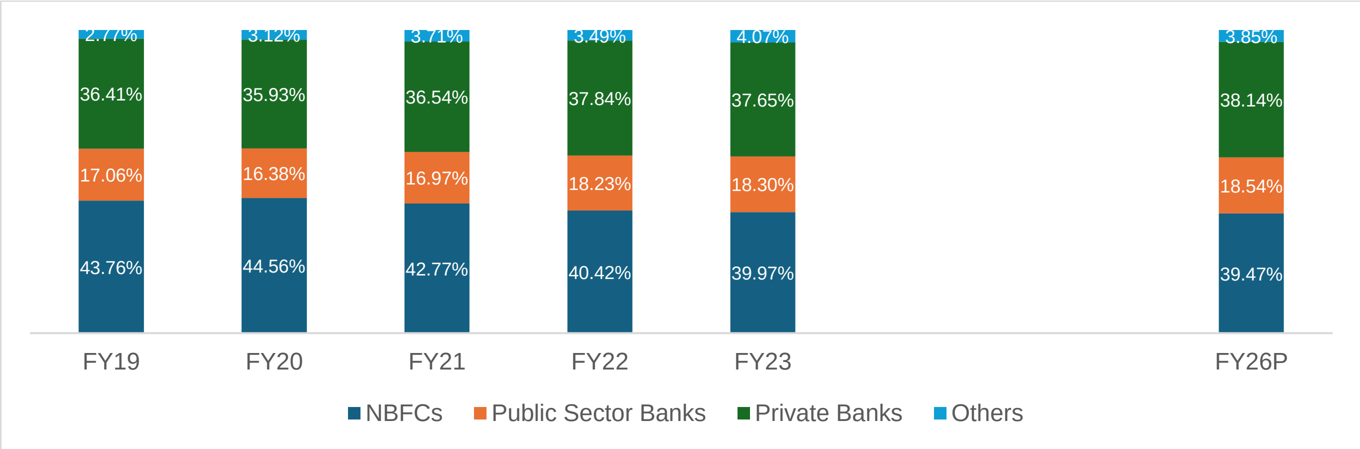
Vehicle financing constitutes a significant portion of the NBFCs and banks' lending portfolio. NBFCs face fierce competition from banks, particularly in the new car loan category of utility vehicles as the lending rates offered are lower as compared to the NBFCs. However, NBFCs have established a distinct position in the commercial vehicle market over time, which stand them in good stead.

During Fiscals 2019-2023, in vehicle financing market, NBFCs witnessed approximately 8.6% CAGR while private sector banks grew at approximately 12% CAGR and public sector banks at approximately 13% CAGR during the same period. As of Fiscal 2023, NBFCs accounted for the highest share in credit outstanding approximately 40% which was followed by private sector banks accounting for 38% market share and public sector banks accounting for approximately 18% share. Going forward, NBFCs are expected to grow at a CAGR of approximately 17% from Fiscals 2023-2026, while public and private sector banks are expected to grow at approximately 18% CAGR during the same period.

Driven by intense competition from banks, NBFCs are expected to cede share in the new vehicle finance segment. This is on account of bank's ability to offer lower yields as compared to NBFCs; this trend is expected to continue. However, NBFCs are expected to maintain their leadership in commercial vehicles ("**CVs**"), specifically in the commercial vehicles excluding medium and heavy commercial vehicles ("**CVs (excl. M&HCVs)**") and used vehicle finance segments. Commercial vehicles financing has the largest share for NBFCs within vehicle finance. The commercial vehicles asset growth in India is projected to experience a resilient growth in Fiscal 2024, surpassing pre-pandemic levels. This in turn is expected to support the financers and continue its healthy growth momentum during Fiscal 2024. Along with new vehicles, sale of used vehicles is also gathering momentum, which is expected to continue over the medium term. Entry of new players increased formalisation of this segment, thereby supporting growth.

Vehicle finance segment is a heterogeneous business as compared to other loan products as no single lender dominates the overall segment and lenders have distinct competitive positioning and customer profiles; while commercial vehicle, two-wheeler and tractor financing is dominated by NBFCs, banks have a strong share in passenger vehicles and used cars segment.

NBFCs account for highest share in vehicle finance outstanding (39.97%) as of Fiscal 2023



Note: E: Estimated, P: Projected; Others include foreign banks, small finance banks ("SFBs"), cooperative banks, regional rural banks ("RRBs"). Source: TransUnion CIBIL, CRISIL MI&A

Lender wise share across vehicle financing asset classes (Fiscal 2019-first half of Fiscal 2024)

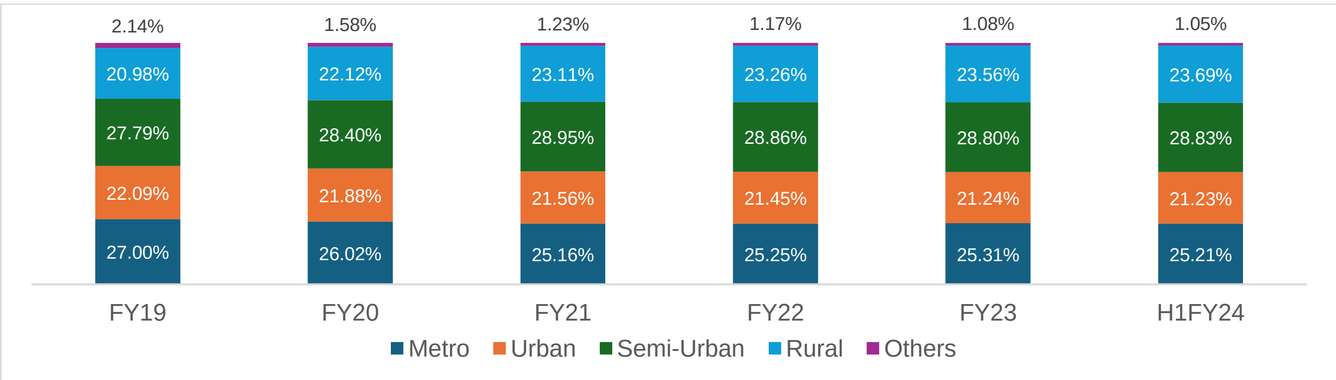
Lender Share		Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
Auto Loans (New passenger vehicle)	Banks	67.13%	68.77%	72.06%	75.33%	73.47%	72.92%
	NBFCs	30.45%	28.54%	24.59%	21.59%	23.11%	23.49%
	Others	2.42%	2.69%	3.35%	3.08%	3.42%	3.58%
CV Loans	Banks	36.48%	34.05%	32.69%	34.33%	37.12%	37.04%
	NBFCs	59.92%	62.03%	62.94%	61.61%	57.84%	57.88%
	Others	3.60%	3.92%	4.37%	4.05%	5.03%	5.08%
Tractor Loans	Banks	40.21%	38.08%	41.22%	44.92%	43.79%	43.66%
	NBFCs	58.57%	60.37%	56.54%	52.70%	53.18%	53.20%
	Others	1.22%	1.55%	2.23%	2.38%	3.03%	3.14%
Two-Wheeler Loans	Banks	35.57%	34.67%	33.94%	32.08%	31.83%	30.44%
	NBFCs	63.12%	63.86%	63.88%	65.47%	65.89%	67.34%
	Others	1.31%	1.48%	2.18%	2.44%	2.28%	2.23%
Used Car Loans	Banks	73.56%	68.78%	67.70%	67.49%	62.59%	60.81%
	NBFCs	20.40%	23.72%	23.43%	24.44%	27.85%	29.88%
	Others	6.05%	7.51%	8.87%	8.07%	9.55%	9.31%

Note: Others include Foreign banks, SFBs, cooperative banks, RRBs. Source: TransUnion CIBIL, CRISIL MI&A

Semi-urban regions accounted for highest share of vehicle financing credit as of Fiscal 2023

As of Fiscal 2023, semi-urban regions accounted for approximately 29% share of overall vehicle financing credit, which was followed by metro and rural regions with 25% and 24% share respectively. Urban regions accounted for 21% of overall vehicle financing credit. During Fiscals 2019-2023, rural and semi-urban regions have witnessed a growth in their overall share with a rise of 3% and 1% share respectively.

Rural & Semi-urban regions account for 52.36% of overall vehicle financing credit as of Fiscal 2023



Source: TransUnion CIBIL, CRISIL MI&A

Top 10 states (Maharashtra, Uttar Pradesh, Gujarat, Tamil Nadu, Karnataka, Rajasthan, Telangana, Madhya Pradesh, Haryana and Kerala) account for approximately 70.11% of overall vehicle financing credit as of Fiscal 2023.

Yields on Advances of NBFC players involved in vehicle financing

Over the period, NBFCs have solidified their presence in the overall domestic vehicle segment, emphasizing customer-centric approaches, efficient processing, exceptional service, and broadening their geographic reach.

Yield on advances	Fiscal 2021	Fiscal 2022	Fiscal 2023
Mahindra & Mahindra Financial Services Limited	15.7%	14.7%	14.1%
Sundaram Finance Limited	11.8%	11.5%	10.8%
Cholamandalam Investment and Finance Company Limited	14.6%	13.3%	13.2%
SK Finance Limited	19.4%	17.7%	18.8%
Shriram Finance Limited	15.8%	16.1%	19.1%
Hinduja Leyland Finance Limited	12.9%	12.5%	12.0%

Source: Company filings, CRISIL MI&A

Right to Win for NBFCs in Vehicle Finance Segment vs. others (Banks, Fintech companies, etc.)

In the Indian vehicle finance segment, NBFCs emerge as distinctive players offering advantages over traditional banks and fintech companies. NBFCs, characterized by greater flexibility and agility, have carved a niche in vehicle financing by swiftly adapting to dynamic market demands. Their ability to tailor financial products to diverse customer profiles with high execution rigor, especially in the context of the automotive sector, and deeper presence of NBFCs sets them apart. Furthermore, NBFCs often demonstrate a higher risk appetite, facilitating credit accessibility for a broader range of customers, including those with limited credit history. The technology driven models of several NBFCs help them get an edge over traditional banks, which may include capabilities of Robotic Process Automation, or collaboration with third-party companies for Software-as-a-Service lead to wider cost effectiveness. The streamlined and efficient loan approval processes of NBFCs contribute to quicker disbursals, enhancing the overall customer experience. The NBFC entities play a pivotal role in driving financial inclusion within the automotive financing domain, catering to diverse customer segments, and fostering sectoral growth.

3.3. Key growth drivers

Favorable Macroeconomic Conditions

The Indian vehicle finance sector is set to grow, and the growth shall be driven by factors like a rising population, increasing households, urbanization, and growing per capita GDP. The surge in urbanization fosters infrastructural development, complemented by a rising middle income class with enhanced purchasing power. These elements collectively propel demand for vehicles, offering substantial opportunities for financial institutions, including NBFCs and banks, to cater to the evolving needs of this expanding consumer base.

Market penetration for vehicles offers a potential for healthy growth in the long run

India's automobile market exhibits a notable under-penetration when compared to both developed economies and certain developing nations. The vehicle penetration rate in India is considerably lower than that of developed countries and emerging markets like Brazil, Russia, and China. This suggests substantial untapped growth opportunities for automobile manufacturers in the Indian market.

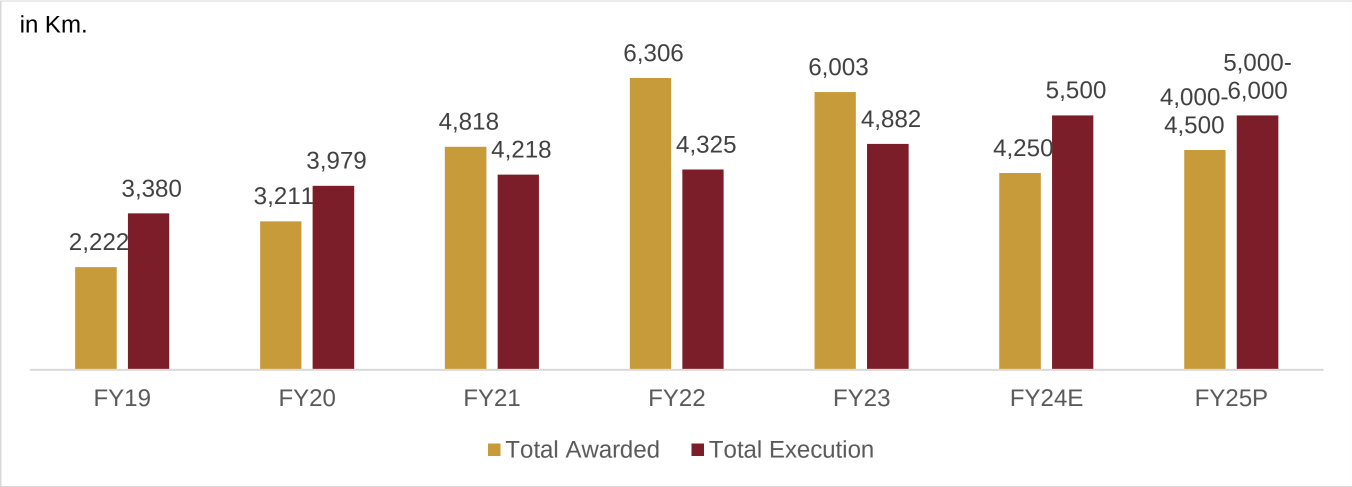
Escalating ownership costs of new vehicles

Annual price escalations undertaken by OEMs to offset rising material costs and comply with evolving safety and emission standards contribute to increased ownership expenses. The rise in the price of new cars and the increased cost of ownership of new cars makes used cars an attractive option for customers seeking vehicle ownership at a lower cost.

Government's increased investment in infrastructure

One of the primary drivers is the increased infrastructure spends by the government, creating a robust foundation for the industry's expansion. Government initiatives, such as the development of new highways, expressways, and urban infrastructure projects, not only stimulate economic growth but also boost demand for a diverse range of vehicles, including commercial and passenger vehicles.

Annual Kilometers ("Kms") of Highways executed and awarded by National Highway Authority of India ("NHAI") from Fiscal 2019



Note: E: Estimated, P: Projected; Source: CRISIL MI&A, NHAI

Surge in last-mile connectivity needs

With the increasing need for efficient logistics and transportation solutions, there is a growing demand for smaller commercial vehicles and two-wheelers that facilitate seamless last-mile connectivity. Transport aggregators such as Uber, Ola, etc., goods delivery aggregators such as Porter, Borzo, etc. and food delivery aggregators such as Swiggy, Zomato etc. are expanding rapidly. These players require cars, two-wheelers, trucks, EV scooters, to sustain their operations. This trend is expected to continue with these aggregators deepening their penetration in the coming years.

Broadening Financial Inclusion

The Vehicle financing landscape is witnessing substantial growth, propelled by the influx of new participants, notably NBFCs, strategically entering markets left vacant by conventional banks. Moreover, NBFCs associated with automotive manufacturers are predominantly targeting non-metro regions. This strategic focus has enabled the finance industry to expand its customer base. Specifically, for used vehicles, increasing support from financial institutions, coupled with advantageous interest rates is poised to elevate the extent of financial inclusion.

New vehicle models help drive industry growth

The introduction of new vehicle models, especially for cars and two wheelers serves as a catalyst for industry expansion in various ways. The rollout of new vehicles sparks consumer interest, drawing potential buyers, as these models often integrate the latest technologies and enhancements, showcasing advancements in safety, connectivity, and fuel efficiency. Embracing newer vehicles enables companies to stay competitive by aligning with evolving customer preferences and regulatory shifts, ultimately enhancing sales volumes.

Adoption of technology in Vehicle Financing

Technology has been playing an increasing role in sourcing, underwriting and collection processes for lending companies. Technology helped lending companies in automation and improvement in customer experience. Technology not only includes providing products and services digitally but also include use of analytics to provide right products to right customers. Some of the key technology trends which are being used by lending companies are artificial intelligence and machine learning for underwriting and fraud detection and big data analytics for providing personalized products and services based on consumers' behavioural pattern.

Key areas in lending processes where technology is being used

Sourcing and distribution	Products	Underwriting and risk management	Collection
• Smarter ways to target customers based on their behavioural pattern and through various social media • AI-driven chatbots to solve customer queries • Lead management system (LMS) with data analytical models enabling sales team to tap in to existing and new opportunities	• Leverage analytics for providing pre-approved offerings to customers • Personalized products to customers as per their needs • Innovating the products based on data analytics	• Digital verification of KYC documents • Implementation of AI to evaluate various customer data points thus enabling more efficient credit underwritting • Alternate data based lending algorithm • Use of predictive analytics to assess and mitigate risks associated with lending	• Companies use multiple digital enablers like WhatsApp and mobile app to remind customers about EMIs • Can send personalized payments link directly sto borrowers for making payments

Based on all such technology solutions available, vehicle financing companies are continuously increasing their focus on data and analytics through the expanded use of machine learning models for decision making process. Lenders are focusing on creating a credit underwriting model for vehicle loan customers which shall use minimum data for credit risk assessment thereby reducing the turnaround time to few minutes. Further, the lenders are developing the models that predict repayment behaviour of customers which increases the collection efficiency. Additionally, residual price estimation models are also being used by some lenders which help in getting appropriate bids for the repossessed vehicles and enables better negotiations. Further, lenders are providing Chatbot in regional languages also which help them in acquisition of customers and enhance customer experience.

Since some of the vehicle financing such as two-wheeler, tractors, CVs (excl. M&HCVs) market is more into rural and semi-urban areas, customer acquisition, verification, site visits, and assessment are some of the major challenges for lenders. To mitigate such challenges, NBFCs have started using technology for risk assessment and mitigation. The increasing penetration of smartphones and internet has helped significantly in bringing technology in rural and semi-urban areas. With Aadhar enabled KYC system, verification of the borrowers has become a simpler task for the lenders which now can be done in few minutes.

Future Outlook

As the Indian economy widens and incomes rise, the demand for vehicles, for personal transportation, for commercial utilization and for overall logistics and mobility is expected to witness a sustained growth. Vehicle financing is expected to play a pivotal role in facilitating this demand, providing tailored solutions to meet the increasing needs of consumers. Furthermore, the shift towards sustainable and electric mobility is anticipated to open up new avenues for innovative financing models, incentivized by government initiatives promoting eco-friendly transportation. The future may witness an expanded product portfolio, offering consumers a diverse range of financing options beyond traditional loans. Leasing, subscription models, customized solutions and other innovative structures may gain prominence, catering to consumers' preferences for flexible ownership models.

Regulatory Outlook Snapshots

Classification as Special Mention Account ("SMA") and NPA

Earlier, financial institutions were to report NPAs only at the end of the reporting cycle. As per circular DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 by RBI on 'Prudential Framework for Resolution of Stressed Assets', and RBI's notification on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications ('RBI Circular') dated November 12, 2021, lenders have to recognize incipient stress in borrower accounts, immediately on default, by classifying them as special mention accounts or NPA, as the case may be. The intervals are intended to be continuous and accordingly the borrower accounts shall be flagged as overdue by the lending institutions as part of their day-end processes for the due date, irrespective of the time of running such processes.

Automotive Mission Plan ("AMP") 2016-2026 and FAME India Scheme

The government has outlined ambitious targets under the second AMP (2016-2026), including significant industry growth, contribution to GDP, job generation, and positioning India among the top three global automotive industries. Additionally, financial support of ₹ 10,000 crore has been approved for the second phase of the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles ("**FAME**") India scheme from Fiscal 2019 to Fiscal 2023.

Corporate Average Fuel Efficiency ("CAFE") Norms and Electric Vehicle Adoption

CAFE norms, effective from April 1, 2017, mandate average corporate CO_2 emissions to be less than 130 gm/km by 2022. In CAFE II norms from April 2023, carmakers face financial penalties for fleet CO_2 emissions exceeding the intended CAFE score. The government is actively working on reducing the cost of lithium-ion batteries to promote electric vehicle adoption. These regulatory changes underscore the government's commitment to fostering safety, sustainability, and technological advancement within the Indian automotive industry.

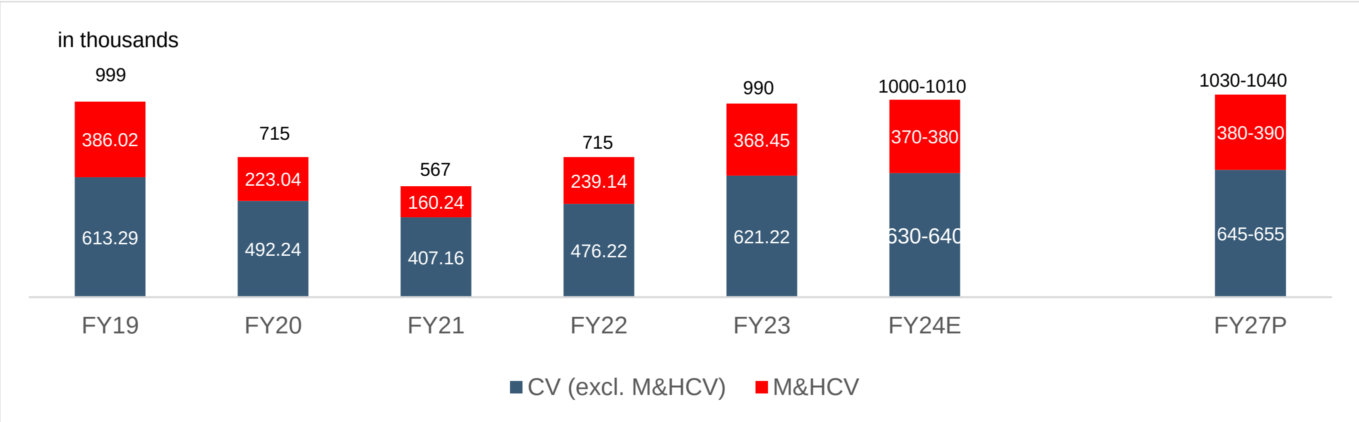
Increasing organized lending market

In India, the vehicle financing landscape has, to some extent, been characterized by the presence of unorganised modes of financing. Many consumers, especially in rural and semi-urban areas, still rely on informal lending sources such as local moneylenders and unregistered financial entities. These arrangements often lack the regulatory oversight and transparency associated with formal financial institutions, exposing borrowers to potential risks. The government and regulatory bodies have been working to formalize and regulate these channels to ensure consumer protection and financial stability in the sector. The increased regulations through Banks, NBFCs and large organised players are helping to improve the availability of credit for vehicle financing, which shall in turn help in greater financial penetration.

4. Commercial Vehicles Financing

4.1. Robust recovery witnessed in commercial vehicle sales driven by government spending and sustained end-user demand

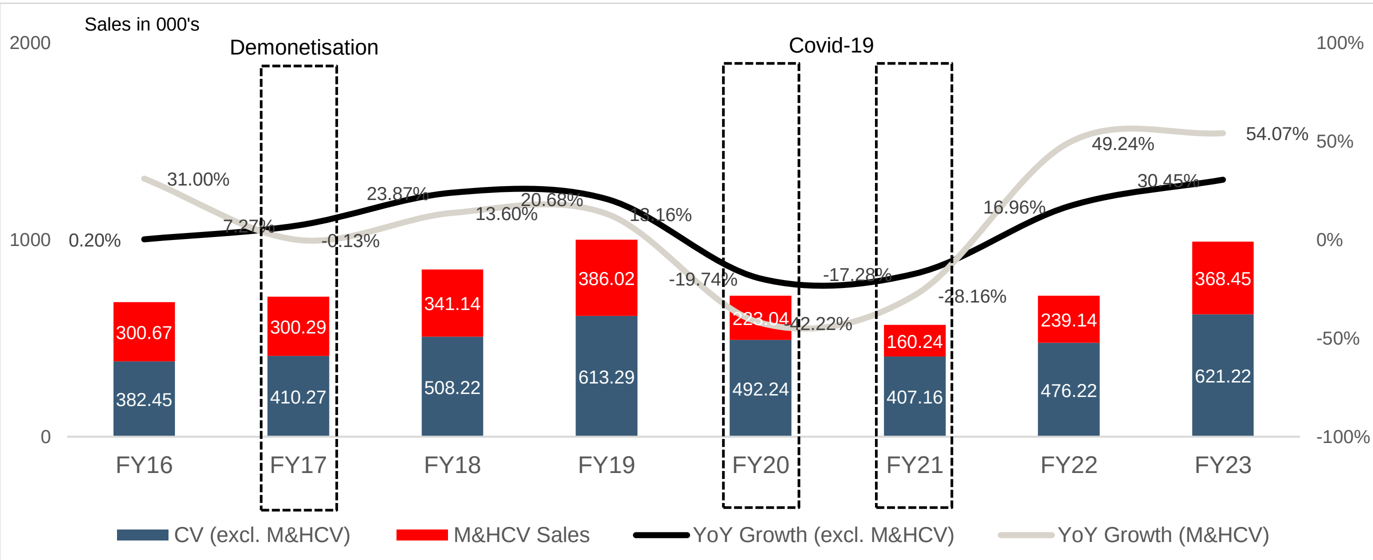
Commercial Vehicle sales as of Fiscal 2023 stood at 990 thousand, rising approximately 38% from Fiscal 2022



Note: E: Estimated, P: Projected; Source: SIAM, CRISIL MI&A

Growth in CV sales for Fiscal 2024 is expected to range between 1-3%. This trajectory is underpinned by increased government spending and robust replacement demand. Key end-user sectors, notably construction and mining, are anticipated to sustain their strong demand, contributing to this upward trend. Moreover, supply-related constraints emerged because of the technological transition undertaken by OEMs to comply with the new standards which impacted supplies in the first quarter of Fiscal 2024 but have now been eased improving vehicle availability.

Commercial Vehicles Segment is cyclical in nature



Source: SIAM, CRISIL MI&A

The commercial vehicles segment is cyclical in nature, the segment witnesses a recurring pattern of expansion and contraction in sales primarily due to multiple reasons like macroeconomic variables, regulatory and industry specific factors. When the COVID-19 pandemic hit, it led to a significant fall in sales of CVs during Fiscal 2020 and Fiscal 2021, with CV (excl. M&HCV) witnessing a year-on-year fall in sales of approximately 19.7% and 17.3% respectively, similarly M&HCV sales witnessed a fall of approximately 42% during Fiscal 2020 and approximately 28% during Fiscal 2021, the sales of both CV (excl. M&HCV) and M&HCV witnessed a strong recovery in the following year

Fiscal 2022, each witnessing a year-on-year growth of 17% and 49% respectively. This recovery continued during Fiscal 2023, when CVs (excl. M&HCV) grew at 30.4% yearly and M&HCV sales growing at 54.1% during the year. It has also been observed that the M&HCV segment is more volatile in comparison to CV (excl. M&HCV).

Top 10 states accounted for 71.11% of overall commercial vehicle sales (in number of units) as of Fiscal 2023

As of Fiscal 2023, the top 10 states (Maharashtra, Uttar Pradesh, Gujarat, Tamil Nadu, Karnataka, West Bengal, Rajasthan, Haryana, Andhra Pradesh, Assam) accounted for 71.11% share of overall commercial vehicle sales.

Commercial Vehicles (excluding Medium and Heavy Commercial Vehicles) volumes in India across states

State	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024*	3-year CAGR (Fiscals 2020-2023)	Share in Fiscal 2023
Maharashtra	63,427	51,634	64,518	78,096	59,209	7.18%	12.57%
Uttar Pradesh	50,785	36,263	41,447	54,367	45,648	2.30%	8.75%
Tamil Nadu	39,300	36,452	41,507	51,820	42,310	9.66%	8.34%
Karnataka	34,447	29,302	35,449	48,786	39,733	12.30%	7.85%
Gujarat	36,771	26,767	39,306	48,724	40,785	9.84%	7.84%
West Bengal	23,405	20,434	20,014	38,022	14,165	17.56%	6.12%
Rajasthan	27,081	18,025	23,931	33,065	27,997	6.88%	5.32%
Assam	21,599	19,162	22,813	28,392	22,199	9.54%	4.57%
Andhra Pradesh	23,680	29,096	23,612	27,917	21,036	5.64%	4.49%
Haryana	18,897	15,495	19,402	27,574	22,004	13.42%	4.44%
Madhya Pradesh	21,365	16,027	17,103	25,020	19,238	5.41%	4.03%
Delhi	14,854	9,309	16,380	22,484	16,477	14.82%	3.62%
Kerala	17,399	17,102	17,863	20,707	17,265	5.97%	3.33%
Telangana	14,592	14,628	15,539	20,126	14,992	11.31%	3.24%
Orissa	13,310	11,258	11,127	15,323	13,555	4.81%	2.47%
Bihar	15,806	13,398	11,706	14,079	10,765	-3.78%	2.27%
Chhattisgarh	10,673	8,019	8,263	12,051	9,782	4.13%	1.94%
Punjab	11,120	7,600	9,878	11,859	10,723	2.17%	1.91%
Jharkhand	7,050	5,835	6,317	8,340	6,704	5.76%	1.34%
Himachal Pradesh	6,349	4,678	7,008	8,132	6,413	8.60%	1.31%
Jammu & Kashmir	6,063	6,530	9,034	8,108	6,884	10.17%	1.31%
Uttaranchal	4,071	3,308	3,476	5,281	4,392	9.06%	0.85%
Goa	4,099	2,024	4,381	4,771	4,172	5.19%	0.77%
Chandigarh	1,482	1,484	1,903	1,977	1,656	10.08%	0.32%
Meghalaya	591	420	680	1,219	1,273	27.29%	0.20%
Tripura	1,224	899	1,032	1,195	970	-0.80%	0.19%
Mizoram	958	623	728	945	896	-0.45%	0.15%
Arunachal Pradesh	463	345	550	633	440	10.99%	0.10%
Manipur	487	322	363	630	46	8.96%	0.10%
Ladakh	-	-	-	554	520		0.09%
Nagaland	488	373	376	352	347	-10.32%	0.06%
Andaman & Nicobar	38	95	139	294	290	97.78%	0.05%
Pondicherry	250	117	132	191	89	-8.58%	0.03%
Sikkim	119	136	240	183	124	15.43%	0.03%
Dadra and Nagar Haveli	-	-	-	-	-	-	-
Daman and Diu	-	-	-	-	-	-	-
Lakshadweep	-	-	-	-	-	-	-
Grand Total	**492,243**	**407,160**	**476,217**	**621,217**	**483,099**	**8.07%**	**100%**

*Note: *Data for Fiscal 2024 is for the period April 2023 to December 2023; Source: SIAM, CRISIL MI&A*

4.2. Commercial Vehicle Financing

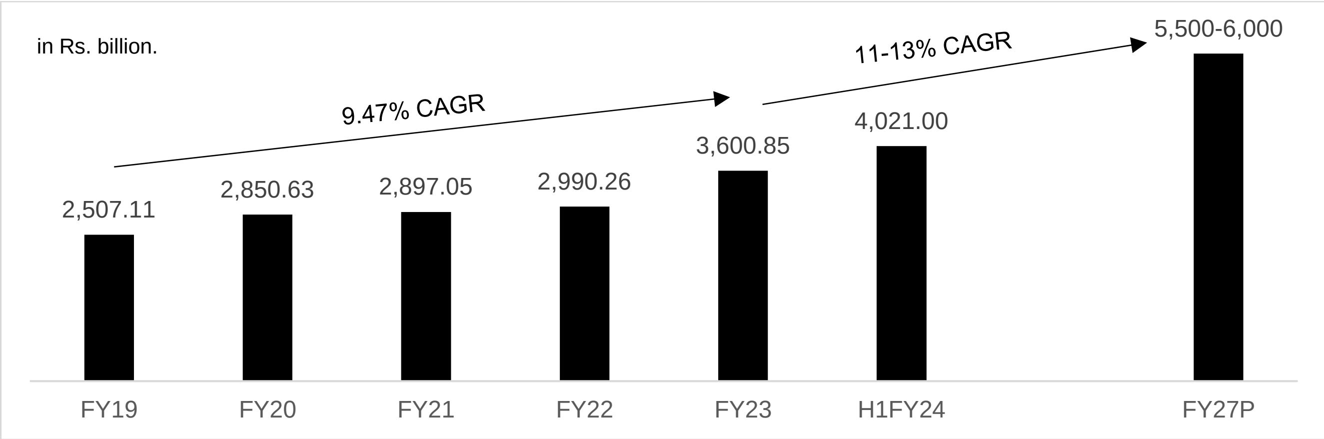
NBFCs have a strong presence in the new CV market, and in the used CV market, they have a dominating market share. Their customer profile consists of small road transport operators/small fleet operators, and drivers-turned-owned who are first-time buyers ("**FTBs**").

In respect of asset quality, for most NBFCs, it is observed that the used CV segment tends to perform better than the new CV segment over a cycle due to lower purchase cost and consequently lower monthly repayment burden on the borrower. Furthermore, the depreciation rate of a used CV is also lower relative to a new CV, which provides enhanced downside protection to financiers.

Strong bounce back witnessed in Fiscal 2023 in commercial vehicle financing

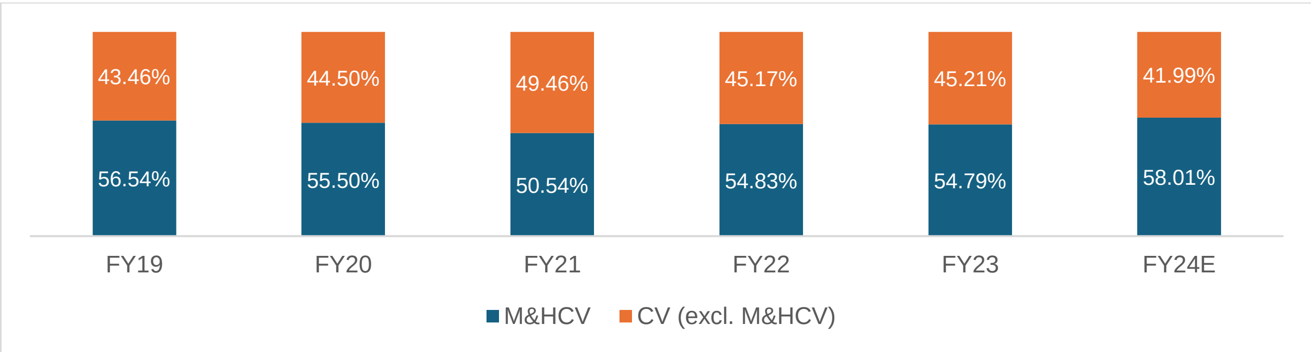
Operating environment for the CV sector has improved in line with economic activity. Commercial vehicle financing was impacted in Fiscal 2021 as the pandemic had a severe impact on demand amid nationwide lockdowns. This was in addition to the challenges that the industry was facing on account of price hikes post BS-VI implementation. During Fiscal 2023, CV outstanding loans picked up for most players due to increase in private consumption and freight demand, leading to approximately 20.4% year-on-year growth. During Fiscal 2024, overall outstanding of CV financing is expected to grow at approximately 17% from Fiscal 2023 primarily due to pick up in wholesale sales, aided by higher replacement value, economic recovery and higher government spend on infrastructure. While during Fiscals 2023-2027, CRISIL MI&A expects overall CV financing to grow at a CAGR of 11-13% and reach approximately ₹ 5,500-6,000 billion by Fiscal 2027.

Commercial vehicle loan portfolio expected to grow at 11-13% CAGR between Fiscal 2023 and Fiscal 2027



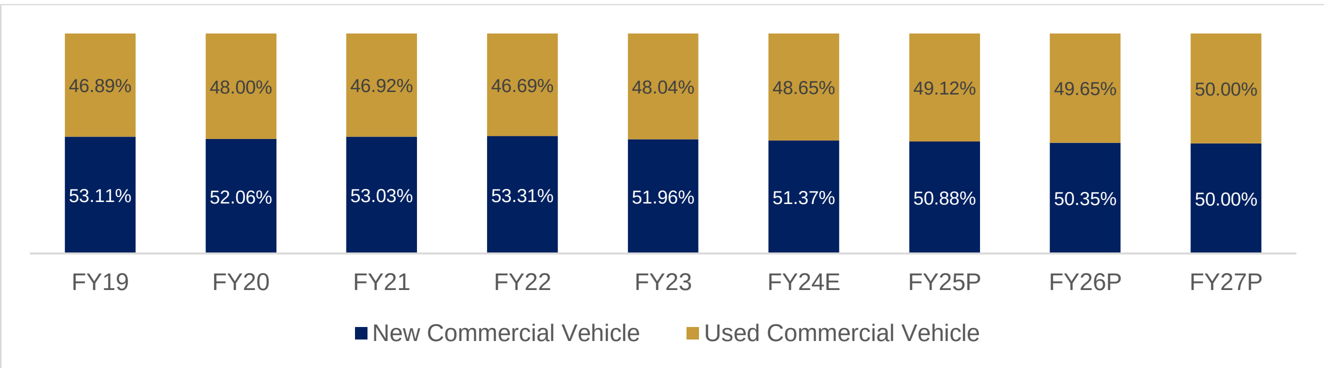
Note: P: Projected; Source: TransUnion CIBIL, CRISIL MI&A

Commercial Vehicles (excluding Medium and Heavy Commercial Vehicles) constitute approximately 45% of total CV financing amount as of Fiscal 2023



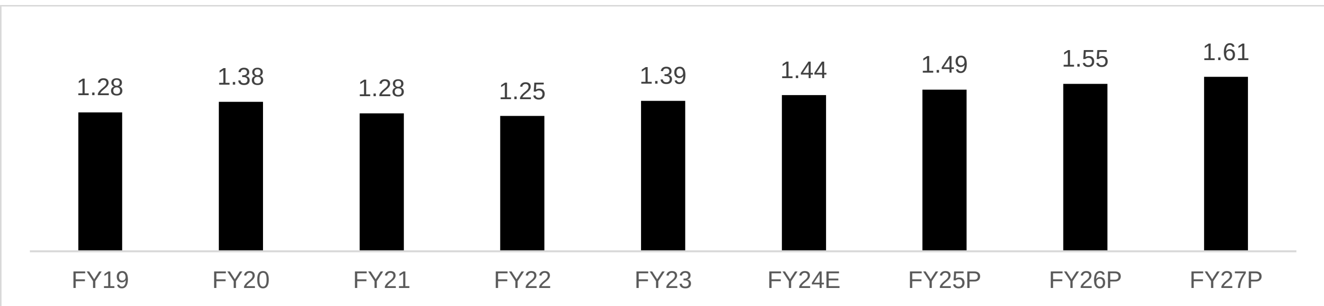
Note: E: Estimated; Source: Mordor Intelligence Pvt Ltd, CRISIL MI&A

Used commercial vehicles account for approximately 48% share of overall commercial vehicle financing outstanding as of Fiscal 2023



Note: E: Estimated, P: Projected; Source: Mordor Intelligence Pvt Ltd, CRISIL MI&A

Used to new commercial vehicle ratio stood at 1.39 as of Fiscal 2023 in commercial vehicle financing segment



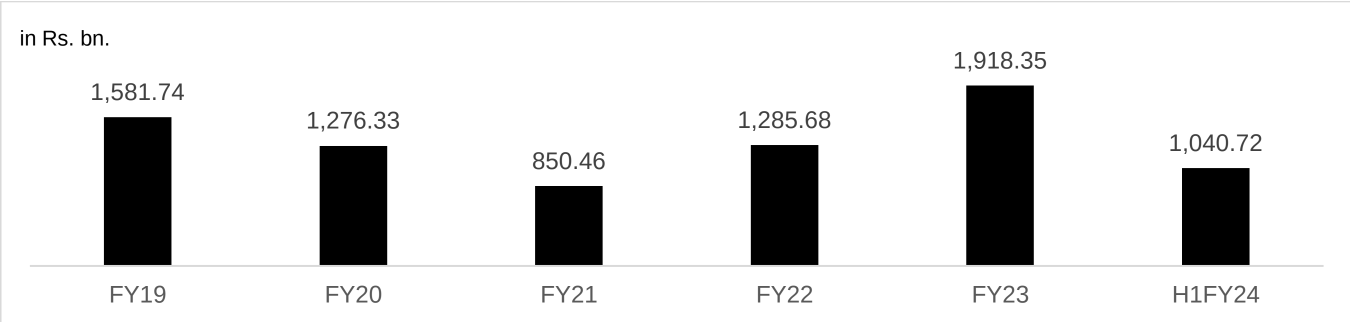
Note: E: Estimated, P: Projected; Source: Mordor Intelligence Pvt Ltd, CRISIL MI&A

As per estimates, used commercial vehicles accounted for approximately 48% of overall CV financing segment, which is expected to reach approximately 50% share as of Fiscal 2027. While in units, the used to new vehicle ratio as of Fiscal 2023, stood at 1.39 times and is expected to rise to 1.61 by Fiscal 2027. The segment is significant whitespace in the market, increasing commercial vehicle pricing has increased high upfront procurement costs for fleet operators, which has led to the many small fleet operators to opt for used commercial vehicles instead of new ones. This segment has been primarily dominated by NBFCs.

Potential market for used Commercial Vehicles (excluding Medium and Heavy Commercial Vehicles)

As per CRISIL MI&A estimates, potential financing market size for used CVs (excl. M&HCVs) would be in the range of ₹ 800 billion to ₹ 1,000 billion by Fiscal 2027. The estimates are based on various assumptions such as lifetime of CVs (excl. M&HCVs) is 15 years and first cycle of financing for used CVs (excl. M&HCVs) would start when the vehicle completes the 5th year. The average price of CVs (excl. M&HCVs) is estimated in the range of ₹ 6.5 lakhs to ₹ 7 lakhs by Fiscal 2027. It is assumed that vehicle's value depreciates by 50% within first 5 years. Further, it is estimated that there would be around 3.3 to 3.5 million used CVs (excl. M&HCVs) available for financing by Fiscal 2027 and LTV for these vehicles would vary from 55% to 65%.

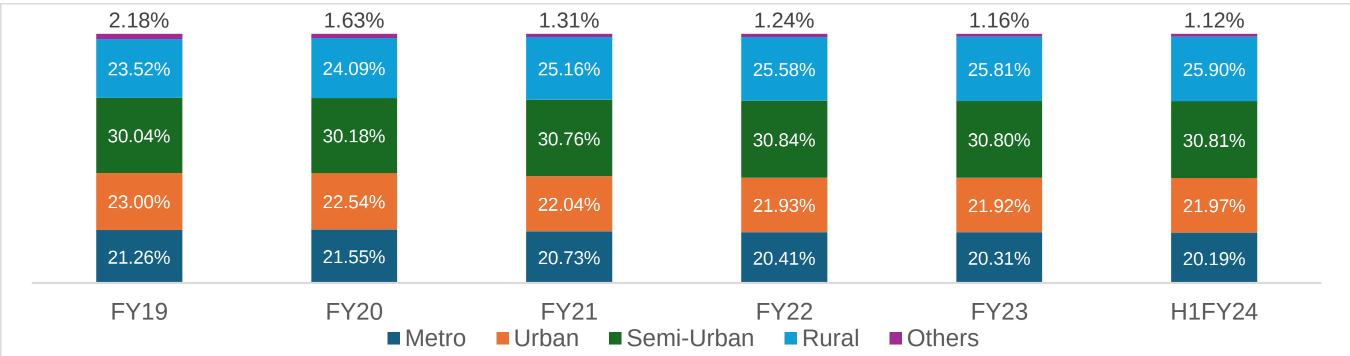
Commercial vehicle Disbursements witnessed an approximately 49% year-on-year growth during Fiscal 2023



Source: TransUnion CIBIL, CRISIL MI&A

Disbursements in Fiscal 2024 to show an uptick over a high base as wholesale sales are expected to pick up, aided by higher replacement volume, economic recovery and higher government spend on infrastructure. Prices for OEMs are expected to see a slower rise of 3-4% in Fiscals 2023-2024, due to heavy cash discounting expected at dealer levels, which would push up sales and further support volume. Financing penetration is expected to remain high, and LTVs are expected to inch up. CV demand growth, particularly for M&HCVs, is expected to be backed by replacement demand because of improved utilisation and profitability of fleet operators, and government spending on infrastructure. CV (excl. M&HCVs) are less cyclical in nature due to its usage in e-commerce and provide better last-mile connectivity and may continue to witness surge in demand.

Semi-urban and rural areas accounted for approximately 57% market share in commercial vehicle loan portfolio as of Fiscal 2023



Source: TransUnion CIBIL, CRISIL MI&A

Tier (₹ billion)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024	CAGR Fiscals 2019-2023
Metro	532.89	614.29	600.42	610.23	731.23	812.06	8.23%
Urban	576.60	642.66	638.45	655.70	789.24	883.59	8.16%
Semi-Urban	753.21	860.30	891.13	922.20	1109.17	1238.92	10.16%
Rural	589.80	686.82	728.98	765.03	929.28	1041.67	12.04%
Others	54.61	46.57	38.08	37.10	41.95	45.02	-6.38%

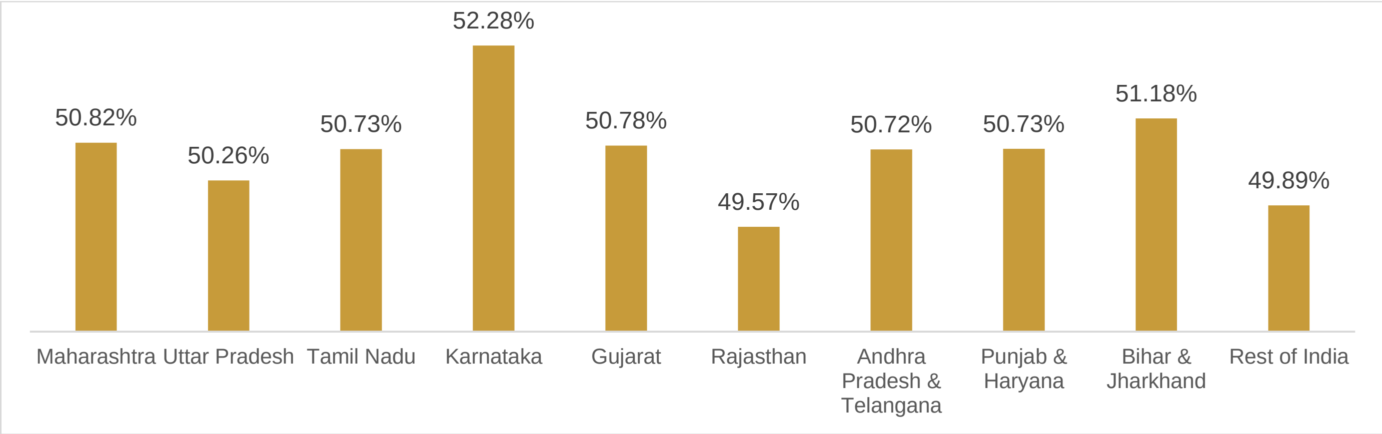
Source: TransUnion CIBIL, CRISIL MI&A

Semi-urban areas had the highest share in overall CV financing credit outstanding as of Fiscal 2023, accounting for 31% share in overall credit which was followed by rural areas accounting for 26% share, urban areas accounting for 22% share and metro areas with 20% share in overall credit outstanding.

Top 5 States account for approximately 46% of overall commercial vehicle financing credit as of Fiscal 2023

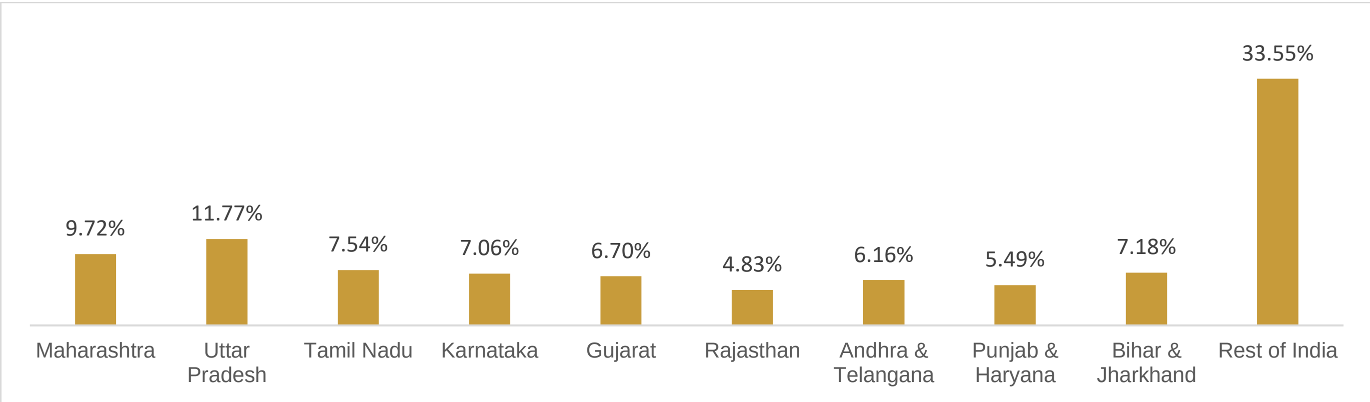
The top 5 states (Maharashtra, Tamil Nadu, Uttar Pradesh, Rajasthan and Gujarat) accounted for approximately 46% of overall CV financing credit as of Fiscal 2023, with Maharashtra accounting for approximately 13% share, witnessing a CAGR of approximately 10.5% from Fiscals 2021 to 2023 which was followed by Tamil Nadu and Uttar Pradesh, accounting for 9% and 8% share respectively. Top 10 states (Maharashtra, Tamil Nadu, Uttar Pradesh, Rajasthan, Gujarat, Karnataka, Haryana, Madhya Pradesh, West Bengal and Andhra Pradesh) accounted for approximately 71% of overall CV financing credit. On overall CV financing, CVs (excl. M&HCV) financing has almost 45% of share.

State-wise share of Commercial Vehicles (excluding Medium and Heavy Commercial Vehicles) financing as of Fiscal 2023



Note: (CV excl. M&HCV) in the above chart includes Small Commercial Vehicles, Light Commercial Vehicles, and Intermediate Commercial Vehicles Source: Mordor Intelligence Pvt Ltd, CRISIL MI&A

State-wise share of used commercial vehicle financing as of Fiscal 2023



Source: Mordor Intelligence Pvt Ltd, CRISIL MI&A

Factors expected to support used commercial vehicle financing over the long term

Increase in M&HCV sales will likely be due to the improving industrial activity in India, steady agricultural output, and the government's focus on infrastructure. However, volume growth is expected to be limited due to efficiencies achieved from GST, better road infrastructure and the partial commissioning of the dedicated freight corridor ("**DFC**"). Favorable end use demand drivers, such as freight demand (MHCV) and demand for cement, road construction, food grain, coal, steel, auto components etc. are expected to support used commercial vehicle financing market. Disbursements in the used-CV space has also picked up. The momentum continued in Fiscal 2024 as many small fleet operators opt for used CVs instead of new ones.

CV (excluding M&HCVs) demand is expected to increase due to higher private consumption, lower penetration, greater availability of redistribution freight and improved finance.

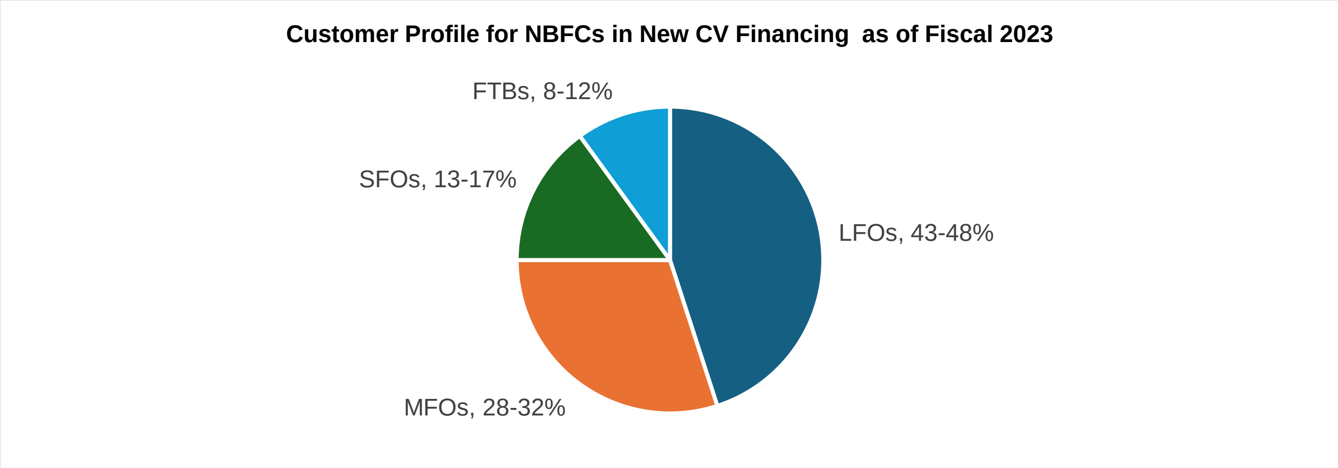
Customer profile for NBFCs

New CV buyers are mostly the large fleet operators ("**LFOs**") and medium fleet operators ("**MFOs**"). LFOs have a relatively better credit profile and are mainly catered by banks and bigger players in the market, who can offer relatively better interest rates to these customers. Smaller buyers are estimated to account for around 20% of the new CV purchases annually.

The profiles of used-CV buyers are driver-turned-owners and FTBs, and small road transport operators/small fleet operators. Small fleet operators ("**SFOs**") and FTBs are the major buyers of used CVs. While majority of borrowers in the segment are daily operators and the vehicles are typically used to ferry essential commodities to the last mile, few borrowers in the segment also depend on large fleet operators for contracts.

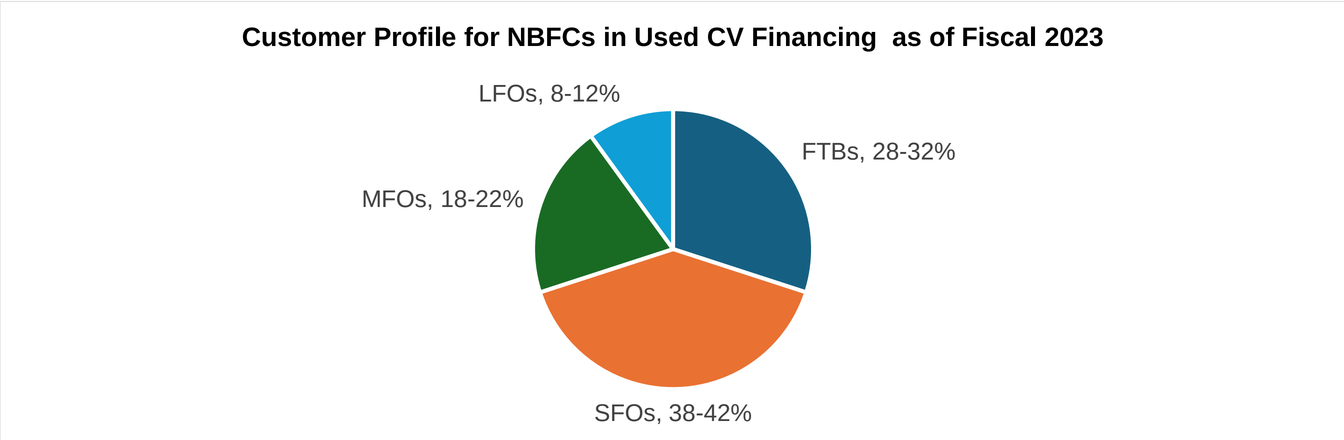
NBFCs mainly tend to focus on financing CV purchases by SFOs and FTBs. Limited availability of income documents and lack of repayment track records make these customers relatively risky; however, their extensive on-the-ground presence and connect with customers helps NBFCs in catering to this customer segment in an effective manner. Simple documentation with faster turnaround time and doorstep services further add to their competitiveness. To compensate for the higher risk, NBFCs generally charge higher yields, which typically ranges between 14-22% in the case of used CVs and 11-17% in the case of new CVs.

Large fleet operators dominate the customer profile for NBFCs in new commercial vehicle financing



Note: - LFOs having more than 20 vehicles, medium fleet operators MFOs having 4-20 vehicles, SFOs having 1-4 vehicles and FTBs are first time buyers, Source: Company Reports, CRISIL MI&A

Small fleet operators dominate the customer profile for NBFCs in used commercial vehicle financing

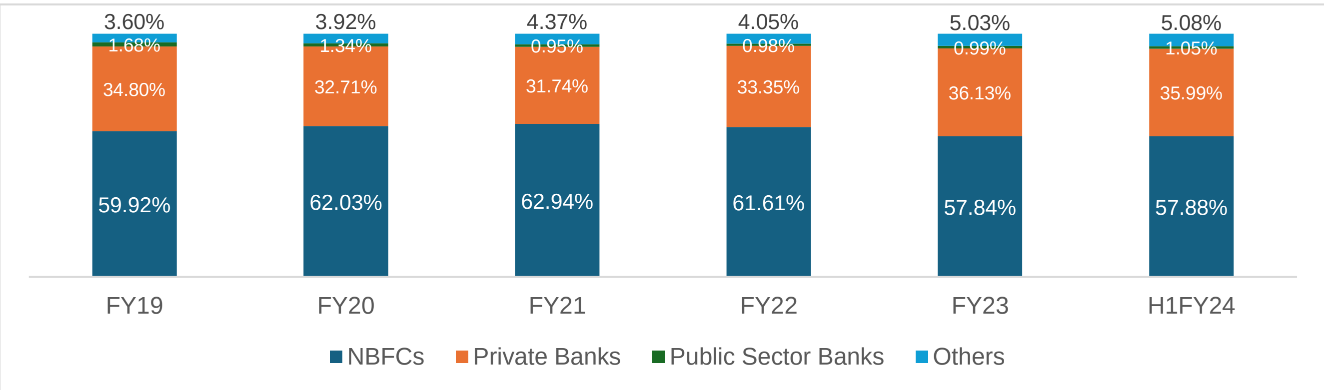


Note: - LFOs having more than 20 vehicles, MFOs having 4-20 vehicles, small fleet operators SFOs having 1-4 vehicles and FTBs are first time buyers, Source: Company Reports, CRISIL MI&A

NBFCs' market share in Commercial Vehicle Financing stood at approximately 58%

NBFCs held approximately 58% as of Fiscal 2023, in overall commercial vehicle financing segment on account of relatively superior customer connect in SFOs and FTBs customer segment, strong and deep understanding of local economy, ease of loan processing, relatively higher LTV, and higher risk-taking ability of NBFCs. NBFCs accounted for approximately 60% of market share in overall CV financing as of Fiscal 2019, which increased to 63% as of Fiscal 2021 post which they have witnessed a fall in their share falling to 58% as of Fiscal 2023, primarily this share has been captured by private banks which account for approximately 36% of overall CV financing as of Fiscal 2023.

Lender wise share in commercial vehicle financing portfolio



Source: TransUnion CIBIL, CRISIL MI&A

Loans between ₹ 1.0 to 2.5 million accounted for the highest share among ticket brackets as of Fiscal 2023

As of Fiscal 2023, the ₹ 1.0 to 2.5 million ticket bracket accounted for highest share (31%) among ticket brackets, which was followed by loans between ₹ 2.5 to 5.0 million (28%) and ₹ 0.5 to 1.0 million ticket bracket (21%). During Fiscals 2019-2023, among ticket brackets, loans between

₹ 5.0 to 7.5 million witnessed fastest growth witnessing a CAGR of approximately 54.5% followed by loans between ₹ 0.5 to 1.0 million growing at a CAGR of approximately 15.4% and loans between ₹ 2.5 to 5.0 million growing at approximately 10.7% CAGR.

Ticket-wise breakup in commercial vehicle financing outstanding (₹ billion) from Fiscal 2019 to first half of Fiscal 2024

Ticket size bracket	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024	Share as of Fiscal 2023
Less than ₹ 0.5 million	488.76	586.68	622.17	578.82	585.38	650.49	16.26%
₹ 0.5 to 1.0 million	422.75	494.65	561.60	618.66	749.93	834.89	20.83%
₹ 1.0 to 2.5 million	870.06	966.91	950.47	974.47	1127.17	1239.71	31.30%
₹ 2.5 to 5.0 million	681.54	745.75	716.07	754.47	1024.42	1144.84	28.45%
₹ 5.0 to 7.5 million	11.97	16.45	16.50	27.84	68.17	98.27	1.89%
₹ 7.5 million to 10 million	8.63	10.95	8.71	9.89	12.13	13.54	0.34%
More than ₹ 10 million	23.41	29.25	21.52	26.11	33.68	39.53	0.94%

Source: TransUnion CIBIL, CRISIL MI&A

Among ticket size brackets, as of Fiscal 2023 loans between ₹ 5.0 to 7.5 million had the best asset quality

Among ticket size brackets, as of Fiscal 2023 loans between ₹ 5.0 to 7.5 million had the best asset quality (90+ days past due ("**DPD**")) of 4.48%, followed by loans between ₹ 2.5 to 5.0 million with 90+ DPD of 6.68%.

Generally, all lenders provide for provisions for non-performing assets of more than 720+ DPD. It can be observed that larger share of non-performing assets in commercial vehicle outstanding are falling in 720+ DPD.

Ticket-wise asset quality (90+ Days Past Due) in commercial vehicle financing outstanding

90+DPD	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
Less than ₹ 0.2 million	16.62%	19.45%	29.19%	36.89%	40.35%	34.32%
₹ 0.2 million to ₹ 0.5 million	15.67%	19.02%	22.88%	29.87%	27.33%	23.11%
₹ 0.5 million to ₹ 0.7 million	16.48%	21.14%	22.73%	28.18%	25.31%	19.38%
₹ 0.7 million to ₹ 1.0 million	16.81%	23.86%	26.44%	29.10%	23.08%	7.10%
₹ 1.0 million to ₹ 2.5 million	7.41%	11.56%	14.10%	17.97%	15.74%	8.25%
₹ 2.5 million to ₹ 5.0 million	2.93%	7.54%	7.27%	8.88%	6.68%	4.98%
₹ 5.0 million to ₹ 7.5 million	14.03%	15.14%	14.98%	11.00%	4.48%	3.74%
₹ 7.5 million to ₹ 10 million	9.57%	10.78%	10.48%	11.23%	8.49%	9.03%
More than ₹ 10 million	25.91%	25.26%	18.59%	17.41%	13.50%	16.07%

Source: TransUnion CIBIL, CRISIL MI&A

Ticket-wise asset quality (90 to 720 Days Past Due) in commercial vehicle financing outstanding

90 to 720 DPD	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
Less than ₹ 0.2 million	9.69%	9.31%	16.07%	16.42%	11.77%	8.59%
₹ 0.2 million to ₹ 0.5 million	6.34%	7.02%	9.07%	10.67%	6.00%	4.52%
₹ 0.5 million to ₹ 0.7 million	5.67%	7.00%	8.20%	9.70%	5.21%	4.11%
₹ 0.7 million to ₹ 1.0 million	5.77%	8.19%	9.49%	9.07%	4.20%	3.44%
₹ 1.0 million to ₹ 2.5 million	3.47%	6.16%	7.54%	8.53%	4.68%	3.72%
₹ 2.5 million to ₹ 5.0 million	2.11%	6.41%	5.60%	5.97%	3.59%	2.93%
₹ 5.0 million to ₹ 7.5 million	5.68%	7.06%	6.34%	5.02%	2.11%	1.66%
₹ 7.5 million to ₹ 10 million	5.58%	6.07%	5.25%	5.61%	3.52%	3.30%
More than ₹ 10 million	11.85%	6.99%	5.83%	5.09%	3.92%	4.10%

Source: TransUnion CIBIL, CRISIL MI&A

Ticket-wise asset quality (720+ Days Past Due) in commercial vehicle financing outstanding

720+ DPD	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
Less than ₹ 0.2 million	6.94%	10.15%	13.13%	20.47%	28.59%	25.73%
₹ 0.2 million to ₹ 0.5 million	9.34%	12.02%	13.82%	19.21%	21.33%	18.60%
₹ 0.5 million to ₹ 0.7 million	10.82%	14.15%	14.53%	18.48%	20.10%	15.27%
₹ 0.7 million to ₹ 1.0 million	11.05%	15.67%	16.95%	20.03%	18.89%	3.66%
₹ 1.0 million to ₹ 2.5 million	3.95%	5.41%	6.56%	9.45%	11.06%	4.53%

720+ DPD	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
₹ 2.5 million to ₹ 5.0 million	0.83%	1.14%	1.68%	2.90%	3.09%	2.04%
₹ 5.0 million to ₹ 7.5 million	8.38%	8.08%	8.67%	5.99%	2.37%	2.08%
₹ 7.5 million to ₹ 10 million	3.99%	4.71%	5.23%	5.62%	4.97%	5.72%
More than ₹ 10 million	14.05%	18.27%	12.76%	12.31%	9.58%	11.97%

Source: TransUnion CIBIL, CRISIL MI&A

Ticket-wise asset quality (90+ Days Past Due) in NBFC Commercial Vehicle Financing outstanding

90+DPD	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
Less than ₹ 0.2 million	19.80%	21.97%	33.00%	41.12%	44.08%	35.68%
₹ 0.2 million to ₹ 0.5 million	20.34%	24.04%	28.34%	36.88%	33.69%	27.63%
₹ 0.5 million to ₹ 0.7 million	22.84%	29.34%	30.15%	36.69%	34.74%	26.07%
₹ 0.7 million to ₹ 1.0 million	23.83%	33.57%	35.65%	38.80%	33.23%	9.36%
₹ 1.0 million to ₹ 2.5 million	11.99%	18.60%	21.31%	27.19%	24.76%	11.97%
₹ 2.5 million to ₹ 5.0 million	4.49%	12.10%	11.43%	16.54%	14.43%	10.41%
₹ 5.0 million to ₹ 7.5 million	11.28%	13.91%	15.13%	14.01%	7.41%	6.41%
₹ 7.5 million to ₹ 10 million	10.56%	11.87%	11.69%	13.96%	9.54%	9.31%
More than ₹ 10 million	30.61%	26.80%	26.17%	29.94%	18.18%	18.23%

Source: TransUnion CIBIL, CRISIL MI&A

Ticket-wise asset quality (90 to 720 Days Past Due) in NBFC Commercial Vehicle Financing outstanding

90 to 720 DPD	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
Less than ₹ 0.2 million	10.96%	10.11%	17.96%	18.12%	12.18%	8.35%
₹ 0.2 million to ₹ 0.5 million	7.62%	8.43%	10.81%	12.73%	6.91%	4.95%
₹ 0.5 million to ₹ 0.7 million	6.89%	9.18%	10.33%	12.11%	6.56%	4.94%
₹ 0.7 million to ₹ 1.0 million	7.56%	11.03%	12.25%	11.49%	5.57%	4.41%
₹ 1.0 million to ₹ 2.5 million	5.09%	9.50%	10.71%	12.27%	6.79%	5.12%
₹ 2.5 million to ₹ 5.0 million	3.07%	10.21%	8.50%	10.85%	7.31%	5.82%
₹ 5.0 million to ₹ 7.5 million	4.37%	7.95%	7.58%	7.02%	2.83%	2.25%
₹ 7.5 million to ₹ 10 million	3.84%	6.60%	4.05%	5.26%	2.51%	2.67%
More than ₹ 10 million	6.04%	7.42%	4.02%	3.72%	1.29%	2.52%

Source: TransUnion CIBIL, CRISIL MI&A

Ticket-wise asset quality (720+ Days Past Due) in NBFC Commercial Vehicle Financing outstanding

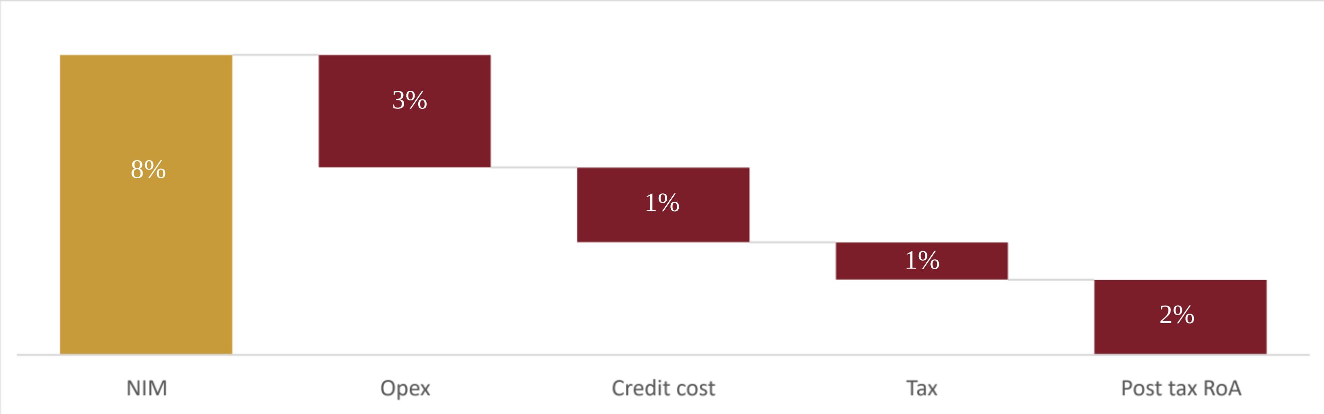
720+ DPD	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
Less than ₹ 0.2 million	8.84%	11.85%	15.04%	22.99%	31.89%	27.33%
₹ 0.2 million to ₹ 0.5 million	12.72%	15.58%	17.53%	24.14%	26.78%	22.68%
₹ 0.5 million to ₹ 0.7 million	15.95%	20.15%	19.81%	24.57%	28.17%	21.13%
₹ 0.7 million to ₹ 1.0 million	16.26%	22.53%	23.40%	27.30%	27.66%	4.94%
₹ 1.0 million to ₹ 2.5 million	6.89%	9.09%	10.60%	14.91%	17.97%	6.85%
₹ 2.5 million to ₹ 5.0 million	1.41%	1.88%	2.93%	5.69%	7.12%	4.59%
₹ 5.0 million to ₹ 7.5 million	6.88%	5.96%	7.55%	6.99%	4.58%	4.16%
₹ 7.5 million to ₹ 10 million	6.72%	5.27%	7.64%	8.70%	7.03%	6.64%
More than ₹ 10 million	24.57%	19.37%	22.15%	26.22%	16.89%	15.71%

Source: TransUnion CIBIL, CRISIL MI&A

Profitability of NBFCs

Commercial vehicle loans are secured by the vehicle itself which is considered as a liquid asset which can be sold in the market. However, the yield, opex, credit cost and Return on Assets ("**RoA**") for lenders depends on the type of customers they are catering to. ROAs for NBFCs in commercial vehicle financing segment are expected to be at 2% by Fiscal 2024.

Profitability of commercial vehicle financing NBFCs

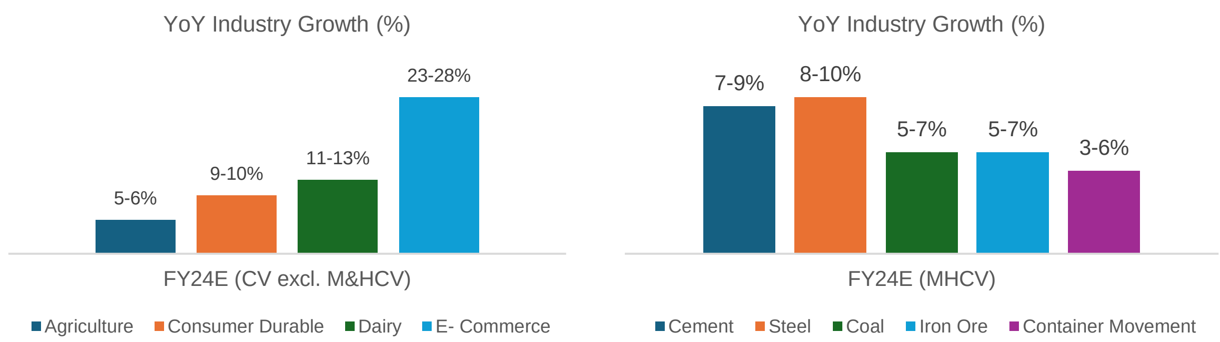


Note: Profitability estimated for Fiscal 2024. Source: CRISIL MI&A

4.3. Growth Drivers

Demand for M&HCVs is mainly driven by economic growth, share of road transport versus railways, capacity utilization and profitability of transporters, interest rates, and availability of finance. While demand for CVs (excl. M&HCVs) has been on the rise, following an increase in private final consumption expenditure ("**PFCE**") and non-bulk cargo transport (75-80% of road freight traffic). Other structural demand drivers are the use of hub-and-spoke model and change in preference for CV (excl. M&HCVs) over three-wheelers.

Healthy growth in end-user industries to drive demand for commercial vehicles



Source: CRISIL MI&A

Increasing freight rates to aid in materialization of deferred demand

In Fiscal 2023, fuel prices constituted approximately 55% of transporter costs, exerting a considerable influence on their overall profitability. During this period, diesel prices experienced a modest increase of around 2%. Concurrently, freight rates also rose by an estimated 6%, signalling improved transporter profitability and heightened demand for freight services. These favorable factors are expected to boost CV sales, as the industry capitalizes on the increased demand in the transportation sector. A rise in utilisation translates into better cash flow for transporters and, hence, augurs well for CV sales.

Scrappage policy

In August 2018, MoRTH considered incentivising the scrapping of vehicles sold before April 2005 (15 years old). After deliberations on the modalities of implementation of the norm, the government aims to promote vehicle scrapping by exempting registration charges for truck purchases made after scrapping older trucks. To incentivise scrappage of older vehicles, the government has increased the registration charges for older vehicles and increased stringency of fitness tests. CRISIL MI&A expects the impact of the norms to be limited on additional scrappage (apart from vehicles scrapped in the normal course of business).

Growth drivers for Commercial Vehicles (excluding Medium and Heavy Commercial Vehicles) Demand

Private Final Consumption Expenditure – A key driver for Commercial Vehicles (excluding Medium and Heavy Commercial Vehicles) Demand

CVs (excl. M&HCV) are primarily used for last-mile transport and redistribution of commodities. PFCE is a good indicator of domestic consumption demand, and accounts for over 90% of CVs (excl. M&HCV) goods tonnage capacity. Apart from the usual freight demand, an increase in rural consumption and a rise in urban expenditure boosts demand for smaller vehicles to transport consumer goods. Moreover, a rise in consumption of non-food items, consumer durables and fast-moving consumer goods products fuels demand for CVs (excl. M&HCV).

Increasing adoption of hub-and-spoke network

The road transport industry is gradually moving towards the hub-and-spoke distribution model, wherein industries have large hubs in major regions. Goods are consolidated at these hubs and sent to several touch points (spokes) in the hinterland. Freight is distributed over the last mile via CVs (excl. M&HCV), such as sub-one-tonne CVs and pick-ups, with rising adoption of the network, sales for CV (excl. M&HCV) is expected to rise.

Replacement demand

CVs (excl. M&HCVs) are typically replaced every 5-6 years. Vehicles purchased between Fiscals 2011 and 2013 were due for replacement in Fiscal 2019. Replacement demand is expected to be particularly high for the sub-one-tonne segment, given its robust sales between Fiscals 2011 and 2013. This strategic replacement cycle contributed to stable sales in Fiscal 2019. The postponement of replacement volumes since Fiscal 2020 has further supported CVs (excl. M&HCV) demand volumes in Fiscal 2023 and is expected to sustain growth in Fiscal 2024.

Substitution of three wheelers

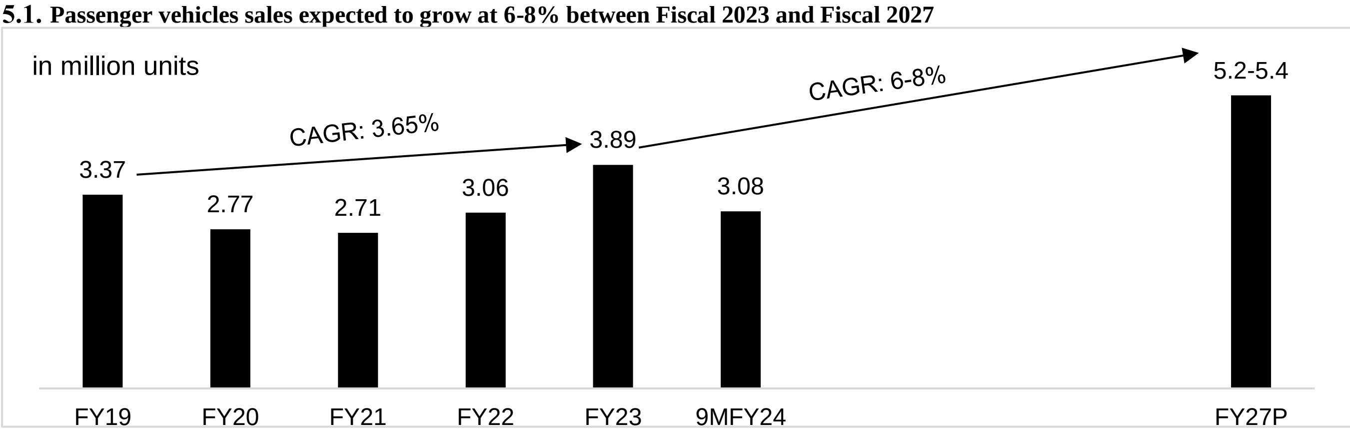
Small commercial vehicles ("**SCVs**"), especially sub-one-tonne models (0.75-tonne payload), can substitute large three-wheelers of similar payload capacity, given the SCVs' ability to carry loads beyond payload capacity, run on longer routes, maintain better balance, and be more cost-efficient. The pace of substitution, which is tapering off, remains a key parameter that impacts CV (excl. M&HCV) sales.

Rise in consumption demand and e-commerce growth to support demand for Commercial Vehicles (excluding Medium and Heavy Commercial Vehicles)

As per CRISIL MI&A estimates, e-commerce industry is expected to grow at 23-28% during Fiscal 2024, primarily due to rise in consumption across the nation and increasing penetration of e-commerce, last-mile logistic demand is expected to rise, this in-turn could also lead to expansion of delivery fleets by e-commerce platforms to gain control over delivery processes.

5. Passenger Vehicle Loans

5.1. Passenger vehicles sales expected to grow at 6-8% between Fiscal 2023 and Fiscal 2027



Note: P: Projected; Source: SIAM, CRISIL MI&A

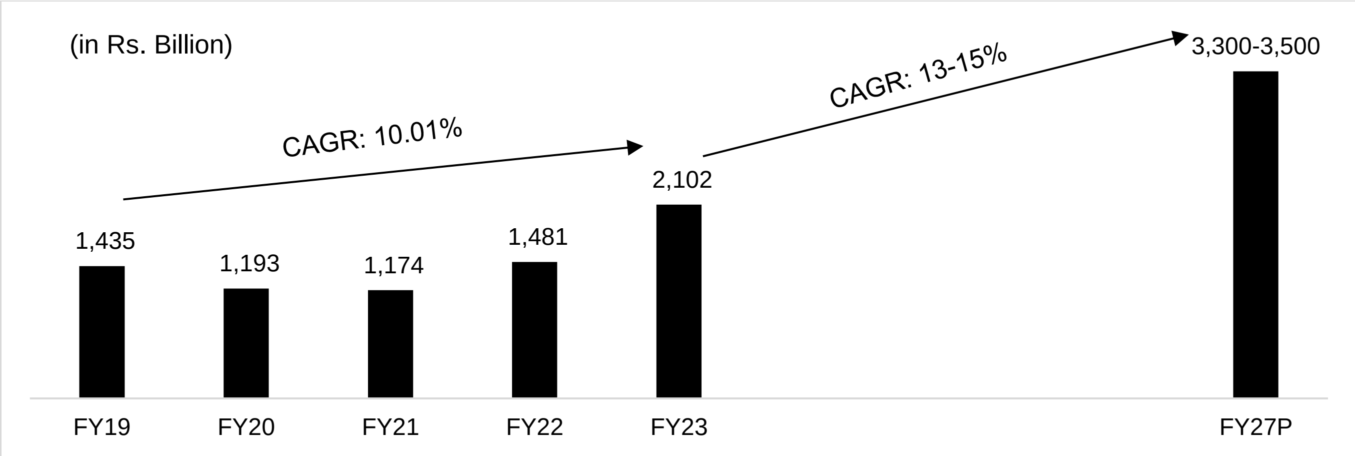
State-Wise Volume of Passenger Vehicle Sales

The top 10 states – Maharashtra, Uttar Pradesh, Gujarat, Karnataka, Tamil Nadu, Haryana, Delhi, Kerala, Rajasthan, Telangana, have a market share of 69.96% (as of Fiscal 2023) of the volume of the passenger vehicles.

Total Addressable Market expected to increase with increase in average selling price and volumes

Revenue of passenger vehicle industry increased in Fiscal 2023, experiencing a CAGR of approximately 10% between Fiscal 2019 and Fiscal 2023. The growth was aided by increase in average selling price in domestic market and overall volume growth in both domestic and exports growth cause increase in revenue. Changes in the product portfolio and fuel mix changes also contributed to an increase in revenue. It is estimated that revenue to increase further by 13-15% aided by an increase in weighted average selling price as well as an increase in volume.

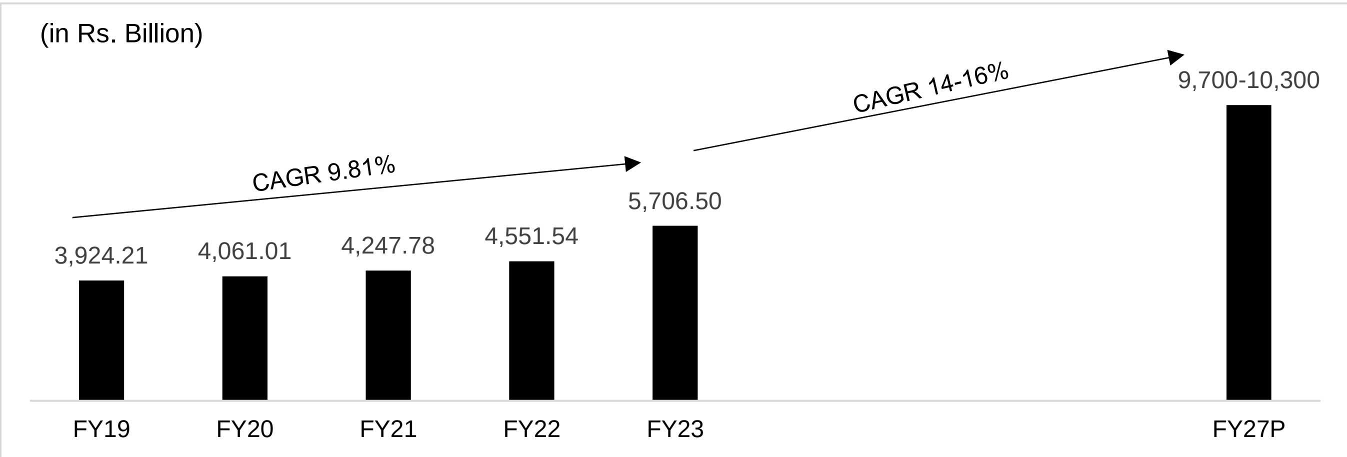
Domestic Sales (in value terms) of Passenger Vehicles expected to have a growth rate at approximately 13-15% from Fiscal 2023 to Fiscal 2027



Note: P: Projected; Source: Industry, CRISIL MI&A

5.2. Vehicle (New passenger vehicle) financing market

Vehicle loan (Passenger vehicles loan) portfolio expected to grow at 14-16% CAGR from Fiscal 2023 to Fiscal 2027



Note: P: Projected; Source: TransUnion CIBIL, CRISIL MI&A

Vehicle loan (New passenger vehicles) portfolio witnessed 9.81% CAGR between Fiscal 2019 to Fiscal 2023. In Fiscal 2023, it recovered due to improvement in economic activities post covid period and is expected to continue the growth trend at 14-16% CAGR between Fiscal 2023 and Fiscal 2027. Further, finance penetration for passenger vehicles ranges between 75% to 80% and is expected to improve in coming years.

For the state wise distribution of AUM, the top 10 states – Maharashtra, Uttar Pradesh, Gujarat, Karnataka, Tamil Nadu, Telangana, Kerala, Rajasthan, Haryana and Delhi – account for 70.56% (as of Fiscal 2023) of the market share. Telangana had the highest CAGR of 14.99% between Fiscal 2019 to first half of Fiscal 2024, followed by Haryana at 13.21% and Uttar Pradesh at 12.41% among top 10 states.

Tier Wise share of Vehicle (New Passenger Vehicle) Loan Portfolio AUM Split

Tier classification	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024	CAGR (Fiscal 2019-First half of Fiscal 2024)
Metro	33.47%	32.33%	31.87%	32.30%	32.34%	32.30%	9.73%
Urban	23.00%	23.23%	23.36%	23.41%	23.10%	23.04%	-3.77%
Semi-Urban	24.96%	25.59%	25.89%	25.60%	25.50%	25.54%	12.79%
Rural	16.48%	17.26%	17.60%	17.45%	17.91%	18.00%	11.16%
Others	2.08%	1.58%	1.29%	1.24%	1.15%	1.11%	10.65%

Source: TransUnion CIBIL, CRISIL MI&A

Asset Quality Trends

The passenger vehicle asset quality has improved for NBFCs and Banks, especially from Fiscal 2020 to Fiscal 2023, and this trajectory is anticipated to persist over the medium term. NBFCs have experienced their 90+ DPD ratio from 5.16% in Fiscal 2019 to an increase to 7.04% in Fiscal 2021 to a reduction to 4.99% in Fiscal 2023. Similarly for Banks, 90+ DPD figures went from 1.73% in Fiscal 2019 to 2.04% in Fiscal 2021 to 1.45% in Fiscal 2023. Going forward, asset quality for NBFCs is expected to remain in the same range of 4.5%-5.0% with slight improvement in Fiscal 2024 and Fiscal 2025.

Trend in 90+Days Past Due for Passenger Vehicles

Lender	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
NBFCs	5.16%	6.02%	7.04%	7.92%	4.99%	4.76%
Banks	1.73%	1.79%	2.04%	1.72%	1.45%	1.38%
Others	3.31%	4.94%	8.75%	8.27%	7.39%	7.83%
Total	2.81%	3.08%	3.49%	3.26%	2.47%	2.40%

Note: Others include Foreign banks, SFBs, Cooperative banks and RRBs. Source: TransUnion CIBIL, CRISIL MI&A

Trend in 90 to 720 Days Past Due for Passenger Vehicles

Lender	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
NBFCs	4.35%	4.78%	5.08%	4.87%	2.19%	2.15%
Banks	1.18%	1.27%	1.58%	1.21%	1.01%	0.92%
Others	2.44%	4.03%	7.56%	6.80%	5.64%	6.11%
Total	2.17%	2.34%	2.64%	2.17%	1.44%	1.40%

Note: Others include Foreign banks, SFBs, Cooperative banks and RRBs. Source: TransUnion CIBIL, CRISIL MI&A

Trend in 720+ Days Past Due for Passenger Vehicles

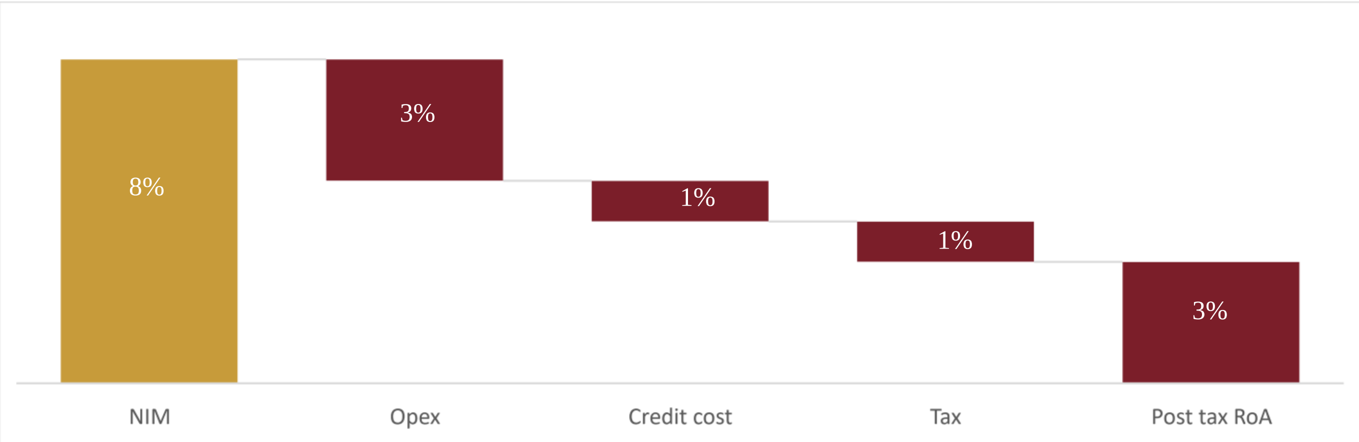
Lender	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
NBFCs	0.81%	1.24%	1.96%	3.05%	2.81%	2.61%
Banks	0.55%	0.52%	0.46%	0.51%	0.44%	0.46%
Others	0.87%	0.92%	1.20%	1.47%	1.74%	1.73%
Total	0.64%	0.74%	0.85%	1.09%	1.03%	1.01%

Note: Others include Foreign banks, SFBs, Cooperative banks and RRBs. Source: TransUnion CIBIL, CRISIL MI&A

Profitability of NBFCs

Passenger vehicle loans are secured by the vehicle itself which is considered as a liquid asset which can be sold easily. This reduces the risk for the lenders and therefore the loan can be offered at lower interest rates. Further, due to a combination of more standardized processes, automated systems, and collateralization, opex is on the lower side. Additionally, major customers for car loans are salaried and/or businessman with regular flow of income and therefore lesser net interest margins ("**NIMs**") are compensated by lower opex and credit cost. ROAs for NBFCs are expected to reach 3% by Fiscal 2024

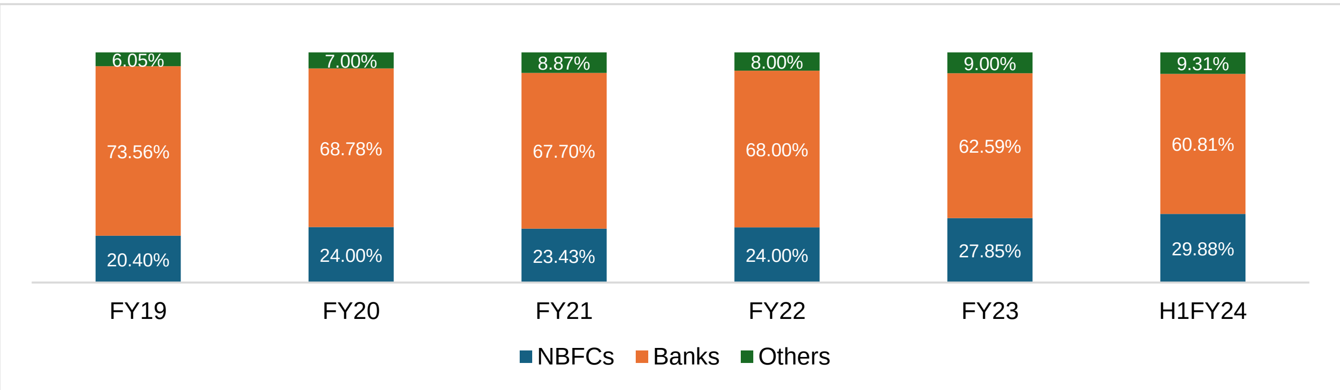
Profitability of car loan financing NBFCs



Note: Profitability estimated for Fiscal 2024. Source: CRISIL MI&A

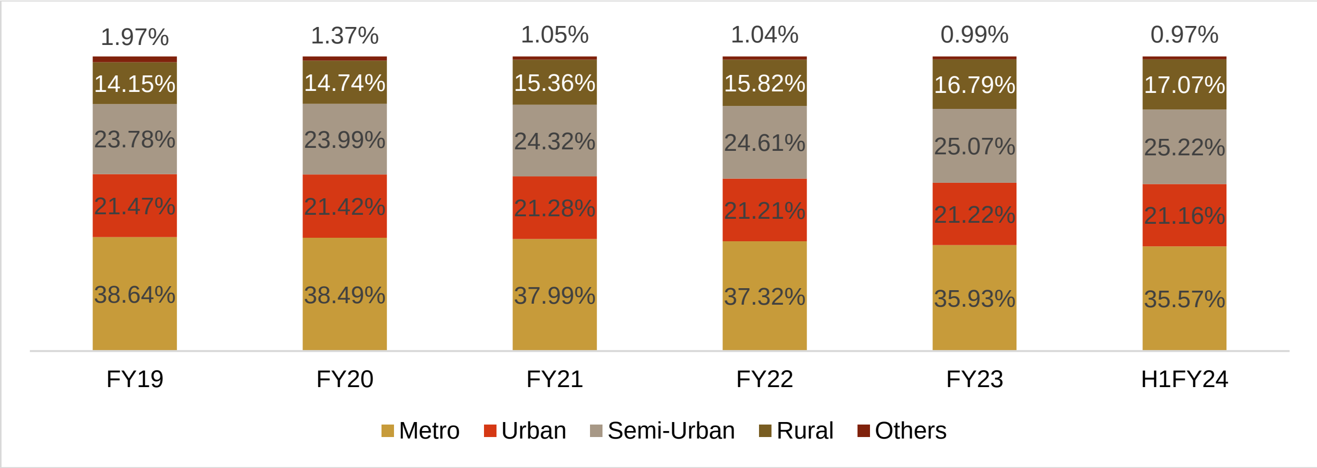
5.3. Used passenger vehicle (car) financing market

Banks account for 62.59% of overall used car financing market as of Fiscal 2023



Note: Banks comprises of both Public and Private Sector Banks, Others include Foreign banks, SFBs, Cooperative banks and RRBs. Source: TransUnion CIBIL, CRISIL MI&A

Rural and semi-urban regions account for 41.86% share in used car financing market as of Fiscal 2023



Source: TransUnion CIBIL, CRISIL MI&A

Maharashtra, Gujarat, and Tamil Nadu had the highest share in used car financing as of Fiscal 2023

In the used car financing market, the top 10 states (Maharashtra, Gujarat, Tamil Nadu, Telangana, Karnataka, Rajasthan, Kerala, Delhi, Uttar Pradesh, Haryana) account for 77.64% share as of Fiscal 2023.

Organized lenders increasing their presence in used car financing

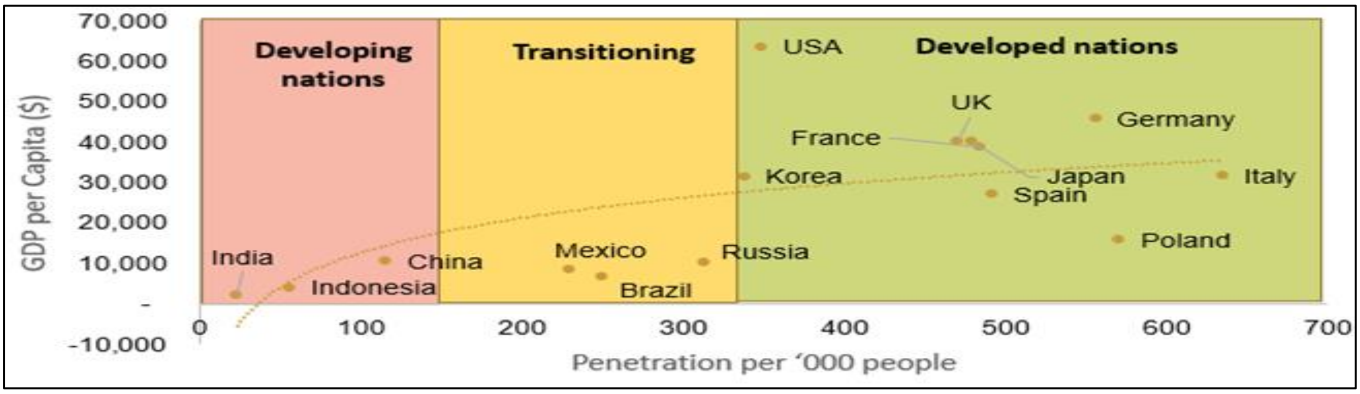
The used car market primarily serves new buyers looking for cost-effective entry-level vehicles. Over the past few years, the used car market in India has witnessed an unprecedented surge with the luxury segment emerging the major contributor of growth. This has led to the rise of the thriving luxury used car market, which is expected to continue to grow in coming years. The increase in demand for used cars is expected to be primarily driven by the sale of new cars, which perpetuates more used vehicles to be available, to cater to the needs of the customer.

Due to this shift, the unorganized used car market in India is also evolving into a more formalized one with more small dealers or brokers, semi-organised dealers and direct customer to customer sales, getting involved in the ecosystem. Further, market consolidation and entry of OEMs and new car dealership in the organised used car market has resulted in an increase in awareness and preference of certified used cars in India. These certified used cars undergo a thorough inspection, thereby ensuring reliability and quality, and hence giving the end customer the feel of a first car. The sector remains a mix of fragmented and consolidated approaches, encompassing independent dealers, institutional players, and manufacturer-backed entities. This transformation provides customers with structured processes, including financing, insurance, and warranties.

5.4. Growth drivers for Passenger Vehicles and Used Passenger vehicles

Market for passenger vehicles underpenetrated, offer healthy potential in the long run

India's car market is extremely underpenetrated compared with most developed economies and some developing nations. As of Fiscal 2021, India had approximately 24 passenger vehicles per 1,000 people, which is significantly lower than the developed nations and even Brazil, Russia, and China. Thus, India offers tremendous growth potential for automobile manufacturers. Even while comparing the penetration of cars and UVs across countries based on per-capita GDP, India lags most others. It is expected that this gap shall reduce gradually in the long run.



Source: Industry, CRISIL MI&A

Regulatory roadmap key for electric mobility to pick up in India

The implementation of the National Electric Mobility Mission Plan 2020 and other policy initiatives by the government to address infrastructure-related issues are key monitorable for the sector over the next five years. The government has announced ₹ 10,000 crore for phase-II of FAME. The scheme offers a subsidy of ₹ 10,000 per KWh for four-wheelers (BEV, PHEV, strong hybrid) for commercial purpose and public transport. It also mandates a minimum range of approximately 140 km and maximum ex-factory price of approximately ₹ 15 lakh. Many state governments have come forward and are providing incentives on purchase of an electric vehicles, wherein the benefit provided is in addition to FAME-2 policy benefits, thus boosting EV vehicles.

Utilizing Digital Platforms for Lead Generation in the Growing E-commerce Landscape

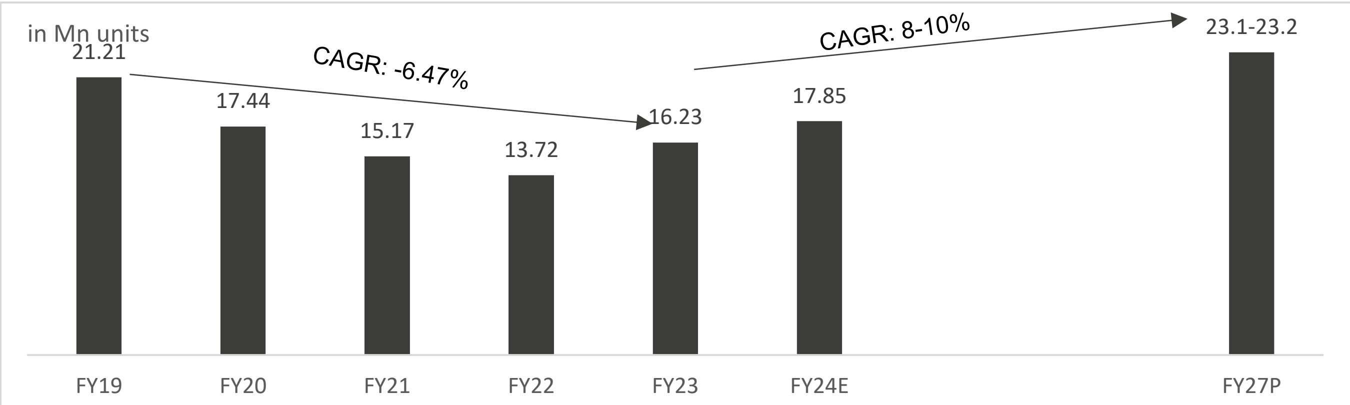
The digital revolution has played a vital role in transforming how businesses operate across industries; the automobile industry is no exception. New-age platforms have emerged that help new car dealerships run efficient used car programs not just in Tier 1 markets, but also in Tier 2 and 3 markets where potential lies largely untapped. This has caused OEMs like Mahindra First Choice, Maruti Suzuki True Value, Hyundai Promise, Toyota Trust, Honda Auto Terrace, and others to foray into the used car market. Further, Digital platforms such as Spinny, Cars24 among others are gaining traction in the organized segment, and with the integration of digital technology, this growth is poised for further acceleration.

Elevated Replacement Rates and Shifting Consumer Preferences Post-Covid

The accelerated replacement cycle of cars has amplified both the demand and supply for used cars. New vehicles are now being replaced approximately every 4-5 years, broadening the options available to customers seeking used cars. In the wake of the COVID-19 pandemic, there has been a notable shift in consumer preferences towards passenger vehicles, reflecting a desire for reduced contact with public transport. The heightened need for individual mobility, increased consumer aspirations, augmented disposable income, shortened replacement cycles, and improved financial accessibility has caused a surge in used car sales.

6. Two-wheeler finance market in India

6.1. Two-wheeler (including EV-2W) domestic sales to maintain their recovery momentum in Fiscal 2024

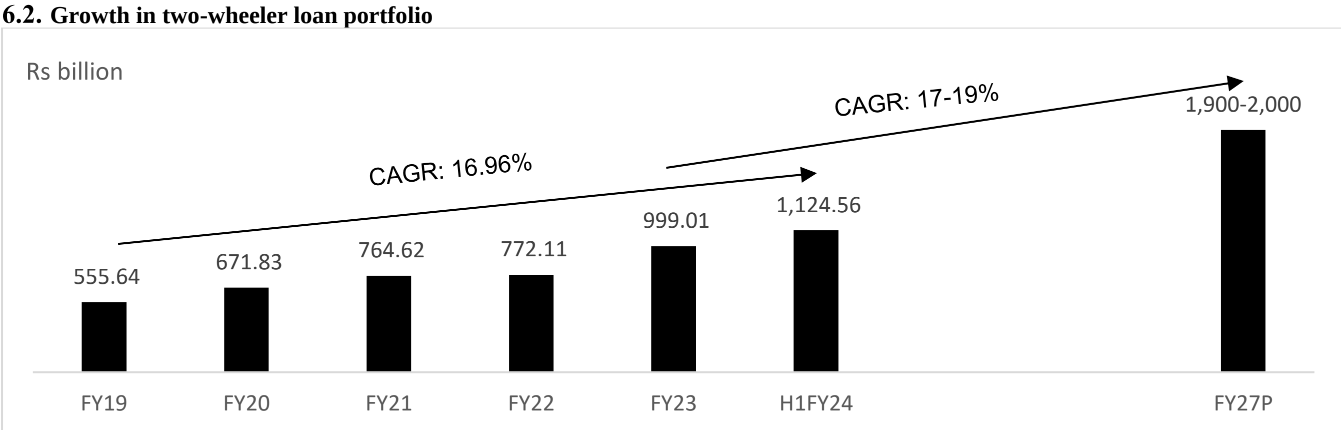


Note: E: Estimated, P: Projected; Source: SIAM, SMEV, Vahan, CRISIL MI&A

Factors supporting the growth of two-wheelers sales:
Two-wheelers are preferred mode of transportation for commuting short distance in India. Growing per capita income and as well as rural income supported two-wheelers demand in India. In addition, increased government spending on rural programmes and infrastructure helped the two-wheeler sales. Further, increase in congestion in cities due to urbanization encourages utilizing two-wheelers due to their compact size and easy movability. All these factors lead to increased use of two-wheelers in India.

Improving rural productivity, diversification towards horticultural crops, government income support schemes and structural measures taken by the government, such as PM-KISAN, eNAM and Pradhan Mantri Fasal Bima Yojna to name a few, is expected to aid rural income in the long run. This is expected to drive sales of motorcycles, which are a favourite mode of transport in these areas.

6.2. Growth in two-wheeler loan portfolio

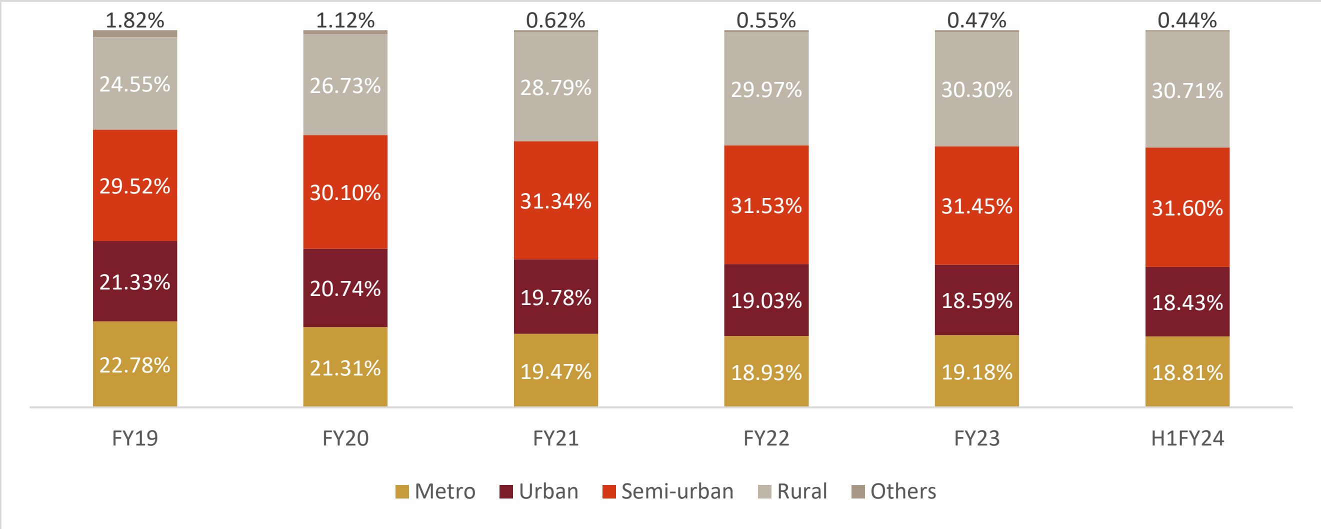


Note: P: Projected; Source: TransUnion CIBIL, CRISIL MI&A

The top 10 states (Maharashtra, Uttar Pradesh, Tamil Nadu, Karnataka, Gujarat, West Bengal, Bihar, Madhya Pradesh, Rajasthan and Kerala) account for 70.60% of the total two-wheeler loan portfolio as of Fiscal 2023. Among top 10 states, Bihar grew at highest CAGR of 30.52% followed by Uttar Pradesh which grew at CAGR of 23.96%.

Rural and semi-urban areas together account for 62.31% of total two-wheeler loan portfolio as of Fiscal 2023. Additionally, two-wheeler loan portfolio grew at a highest CAGR of 22.93% in rural areas followed by 18.74% of CAGR in semi-urban areas.

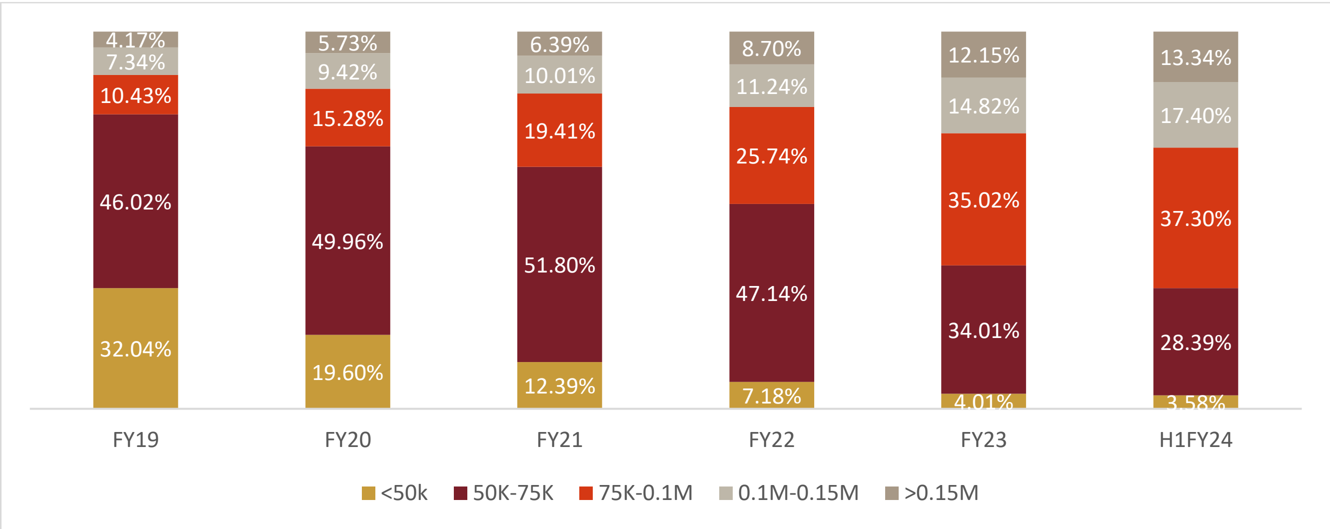
Tier wise share of two-wheeler loan portfolio



Source: TransUnion CIBIL, CRISIL MI&A

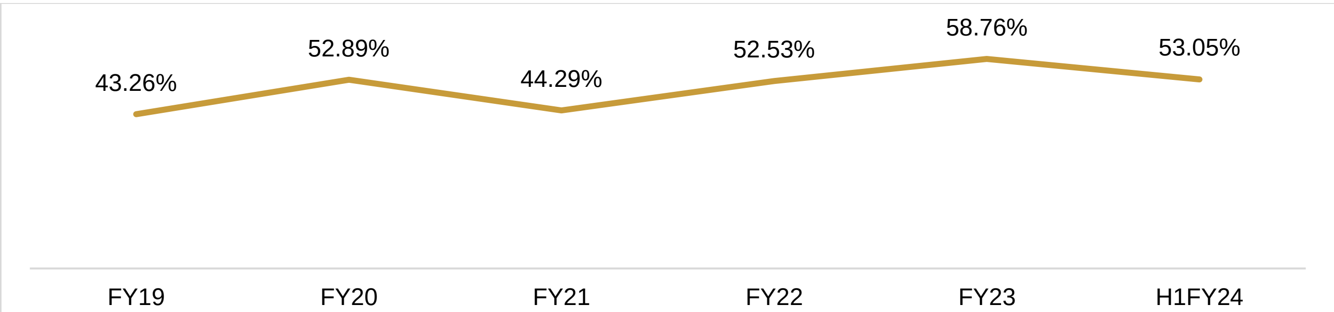
Share of ₹ 75,000 to ₹ 0.1 million ticket size in two-wheeler loan portfolio increased from 10.43% in Fiscal 2019 to 37.30% in first half of Fiscal 2024 primarily due to increase in cost of ownership of two-wheeler and customers' focus on moving to premier segments.

Ticket-size wise share of two-wheeler loan portfolio



Note: K: in thousands, M: in million; Source: TransUnion CIBIL, CRISIL MI&A

Penetration on the rise (No. of two-wheeler loan accounts to No. of two-wheeler units sold)



Note: No. of two-wheeler loan accounts may include used two-wheeler financed accounts.

Source: TransUnion CIBIL, SIAM, SMEV, CRISIL MI&A

Asset quality

90+ DPD ratio for two-wheeler loan portfolio deteriorated in Fiscal 2021 and Fiscal 2022 owing to pandemic and recovered in Fiscal 2023 for all types of lenders. NBFCs have the higher 90+ DPD ratio than banks. Banks have a stronghold on two-wheeler financing in urban areas due to which their asset quality is better than that of NBFCs. Banks mainly cater to salaried customers offering better terms as asset quality risk is perceived to be lower. Going forward, the 90+ DPD ratio is expected to continue be in the same range of 10.5%-11% for NBFCs and 8.0%-8.5% on an overall basis for Fiscal 2024 and Fiscal 2025 given the characteristics of the underlying borrower segments.

It can be observed that non-performing assets in 720+ DPD bucket is quite high for two-wheeler financing lenders. Generally, lenders provide for provisions for such assets.

Lender wise asset quality (90+ Days Past Due)

Lenders	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
NBFCs	7.68%	8.61%	12.63%	13.51%	10.47%	11.09%
Banks	3.34%	2.20%	4.36%	4.32%	3.40%	4.03%
Others	7.38%	7.39%	16.98%	20.74%	10.72%	7.10%
Overall	6.13%	6.37%	9.92%	10.74%	8.23%	8.85%

Note: Others include Foreign banks, SFBs, Cooperative banks and RRBs. Source: TransUnion CIBIL, CRISIL MI&A

Lender wise asset quality (90 to 720 Days Past Due)

Lenders	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
NBFCs	5.41%	6.32%	9.84%	10.24%	6.11%	6.58%
Banks	3.24%	2.16%	4.11%	3.95%	2.58%	3.00%
Others	3.91%	5.11%	10.98%	12.43%	6.22%	5.37%
Overall	4.62%	4.86%	7.92%	8.27%	4.99%	5.47%

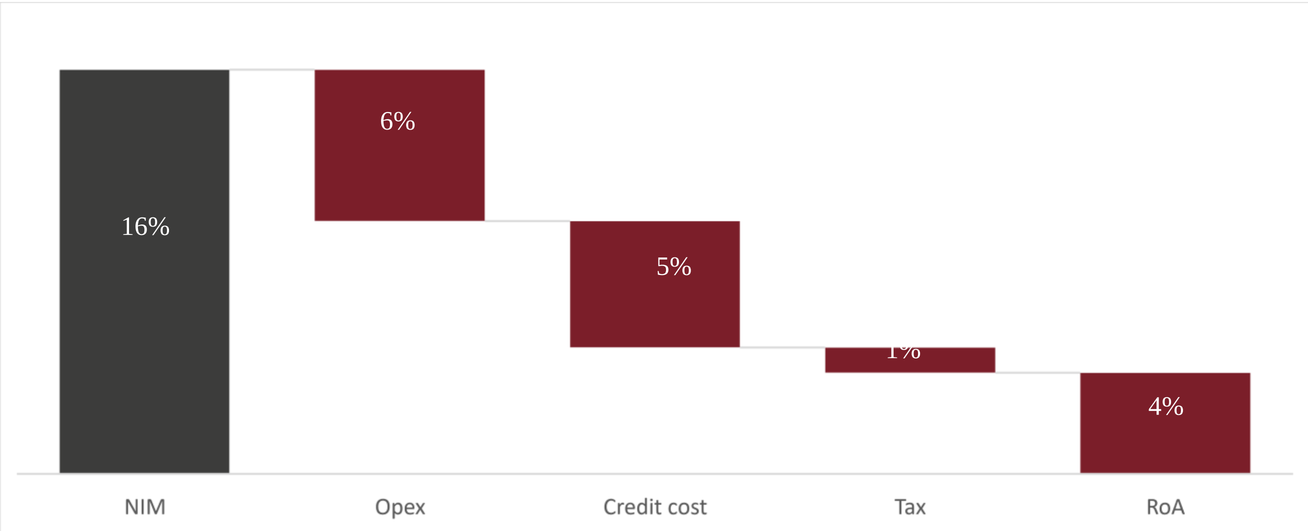
Note: Others include Foreign banks, SFBs, Cooperative banks and RRBs. Source: TransUnion CIBIL, CRISIL MI&A

Lender wise asset quality (720+ Days Past Due)

Lenders	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
NBFCs	2.27%	2.29%	2.79%	3.27%	4.37%	4.50%
Banks	0.10%	0.05%	0.25%	0.37%	0.82%	1.03%
Others	3.47%	2.28%	6.00%	8.31%	4.51%	1.73%
Overall	1.51%	1.51%	2.00%	2.47%	3.24%	3.38%

Note: Others include Foreign banks, SFBs, Cooperative banks and RRBs. Source: TransUnion CIBIL, CRISIL MI&A

Profitability of two-wheeler financing NBFCs



Note: Numbers estimated for Fiscal 2024; Source: CRISIL MI&A

Net interest margin for NBFCs financing two-wheelers is around 17%, while credit cost comes to around 5%. Operating costs estimated for the NBFCs is around 6% of total average assets. Return on average total assets after tax is around 4%.

6.3. Growth drivers

Apart from underlying macro-economic factors which are discussed in earlier section, some of the growth drivers are as follows:

Road infrastructure spends by the government

Overall road sector capex, comprising of National Highways, State Highways & rural roads has been growing. State roads, which include highways, major district roads and rural roads along with roads that come under the purview of the Pradhan Mantri Gram Sadak Yojana, play an important role in the economic development of mid-sized towns and rural areas and therefore act as a driving factor for growth of two-wheeler sales.

Increasing demand from rural and semi-urban areas

Two-wheelers are more popular in the rural and semi-urban areas and are preferred mode of transport for people due to limited public transportation facilities. Two-wheeler provides an efficient and affordable means of last-mile connectivity, driving up demand. Rural demand is expected to aid two-wheeler growth in the long term, and this will likely be backed by rising farm incomes, improving rural infrastructure, moderating inflation, especially as the government continues to invest in developing rural roadways.

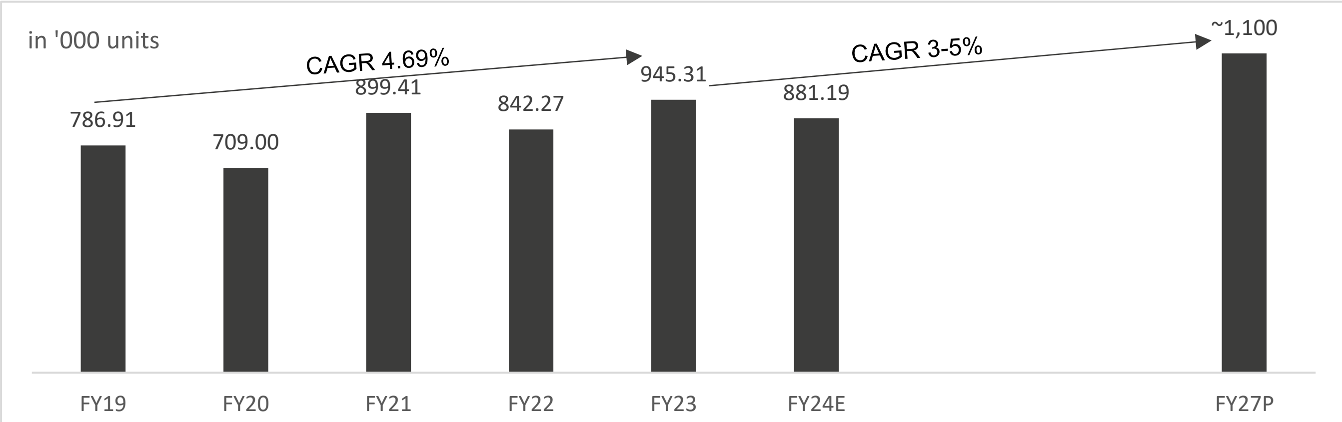
Evolution of electric two-wheelers

Globally, electric vehicles are gaining popularity since they are considered as environmentally friendly. In India as well, electric vehicles are gaining popularity as the government is extending support via FAME-2 vehicles and tax rate cuts to give a boost to EV adoption.

7. Tractor finance market in India

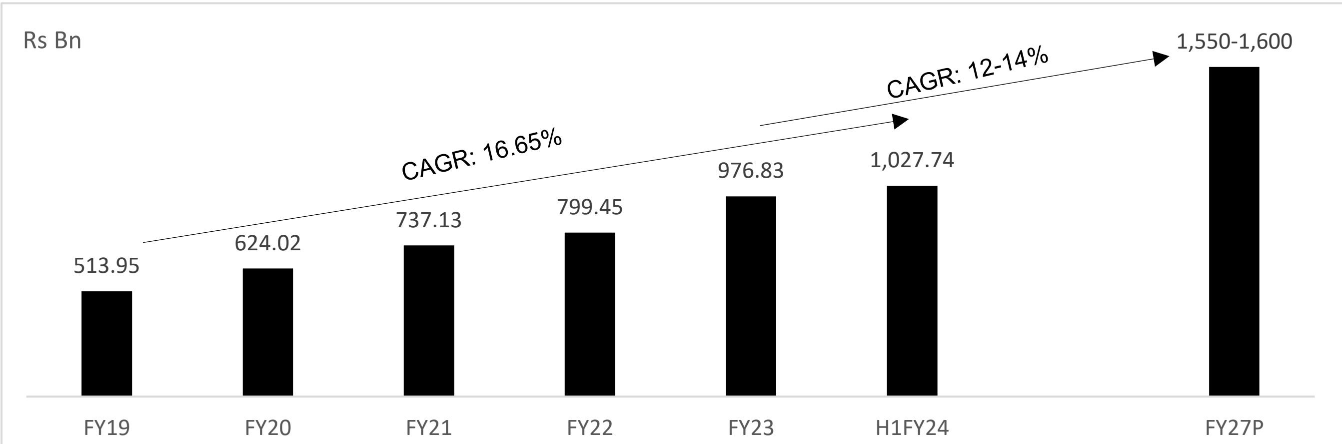
7.1. Tractor domestic sales to decline in Fiscal 2024, to grow at a moderate pace in the long-term

Tractor sales to grow at CAGR 3-5% between Fiscal 2023 and Fiscal 2027



Note: E: Estimated, P: Projected; Source: SIAM, Vahan, CRISIL MI&A

7.2. Growth in tractor loan portfolio



Note: P: Projected; Source: TransUnion CIBIL, CRISIL MI&A

The top 10 states (Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh, Karnataka, Telangana, Gujarat, Bihar, Haryana and Andhra Pradesh) account for 81.61% of the total tractor loan portfolio as of Fiscal 2023. Among top 10 states, Karnataka grew at highest CAGR of 23.14% followed by Rajasthan which grew at CAGR of 21.68%.

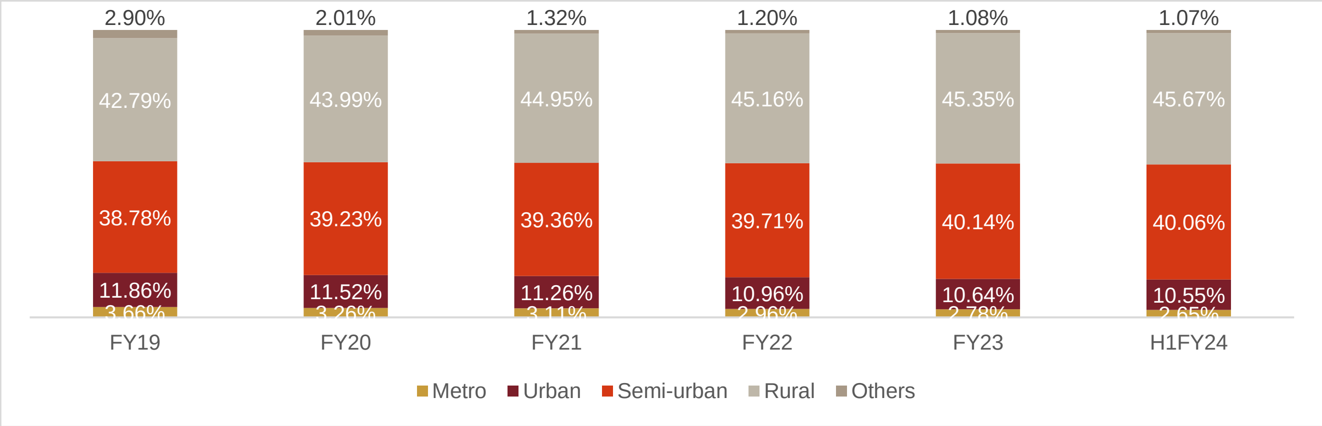
Rural and semi-urban areas together account for 85.49% of total tractor loan portfolio as of Fiscal 2023. Additionally, tractor loan portfolio grew at a highest CAGR of 18.35% in rural areas followed by 17.49% CAGR in semi-urban areas between Fiscal 2019 and first half of Fiscal 2024.

Tier-wise tractor loan portfolio (₹ billion)

Tier classification	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024	CAGR (Fiscal 2019- First half of Fiscal 2024)
Metro	18.83	20.35	22.93	23.70	27.18	27.28	8.59%
Urban	60.94	71.87	83.01	87.63	103.96	108.40	13.65%
Semi-urban	199.32	244.77	290.15	317.44	392.10	411.75	17.49%
Rural	219.94	274.50	331.32	361.07	443.03	469.37	18.35%
Others	14.93	12.51	9.71	9.61	10.54	10.95	-6.66%
Total	**513.95**	**624.02**	**737.13**	**799.45**	**976.83**	**1,027.74**	**16.65%**

Source: TransUnion CIBIL, CRISIL MI&A

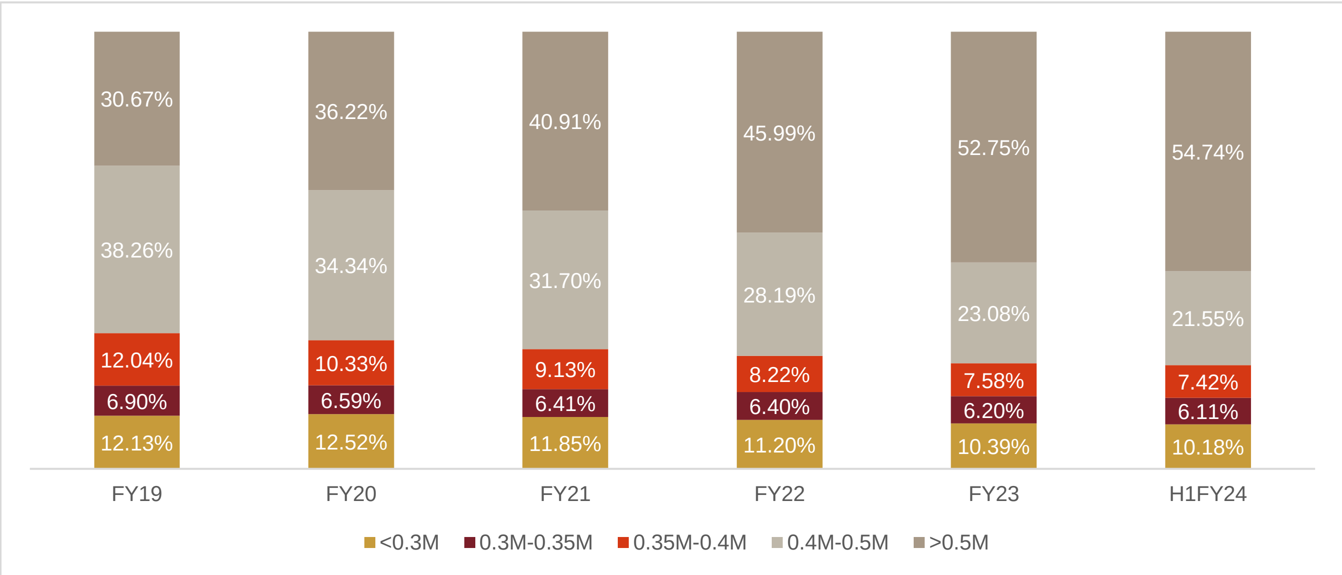
Tier-wise share of tractor loan portfolio



Source: TransUnion CIBIL, CRISIL MI&A

Share of more than ₹ 0.5 million ticket size in tractor loan portfolio increased from 30.67% in Fiscal 2019 to 54.74% in first half of Fiscal 2024.

Ticket size wise share in tractor loan portfolio



Note: M: in million; Source: TransUnion CIBIL, CRISIL MI&A

Asset quality

90+ DPD ratio for tractor loan portfolio deteriorated in Fiscal 2021 and Fiscal 2022 owing to pandemic and recovered in Fiscal 2023 for all types of lenders. Banks have the higher 90+ DPD ratio than NBFCs. Going forward, the 90+ DPD ratio is expected to continue be in the same range of 6.0%-6.5% for NBFCs and 9.0%-9.5% on an overall basis for Fiscals 2024 and 2025 given the characteristics of the underlying borrower segments.

It can be observed that non-performing assets in 720+ DPD bucket is quite high for tractor financing lenders. Generally, lenders provide for provisions for such assets.

Lender wise asset quality (90+ Days Past Due)

Lenders	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
NBFCs	7.95%	8.37%	7.45%	8.28%	5.38%	6.67%
Banks	11.65%	12.29%	12.24%	14.12%	12.47%	12.89%
Others	9.79%	6.68%	13.87%	17.82%	11.45%	10.63%
Overall	9.46%	9.84%	9.57%	11.13%	8.66%	9.51%

Note: Others include Foreign banks, SFBs, Cooperative banks and RRBs. Source: TransUnion CIBIL, CRISIL MI&A

Lender wise asset quality (90 to 720 Days Past Due)

Lenders	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
NBFCs	7.00%	7.27%	6.05%	6.51%	3.59%	4.45%
Banks	4.70%	4.81%	4.83%	6.52%	5.22%	5.51%
Others	3.17%	1.25%	7.14%	6.06%	0.94%	1.34%
Overall	6.03%	6.24%	5.57%	6.50%	4.23%	4.81%

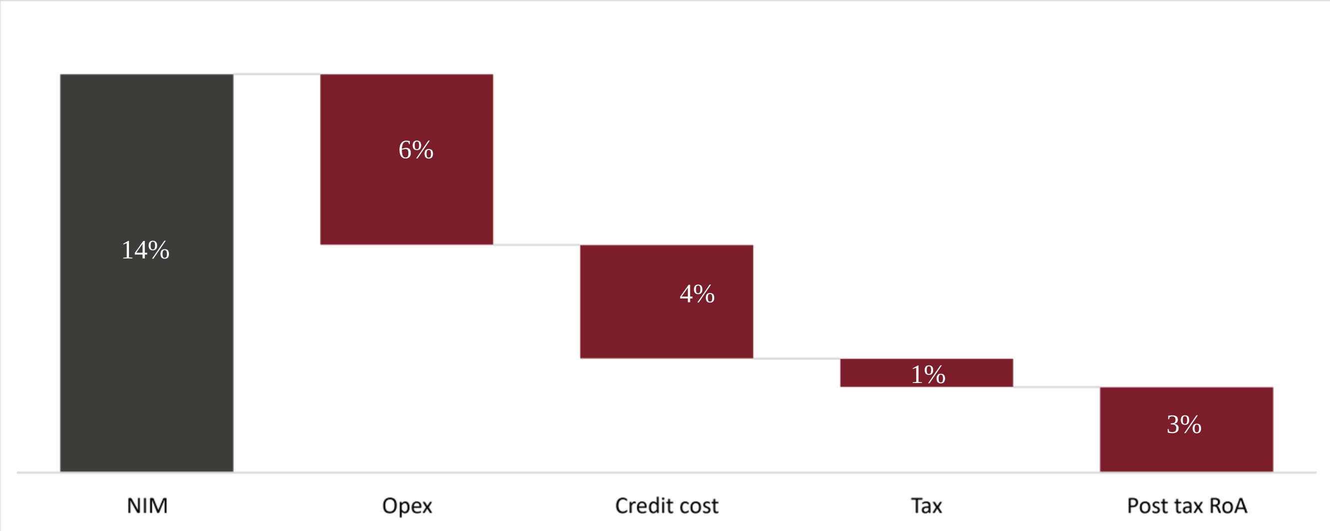
Note: Others include Foreign banks, SFBs, Cooperative banks and RRBs. Source: TransUnion CIBIL, CRISIL MI&A

Lender wise asset quality (720+ Days Past Due)

Lenders	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
NBFCs	0.95%	1.10%	1.40%	1.77%	1.78%	2.23%
Banks	6.95%	7.48%	7.41%	7.61%	7.25%	7.38%
Others	6.62%	5.43%	6.74%	11.76%	10.50%	9.29%
Overall	3.43%	3.60%	4.00%	4.63%	4.44%	4.70%

Note: Others include Foreign banks, SFBs, Cooperative banks and RRBs. Source: TransUnion CIBIL, CRISIL MI&A

Profitability of tractor financing NBFCs



Note: Numbers estimated for Fiscal 2024; Ratios on total assets; Source: CRISIL MI&A

NBFCs have higher cost of funds than banks and earn higher yields. The collection efforts play a vital role in such assets and have a good impact on profitability of NBFCs. Customers of tractor financing NBFCs are more into agricultural activities and their income is dependent on factors such as monsoon, quality of soil and fertilizers, credit cost is on a little higher side. Further, these borrowers are majorly from rural areas and sales and collection employees need to make several field visits for verification, documentation, etc., due to which opex is also on a higher side for such NBFCs. However, these higher costs are compensated by higher NIMs to some extent.

NIM for NBFCs financing tractors is around 14%, while credit cost comes to around 4%. Operating costs estimated for the NBFCs is around 6% of total average assets. Therefore, return on average total assets after tax is around 3%.

Key players in the segment

Comparison between features of tractor loans offered by banks and NBFCs

Loan Features	Banks	NBFCs
Average Ticket Size	₹ 4.60 lakhs	₹ 4.10 lakhs
Repayment Period	Max 9 years	Approximately 5 years
Turnaround Time	5-30 days	2-5 days
Yields	10%-15%	15%-20%
GNPA	12%-13%	6%-7%

Note: Numbers provided based on estimates and may vary from banks to banks and NBFCs to NBFCs. Turnaround time is from the date a file is logged-in to the system to the disbursement.

Source: CRISIL MI&A

Players' landscape

Players	LTV	Yield
Mahindra and Mahindra Financial Services Limited	Up to 90%	N.A.
L&T Finance Limited	Approximately 70%	Approximately 20%
Cholamandalam Investment and Finance Company Limited	Approximately 70%	14%-18% (New tractor) 19%-23% (Used tractor)
TVS Credit Limited	Up to 90%	11%-25%
Shriram Finance Limited	N.A.	10%-36%
Sundaram Finance Limited	Approximately 80%	Approximately 18%
SK Finance Limited	Approximately 83%	Approximately 20%

Note: All numbers are approximate, N.A. – Not available.

Source: Company websites, annual reports and investor presentations, Rating rationales, CRISIL MI&A

7.3. Growth drivers

The following factors are expected to drive growth of Tractor sales and therefore Tractor financing:

- Expected rise in commercial demand will likely boost sales in the coming years.
- Rising demand for lower horsepower tractor to cater to the small and marginal farm holds to drive growth.
- With increasing government focus on infrastructure, demand for haulage is also expected to rise boosting tractor sales.
- Higher government focus on agriculture and on farmers to lead to healthy crop prices impacting tractor demand positively. The government's objective of supporting farmers through direct income support and improvement in land productivity via soil health cards. These measures should improve farmers' crop yields and affordability, improve purchasing capacity and support tractor penetration.
- The government's renewed thrust on enhancing irrigation intensity and making the nation more drought-proof is expected to support agriculture growth and increase mechanisation.
- Custom-hiring centres are being promoted through government incentives. The trend is catching up in Karnataka, Madhya Pradesh, Andhra Pradesh, Telangana, and Orissa and encouraging farmers to lease tractors. States such as Karnataka, Madhya Pradesh, Andhra Pradesh and Punjab are promoting such hiring centres through training, demonstrations and financial incentives.

Tractor rental services made available on mobile applications by manufacturers – such as Jfarm by TAFE and Trringo by Mahindra – to prop up demand for tractors in long term.

- Tractors are also used in mining, construction, and haulage activities. Currently, non-farm usage accounts for 18-23% of demand for tractors.
- In India, small and marginal famers are more in numbers as compared to farmers having larger agriculture land. Therefore, affordability plays a vital role in making decisions on tractor purchasing. As used tractors are more affordable, its demand has been growing in India. Further, increasing formalization of used tractor selling as well as financing market in India aiding the growth of the same.

8. MSME lending in India

8.1. Brief overview of MSMEs in India

MSME segment accounts for about 29% of India's GDP

Rs trillion	Total MSME Gross Value Added ("GVA")	Growth (%)	Total GVA	Share of MSME in GVA (%)	All India GDP	Share of MSME in All India GDP (in %)	Number of MSMEs (in millions)*
Fiscal 2016	41	11.0%	126	32.3%	138	29.71%	63.5
Fiscal 2017	45	10.9%	140	32.2%	154	29.22%	65.5
Fiscal 2018	51	13.0%	155	32.8%	171	29.82%	66.5
Fiscal 2019	57	12.9%	172	33.5%	190	30.00%	68.5
Fiscal 2020	61^	7.6%	184	33.4%	201	30.50%	NA
Fiscal 2021	54^	-12.0%	182	29.7%	198	27.20%	NA
Fiscal 2022	69^	27.1%	214	32.0%	235	29.20%	70.0

Note: (*) – Estimated, All India GDP as of current prices, (^) Calculated numbers
Source: MSME Ministry Annual report for Fiscal 2021, Role of MSME Sector in India - Ministry of Micro, Small & Medium Enterprises (Source: https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1946375) , CRISIL MI&A

Snapshot of MSMEs in India

*Note: *Data as of Fiscal 2022, ** The numbers are estimated*
Source: MSME Ministry Annual report for Fiscal 2021, MSME Ministry Annual report for Fiscal 2021, Role of MSME Sector in India- Ministry of Micro, Small & Medium Enterprises (Source: https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1946375), CRISIL MI&A

The RBI has adopted the definition of MSMEs in line with the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. This definition is based on investments in plant and machinery in the manufacturing and services sectors. To bring in more enterprises under the ambit of MSMEs and widen the definition of MSMEs considering inflation over the past few years, in June 2020, the Government revised the MSME investment limit across each category and introduced an alternate and additional criterion of turnover buckets to the definition. It further removed the difference between the definition of manufacturing based and services based MSMEs.

In June 2021, the Indian government has included retailers and wholesalers under the MSMEs definition to extend the benefits of priority sector lending to traders as well. The move is structurally positive from a long-term perspective, as it is expected to enable entities operating in the segment to register on Government's UDYAM portal, participate in government tenders and also avail financing options/benefits available to the category. Given below is the composite new, revised definition of MSMEs in comparison to the old existing one:

New MSME definition removed distinction between manufacturing and services

Old MSME classification			
Criteria: Investment in plant and machinery or equipment			
Classification	**Micro**	**Small**	**Medium**
Manufacturing enterprises	Investment < ₹ 2.5 million	Investment < ₹ 50 million	Investment < ₹ 100 million
Services enterprises	Investment < ₹ 1 million	Investment < ₹ 20 million	Investment < ₹ 50 million
Revised MSME classification			
Composite Criteria: Investment and annual turnover			
Classification	**Micro**	**Small**	**Medium**
Manufacturing and Services enterprises	Investment < ₹ 10 million and Turnover < ₹ 50 million	Investment < ₹ 100 million and Turnover < ₹ 500 million	Investment < ₹ 500 million and Turnover < ₹ 2.5 billion

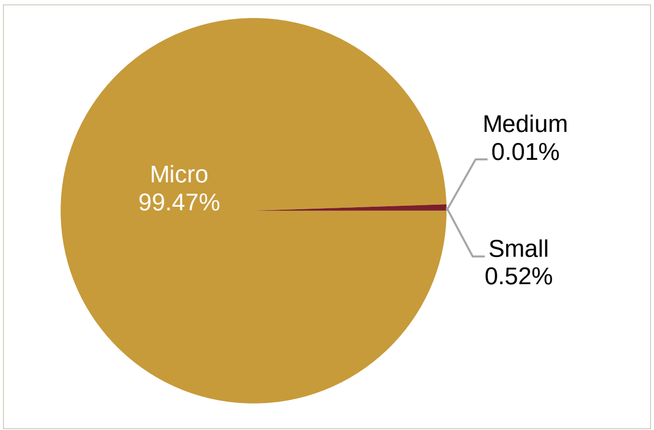
Source: MSME Ministry, CRISIL MI&A

Financial institutions also use internal business classifications to define MSMEs, based on their turnover. Most banks and non-banks follow this practice.

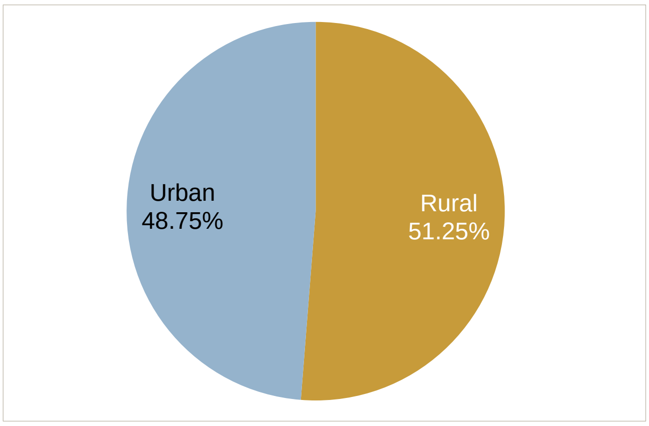
According to the NSS' 73rd round dated June 2016, micro segment accounted for as much as approximately 99.47% of total estimated number of MSMEs in India. Small and medium sector accounted for 0.52% and 0.01%, respectively of the total estimated MSMEs. At a region level, rural regions accounted for marginally higher share of 51% as compared to urban region. Out of 63.05 million micro MSMEs, 51% micro MSMEs are present in rural areas. MSMEs units are largely dominated by bigger states including Uttar Pradesh, Rajasthan, Tamil Nadu, Maharashtra, and Gujarat. The top 5 states together accounted for approximately 51% of the total number of registered MSMES in India as of February 2024.

In terms of constitution, close to 94% of the entities in the MSME universe in India are estimated to be sole proprietorship firms, wherein a small business undertaking is run and managed by the business owner and the business, and the owner can virtually not be separated.

Micro segment account for dominant share as percentage of total number of MSMEs



Rural region accounts for marginally higher share as percentage of total number of MSMEs



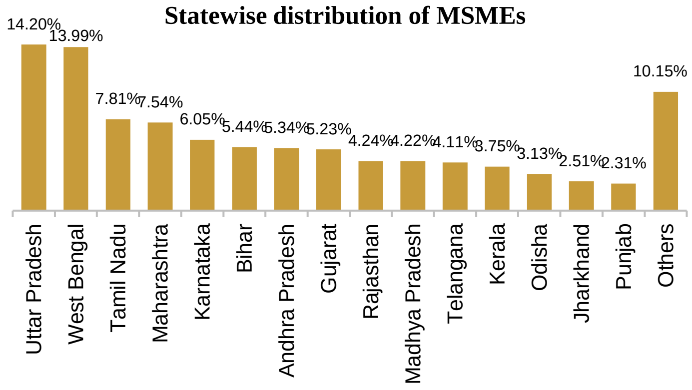
Source: National Sample Survey (NSS) 73rd round dated June 2016, CRISIL MI&A

MSMEs are largely dominated by individuals

Entities	Share in number of MSMEs
Proprietorship	93.83%
Partnership	1.53%
Private Company	0.23%
Cooperative	0.13%
Public Company	0.04%
Others	4.24%

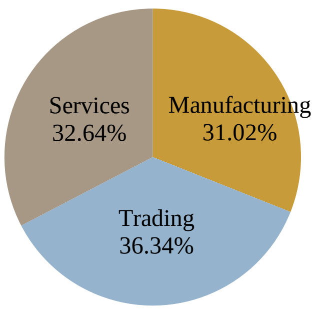
Source: IFC, CRISIL MI&A

Top 5 states together form approximately 50% of total MSME units



Source: NSS 73rd round dated June 2016, CRISIL MI&A

Trading sector accounts for higher share in number of MSMEs



Source: Ministry of MSME, CRISIL MI&A

Presence of MSMEs in Indian states

NSS, 73rd round, dated June 2016 estimated total of 63.4 million MSME units in India with the highest number of enterprises in the states of Uttar Pradesh (approximately 9 million MSMEs), followed by West Bengal (approximately 8.9 million MSMEs) and Tamil Nadu (approximately 4.9 million MSMEs).

Estimated number of MSME units in India, state wise

State/UT	Estimated number of enterprises (Number in million)
Uttar Pradesh	9.0
West Bengal	8.9
Tamil Nadu	4.9
Maharashtra	4.8
Karnataka	3.8
Bihar	3.4
Andhra Pradesh	3.4
Gujarat	3.3
Rajasthan	2.7
Madhya Pradesh	2.7
Telangana	2.6
Kerala	2.4
Odisha	2.0
Jharkhand	1.6
Punjab	1.5
Assam	1.2
Haryana	1.0
Delhi	0.9
Chhattisgarh	0.8
Jammu & Kashmir	0.7
Uttarakhand	0.4
Himachal Pradesh	0.4
Tripura	0.2
Manipur	0.2
Meghalaya	0.1
Puducherry	0.1
Nagaland	0.1
Goa	0.1
Chandigarh	0.1
Mizoram	0.0
Sikkim	0.0
Arunachal Pradesh	0.0
Andaman & Nicobar Islands	0.0
Dadra & Nagar Haveli	0.0
Daman & Diu	0.0
Lakshadweep	0.0
Grand Total	**63.4**

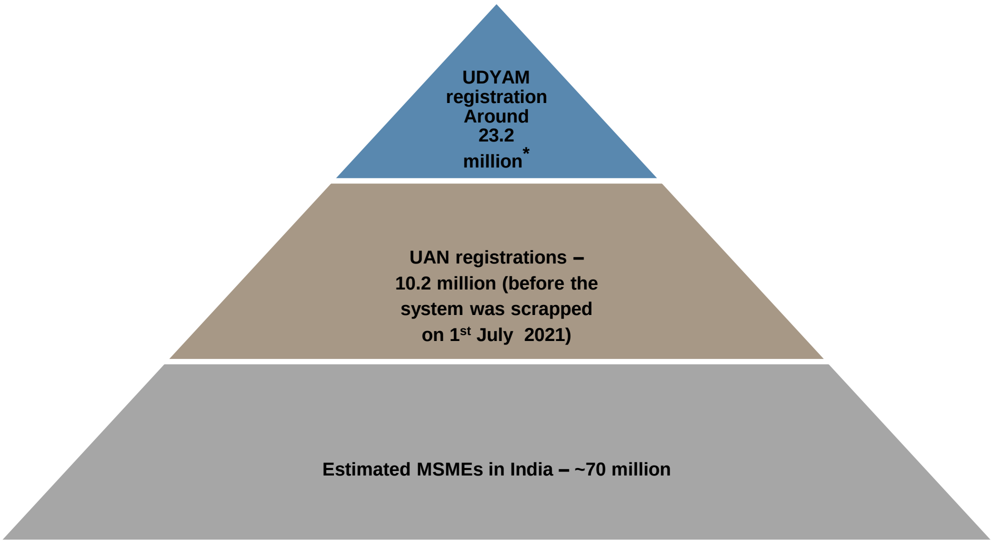
Source: NSS 73rd round dated June 2016, CRISIL MI&A

Small fraction of MSMEs in India registered under UDYAM system

After the government revised the definition of MSMEs (in June 2020), MSMEs that had an existing MSME registration (Udyog Aadhaar Number or UAN) or Enterprise Memorandum ("**EM**") were required to re-register themselves under UDYAM. Thereafter, in August 2020, the RBI issued a notification allowing financiers to obtain the UDYAM certificate from entrepreneurs for lending purposes.

As of January 2024, close to 23.2 million MSMEs have registered on UDYAM. Around 10.2 million – were registered on the erstwhile UAN system. This number pales in comparison to the total number of MSMEs in India, estimated at around 70 million. Like UAN, UDYAM also offers free, paperless online and instant registration through a web portal. Small businesses are not required to upload any documents or proof except the Aadhaar number for registration. Earlier GST registration was mandatory for UDYAM Registration but from March 2021 onwards, it is exempted for those units who are not eligible for GST registration.

UDYAM certificate will be required by MSMEs for taking benefit of any scheme of the Central government. The UDYAM portal is also integrated with the Government e-Marketplace ("**GeM**") and the Trade Receivables and Discounting System ("**TReDS**") so that enterprises can participate in government procurement and have a mechanism for discounting their bills.



*Note: *As of January 2024, Source: MSME Ministry, CRISIL MI&A*

Probable reasons for low registration rates

1. Earlier, the requirement was that companies that wanted to register under UDYAM had to provide their GST identification number. Since many entities have a turnover of less than ₹ 4 million and hence do not need to be GST compliant, they were ineligible to register on the UDYAM system. This requirement was removed by the MSME Ministry in early March 2021.
2. Low levels of awareness regarding the roll-out of schemes, their eligibility conditions, paperwork requirements and grievance redressal mechanisms could have also impacted the registration of MSMEs. As per the National Council of Applied Economic Research (NCAER) Business Expectations Survey (BES) in December 2020, 75% of MSMEs were not even aware of emergency credit line guarantee scheme (ECLGS) launched by the Government post-COVID.

8.2. MSME Credit gap estimated at ₹ 104 trillion as of Fiscal 2024

High risk perception and prohibitive cost of delivering services physically have constrained formal lending to MSMEs. The emerging self-employed individuals and micro, small and medium enterprise segment is largely unaddressed by lending institutions in India. An IFC report titled Financing India's MSMEs (November 2018) estimated the MSME credit demand at ₹ 69.3 trillion in Fiscal 2017, of which only approximately 16% of demand was met through formal financing and consequently, the MSME credit gap (defined as the gap between the demand for funds among MSMEs and the supply from formal financiers) was estimated at ₹ 58.4 trillion. This gap was met through informal sources including moneylenders, chit funds and personal sources from friends and relatives. The interest rate for these sources generally ranges between 30-60% per annum.

The credit gap is estimated to have further widened over the last 4 years due to slower economic growth in Fiscal 2020, followed by the COVID-19 pandemic in Fiscal 2021. In Fiscal 2021, the nationwide lockdown to contain the spread of the COVID-19 pandemic disrupted economic activity, hurt demand, impacted working capital needs and supply chain along with future investments and expansions. Furthermore, government schemes post the COVID-19 pandemic such as the ECLGS scheme provided relief only to MSME units with existing loans from a formal financial institution.

For Fiscal 2024, the MSME credit demand is estimated to be around ₹ 138 trillion, of which 25% of demand is met through formal financing. Assuming an increase of around 10% annually in the demand for credit and the availability of credit from formal sources, CRISIL MI&A estimates the credit gap to have increased to ₹ 104 trillion for Fiscal 2024.

MSME credit demand largely met by informal sources

Source: IFC report on Financing India's MSMEs dated November 2018, CRISIL MI&A

As per the IFC report titled Financing India's MSMEs (November 2018), out of total MSME credit demand of ₹ 69.3 trillion in Fiscal 2017, the addressable credit demand was at ₹ 36.7 trillion after removing demand from new MSMEs, commercially unviable MSMEs and micro MSMEs that do not seek formal financing as these types of MSMEs voluntarily go for informal source of credit on account of the process being much faster, some MSMEs are quite young with no operational track record to prove their credit worthiness to the lender and MSMEs which are estimating near term bankruptcy. Out of the total addressable credit demand of ₹ 36.7 trillion (53% of the total credit demand of ₹ 69.3 trillion) in Fiscal 2017, formal source accounted for ₹ 10.9 trillion taking potentially addressable credit demand gap to ₹ 25.8 trillion (Fiscal 2017) which represented MSME credit gap that could have been addressed by Financial Institutions in the near term.

On the similar lines, as of Fiscal 2024, CRISIL MI&A estimates the total addressable credit demand at ₹ 67.5 trillion out of which current formal financing stands at ₹ 34 trillion taking the total addressable MSME credit gap to ₹ 33.4 trillion which needs to be met by Financial Institutions. CRISIL MI&A expects total addressable credit demand to have increased on account of higher bank support, favorable government policies and increased lender focus with tailored products and technological advancements. Technology and use of various data sources are helping lenders analyse cash flow for New to Credit MSME customers faster and bring many MSMEs into the formal financing network.

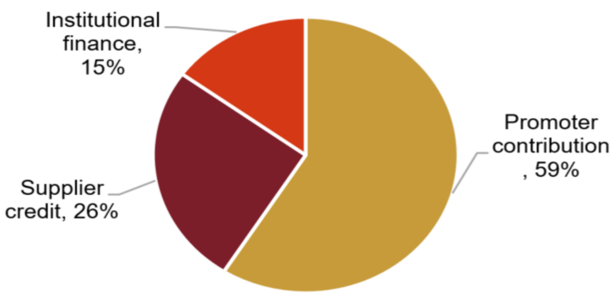
Even while the credit gap has increased, new MSME units continue to be set up across India. Between Fiscals 2016 and 2022, 18.3 million units were set up, according to the Indian government registration data of MSMEs. Thus, though a myriad of small businesses is set up every day in India, access to credit remains a challenge. However, the industry has witnessed an increase in access to formal credit to MSME, which could be attributed to the increase in the number of registered MSMEs to 23,187,315 as of February 2024 from 495,013 in March 2016.

As per UDYAM Registration Publication, top 12 states including Maharashtra, Tamil Nadu, Uttar Pradesh, Rajasthan, Gujarat, Karnataka, Madhya Pradesh, Bihar, West Bengal, Punjab, Telangana, and Haryana cumulatively accounts for 80% of overall MSME registrations as of February 2024. Further, under the micro category, the maximum number of registrations were from Maharashtra followed by Tamil Nadu, Uttar Pradesh, Rajasthan and Gujarat. Under small and medium category, maximum registrations were from Maharashtra followed by Gujarat and Tamil Nadu.

Smaller enterprises relatively more starved of credit

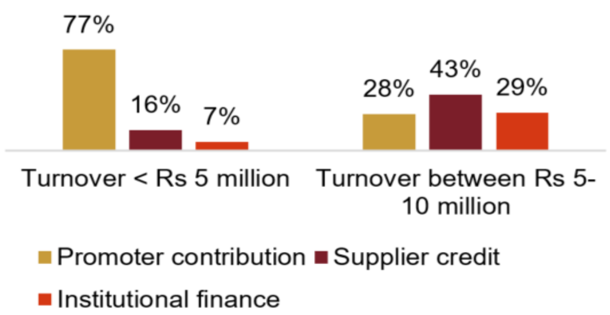
While the overall MSME credit gap is estimated at ₹ 104 trillion, analysis of both SME gradings assigned by CRISIL MI&A between January 2010 to September 2015 and the Fourth Census of the MSME sector (2009) suggests that smaller enterprises are much more starved of institutional credit, and therefore, they primarily depend on promoter contribution for working capital and fund requirements. While the access to funding has improved in the last few years, credit remains out of bounds for large swathes of the MSME population in India.

Dependence on various sources of finance for working capital needs for enterprises with turnover below ₹ 10 million



Note: Based on an analysis of 12,000 SMEs graded by CRISIL MI&A between January 2010 and September 2015
Source: CRISIL Ratings, CRISIL MI&A

Smaller enterprises much more starved of access to institutional finance



Note: Based on an analysis of 12,000 SMEs graded by CRISIL MI&A between January 2010 and September 2015
Source: CRISIL Ratings, CRISIL MI&A

Sources of finance for SMEs with credit requirements of ₹ 0.1 million to ₹ 2.5 million

Source	Proportion of finance
Finance from institutional sources	5.2%
Finance from non-institutional sources	2.0%
No access to credit or self-financing	92.8%

Source: Fourth Census of the MSME sector (September 2009)

Year-wise and MSME category-wise registration of MSMEs

Year/ Category	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021*	Fiscal 2022^	Fiscal 2023$	Fiscal 2024**
Micro	421,516	2,147,908	1,344,612	1,870,932	2,248,730	3,595,577	4,975,082	12,617,959	22,530,696
Small	70,866	216,558	166,259	241,187	302,299	400,525	172,432	435,885	601,503
Medium	2,631	8,592	6,584	9,426	11,229	35,541	11,294	39,854	55,116
Total	**495,013**	**2,373,058**	**1,517,455**	**2,121,545**	**2,562,258**	**4,031,643**	**5,158,808**	**13,093,698**	**23,187,315**

*Note: * Based on UAN and UDYAM registrations, ^Based on UDYAM registrations, $ Based on Udyam registrations as on December 2022 as stated in the MSME Annual Report 2022-23; ** UDYAM registrations as of February 12, 2024; Source: Development Commissioner Ministry of Micro, Small & Medium Enterprises (DCMSME), UDYAM Registrations, CRISIL MI&A*

State-wise registration of MSMEs

State	Cumulative MSME Registration *	Share in overall MSME registration
Maharashtra	3,967,917	17.11%
Tamil Nadu	2,317,388	9.99%
Uttar Pradesh	2,205,946	9.51%
Rajasthan	1,677,511	7.23%
Gujarat	1,672,284	7.21%
Karnataka	1,324,325	5.71%
Madhya Pradesh	1,100,480	4.75%
Bihar	951,490	4.10%
West Bengal	931,520	4.02%
Punjab	871,105	3.76%
Telangana	801,908	3.46%
Haryana	768,393	3.31%

Note: (*) Based on Cumulative MSME registration as of February 2024 (https://dashboard.msme.gov.in/Udyam_Statewise.aspx),

Source: UDYAM Registrations, CRISIL MI&A

Potential market for residential property backed secured MSME lending for average ticket size less than ₹ 0.5 million is estimated at ₹ 22 trillion

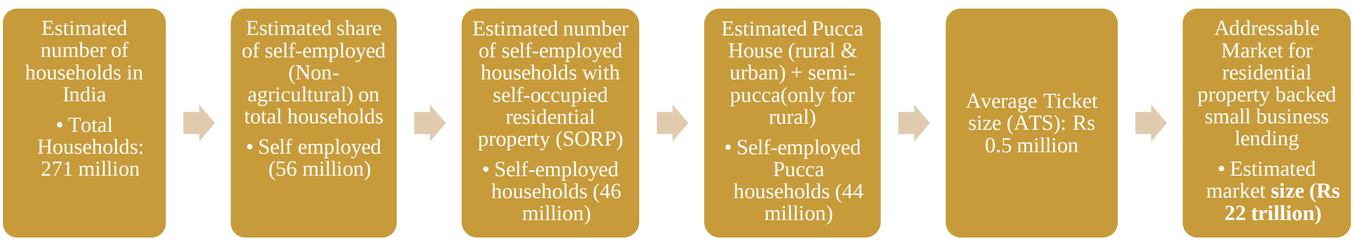
The sheer size of the gap between the supply and demand of credit and the number of enterprises impacted indicates a veritable opportunity in MSME financing. Therefore there exists a plethora of players – universal banks, SFBs, traditional NBFCs, new age fintechs, MFIs, as well as local moneylenders – who try to meet the financing requirements of MSMEs by offering secured or unsecured loans straddling various tenures.

CRISIL MI&A has attempted to decipher the size of the potential opportunity in secured residential property-backed secured MSME lending (hereafter referred to as the Addressable market for secured MSME loans), using data, information and insights at a state-level pertaining to:

- Number of households from NSS 76th round (July 2018-December 2018)
- Self-employed non-agricultural households in both urban and rural areas from Periodic Labour Force Survey (PLFS) dated July 2019-June 2020
- Proportion of self-employed households, which are staying in their own pucca or semi-pucca home (which can be taken as a collateral by financiers) from NSS 76th round (July 2018-December 2018)

Based on our analysis and assumptions detailed in the figure below, small ticket size secured (SORP – Self occupied residential property) MSME lending market potential is estimated at ₹ 22 trillion. Players such as SK Finance Limited, SBFC Finance Limited, Five Star Business Finance Limited, Vistaar Financial Services Private Limited, Veritas Finance Private Limited, and AU Small Finance Bank Limited currently operate in this market; our analysis indicates the Addressable Market available for these players. The top 8 states which includes Uttar Pradesh, West Bengal, Bihar, Maharashtra, Rajasthan, Tamil Nadu, Gujarat and Madhya Pradesh together account for more than 60% of the addressable market.

Addressable market estimation methodology for secured MSME loans given to non-agriculture self-employed households with residential self-occupied property as collateral (Fiscal 2021)



Source: NSS 73rd round (July 2015 – June 2016) and NSS 76th round (July 2018 – December 2018), CRISIL MI&A

While the latent market opportunity is indeed significant, we observe that there are not many formal financiers who cater to this segment and have built scale. This can be attributed to the high cost of serving the market and the time it takes to build expertise, the requirement of having a strong knowledge of the local market and regional dynamics, and the challenges associated with building a credit underwriting model for non-income proof customers and collections infrastructure. However, likelihood of default in respect of self-occupied residential properties is lower.

Most small businesses in India do not maintain documents such as income proof, business registration, GST registration, income tax filings, and bank statements, making credit assessment challenging. To illustrate, as per GST council data, only 13.7 million enterprises across various size dimensions were registered under GST as of May 2022. Hence, these businesses have limited or no access to formal credit from banks and financial institutions due to the requisite documentation and stringent underwriting norms.

Examples of such businesses include provision stores, building materials stores, tea shops, vegetable vendors and others. The small business in manufacturing and services include small fabrication units, machine tools manufacturers (using lathe machines), tailors, saloons, Gym owners, vehicle service centres, etc.

State wise split of addressable market

Top 15 states	Total Households ('000)	Total Non-agri Self Employed Households ('000)	Total Non-agri Self Employed Households - SORP ('000)	Total Non-agri Self Employed Households - SORP - Pucca + Semi Pucca ('000)	Secured MSME Addressable Market Size with ATS < ₹ 0.5 million (₹ billion)	% of secured MSME addressable market size with ATS < ₹ 0.5 million	Secured MSME Portfolio Outstanding (ATS < ₹ 0.5 million) September 2023 (₹ billion)	Share of Secured MSME Portfolio Outstanding (ATS < ₹ 0.5 million) September 2023
Uttar Pradesh	38,224	7,776	7,023	6,674	3,337	14.96%	16.95	4.56%
West Bengal	23,781	5,923	5,143	4,849	2,424	10.86%	9.01	2.42%
Bihar	19,960	4,498	4,270	3,953	1,976	8.86%	1.85	0.50%
Maharashtra	24,120	4,353	3,316	3,270	1,635	7.33%	58.13	15.63%
Rajasthan	13,384	3,075	2,743	2,685	1,342	6.01%	33.07	8.89%
Tamil Nadu	20,200	3,715	2,584	2,523	1,262	5.66%	51.73	13.91%
Gujarat	13,064	3,188	2,471	2,428	1,214	5.44%	36.05	9.69%
Madhya Pradesh	15,251	2,360	1,988	1,922	961	4.31%	23.77	6.39%
Andhra Pradesh	14,279	2,677	1,956	1,895	947	4.24%	33.14	8.91%
Kerala	8,577	1,988	1,795	1,789	895	4.01%	13.23	3.56%
Karnataka	14,928	2,740	1,822	1,786	893	4.00%	31.64	8.51%
Assam	6,740	1,965	1,702	1,660	830	3.72%	1.34	0.36%
Odisha	10,401	1,909	1,647	1,415	707	3.17%	3.12	0.84%
Punjab	5,922	1,636	1,415	1,409	705	3.16%	7.90	2.12%
Telangana	9,793	1,788	1,205	1,188	594	2.66%	22.15	5.95%
Haryana	5,216	1,174	1,000	997	499	2.23%	9.31	2.50%
Delhi	4,255	1,122	766	760	380	1.70%	6.19	1.66%
Chhattisgarh	5,664	748	624	613	306	1.37%	3.31	0.89%
Uttarakhand	2,129	426	340	335	167	0.75%	3.28	0.88%
Himachal Pradesh	1,735	259	214	214	107	0.48%	0.49	0.13%
Others	13,485	2,856	2,373	2,261	1,131	5.08%	6.34	1.88%
All India	**2,71,105**	**56,115**	**46,397**	**44,624**	**22,312**	**100%**	**372.00**	**100%**

Note: States are arranged in order of Addressable market size,

Source: NSS 73rd round (July 2015 – June 2016) and NSS 76th round (July 2018 – December 2018), Periodic Labour Force Survey (PLFS) dated July 2019-June 2020, CRISIL MI&A

Key Industry Parameters

	Large diversified NBFCs	NBFCs offering secured business loans backed by property as collateral	Banks (PSUs and Private)	SFBs
Average ticket size	₹ 1.2 million to ₹ 2.5 million	₹ 0.3 million to ₹ 1 million	₹ 2 million to ₹ 3.7 million	₹ 0.5 million to ₹ 1 million
Nature of loans	Secured: 50-60%	Secured: 100%	Secured: (80-90%)	Secured: (80-90%)
Average interest rate	18-20%	20-25%	10-15%	12-18%
Average contractual tenure	36-60 months	60-96 months	30-60 months	12-36 months
Average GNPA (as of September 2023)	2.93%	2.21%	3.2%	2.43%
NIMs (First half of Fiscal 2024)	9.4%	14.5%	3.6%	7.9%

	Large diversified NBFCs	NBFCs offering secured business loans backed by property as collateral	Banks (PSUs and Private)	SFBs
Credit cost (First half of Fiscal 2024)	2.0%	1.0%	0.5%	1.0%
Cost to Income Ratio (First half of Fiscal 2024)	38%	40%	50%	60%
RoA (First half of Fiscal 2024)	3.8%	6.2%	1.2%	2.3%
Return on Equity ("**RoE**") (First half of Fiscal 2024)	18.3%	14.6%	12.9%	19.1%
Documentation	Financial Statements, P&L Account, Balance Sheets, Bank Statements	Combination of traditional and non-traditional sources. Use of information available in public and private domains.	Income statements, ID Proof, KYC documents, Bank Statements	Income statements, ID Proof, KYC documents, Bank Statements.

Source: Financial Stability Report (December 2023), Report on trend and progress of banking in India (2022-23), Company Reports, CRISIL MI&A

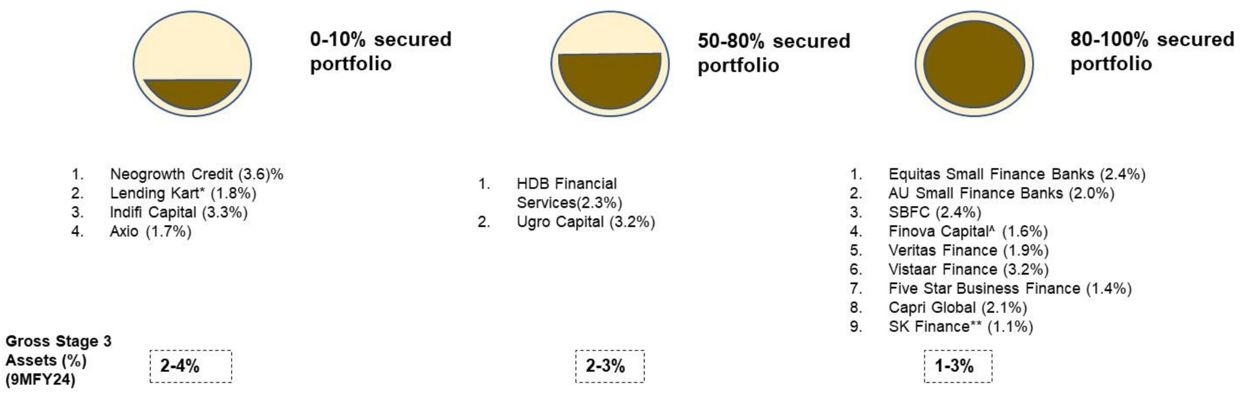
Within NBFCs, there are players that operate at relatively higher ticket sizes and offer both secured and unsecured business loans. These NBFCs offer loans at the most competitive rates among other NBFCs, target customers that are relatively better in terms of credit profile and have lower cost of borrowings compared to other NBFCs. Compared to these, NBFCs that have singular focus on business loans or have significant proportion of business loans in their unsecured portfolio and operating at ticket sizes of less than ₹ 1.0 million offer loans at a higher rate due to much riskier customer profile. Fintech firms with NBFC license and SFBs are other players that operate in the MSME loans landscape.

Comparison of various NBFCs/SFBs based on yield on advances and average ticket size

	Yield less than 18%	Yield between 18% and 22%	Yield more than 22%
Average ticket size more than or equal to ₹ 1.0 million	Fedbank Financial Services Limited Ugro Capital Limited Capri Global Capital Limited Poonawalla Fincorp Limited	Bajaj Finance Limited	IIFL Finance Limited Neogrowth Credit Private Limited
Average ticket size less than ₹ 1.0 million	AU Small Finance Bank Limited SBFC Finance Limited	Equitas Small Finance Bank Limited Vistaar Financial Services Private Limited SK Finance Limited	Veritas Finance Private Limited Five-Star Business Finance limited Aye Finance Private Limited Lendingkart Finance Limited Finova Capital Private Limited Kinara Capital Private Limited*

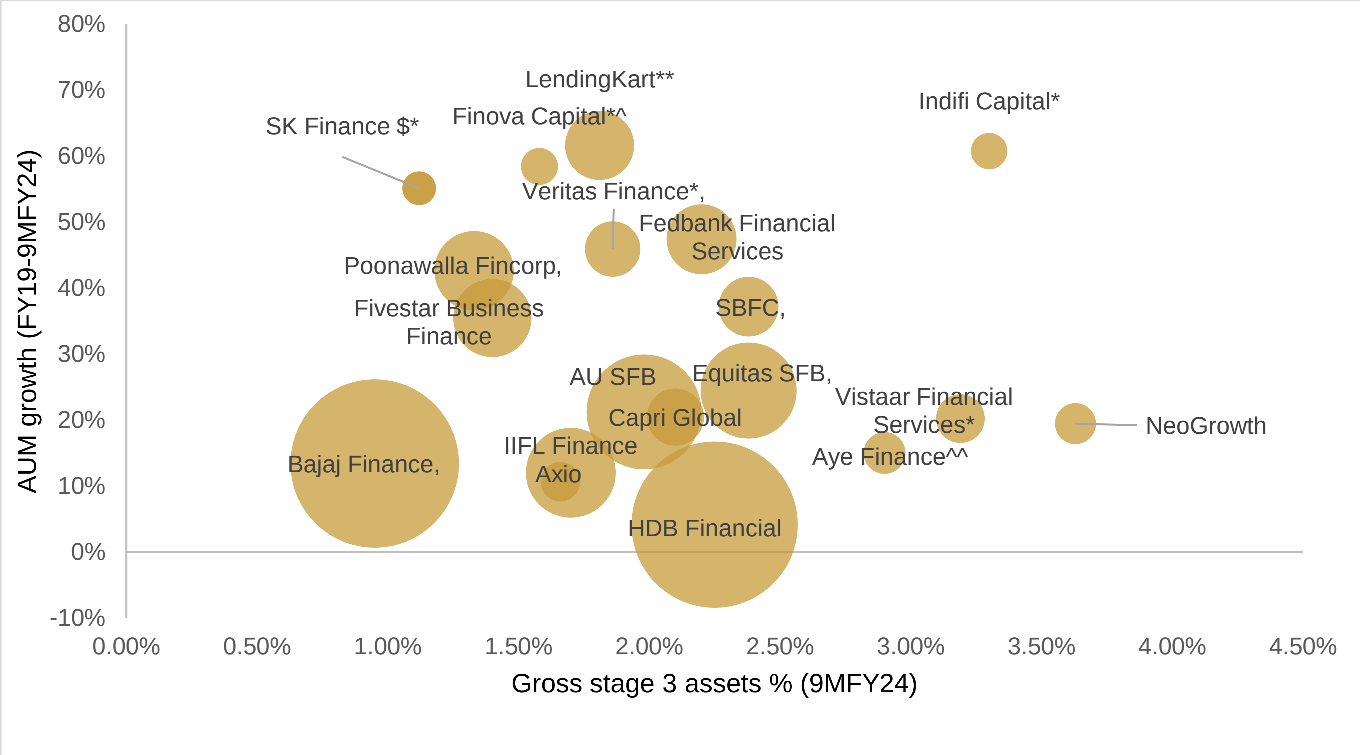
Note: (*) Based on Fiscal 2023 data, Yield on advances based on overall portfolio of the company. Source: Company Reports, CRISIL MI&A

Comparison of players based on secured and unsecured loans mix in small business loans



Note: Gross stage 3 assets (%) on overall portfolio, (*) Gross stage 3 assets as of March 2023, (^) Gross stage 3 assets as of September 2023, (**) For MSME portfolio
Source: Company reports, CRISIL MI&A

Comparison of various MSME players based on MSME portfolio size, MSME portfolio growth (Fiscal 2019- 9M Fiscal 2024) and Gross Stage 3 assets (%) (For the nine months period ended December 31, 2023)



Note: Size of the bubble denotes relative size of the MSME loan portfolio as of December 2023
(*) AUM as of September 2023, (^) AUM and gross stage 3 assets (%) as of September 2023, (^^) AUM as of March 2023, (**) gross stage 3 assets as of March 2023, CAGR calculated from Fiscal 2018-9M Fiscal 2024.*
($) Gross stage 3 asset (%) for MSME portfolio as of December 2023
Source: Company Reports, CRISIL MI&A

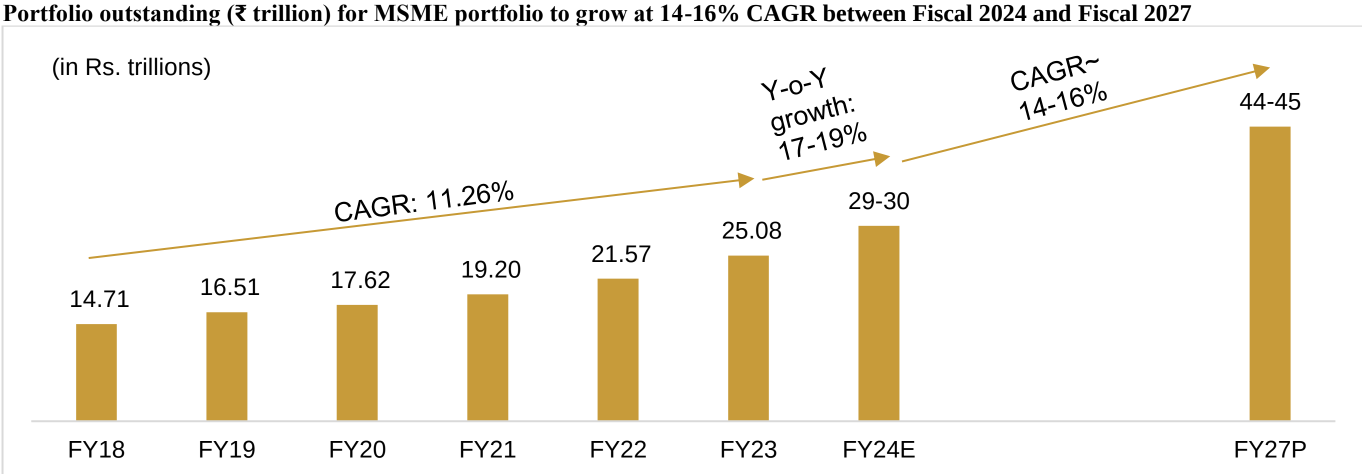
Moreover, compared to different loan products like affordable housing loans, microfinance loans, vehicle loans and personal loans, small ticket size MSME loans is one of the most attractive asset classes offering competitive yields over a medium tenure with good collateral quality and a lower default risk as the loans are secured predominantly with SORP (Self Occupied Residential Property).

MSME loans witnessed strong growth of 11% CAGR between Fiscal 2018 and Fiscal 2023

In this section, CRISIL MI&A has considered loans extended to MSMEs as reported in the commercial bureau.

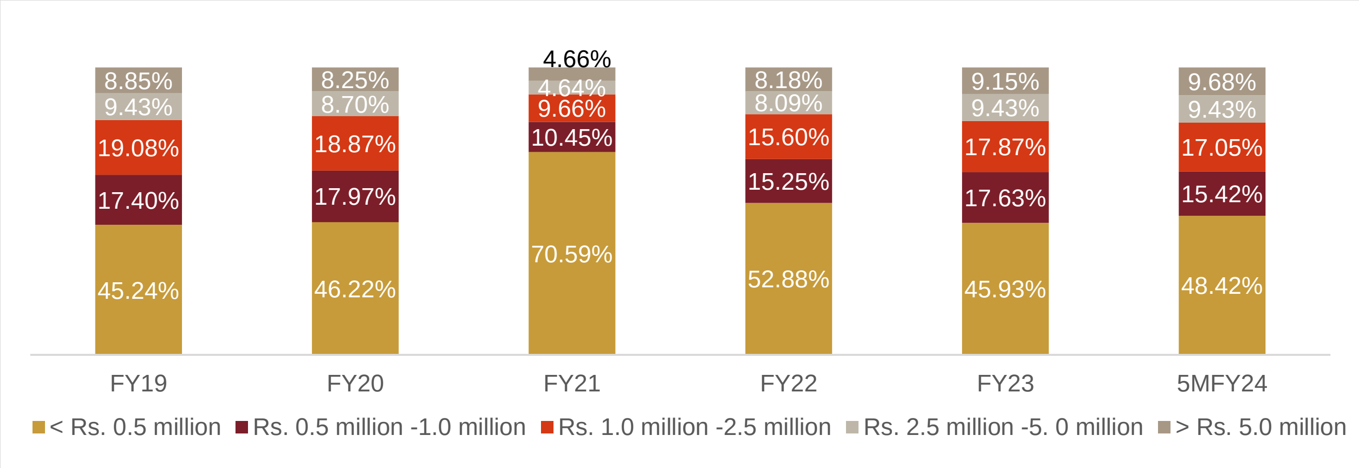
The two pandemic waves were particularly tough for the MSMEs on account of no or fewer economic activities. The pandemic led frequent lockdowns and restrictions interrupted supply chains, demand and hence profitability of the MSMEs hence impacting the MSME portfolio outstanding. During Fiscal 2023, the economy normalised with industrialisation and urbanisation picking up. As a result, revenue increased 19-21% for corporate India, while for SMEs the growth was in the range of 11-13%. In line with the overall growth, MSME portfolio increased by 16.28% year-on-year in Fiscal 2023. CRISIL MI&A expects MSME portfolio to grow by 17-19% in Fiscal 2024 to reach ₹ 29 to ₹ 30 trillion on account of increased bank lending and lender focus on the particular asset class.

Portfolio outstanding (₹ trillion) for MSME portfolio to grow at 14-16% CAGR between Fiscal 2024 and Fiscal 2027



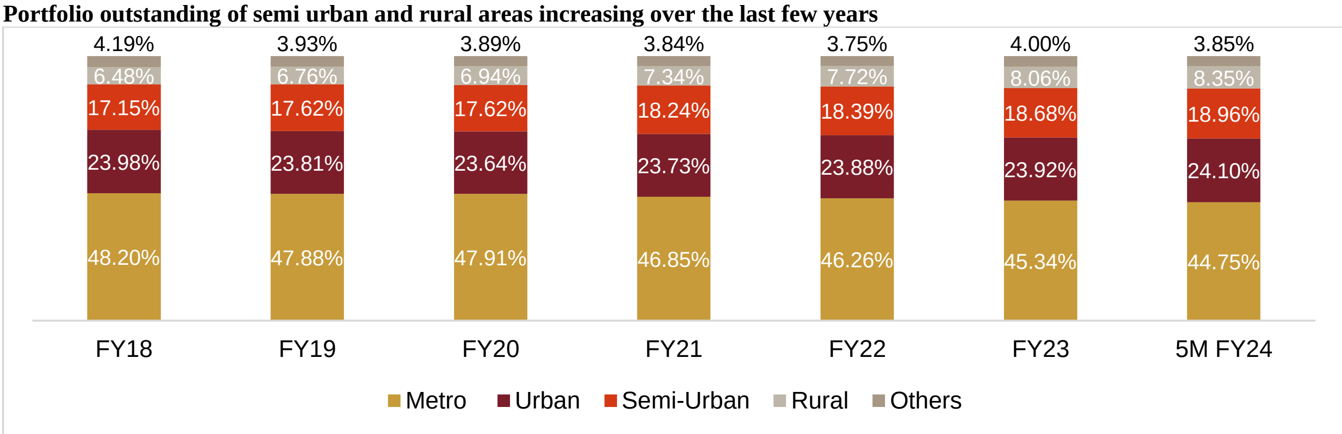
Note: E: Estimated, P: Projected, MSME portfolio outstanding as reported in the commercial bureau for the following borrower types: very small, micro, small and medium.
Source: TransUnion CIBIL, CRISIL MI&A

Share of lower ticket size (loan volume) has been increasing over the past four years



Note: MSME portfolio outstanding as reported in the commercial bureau for the following borrower types: very small, micro, small and medium.
Source: TransUnion CIBIL, CRISIL MI&A

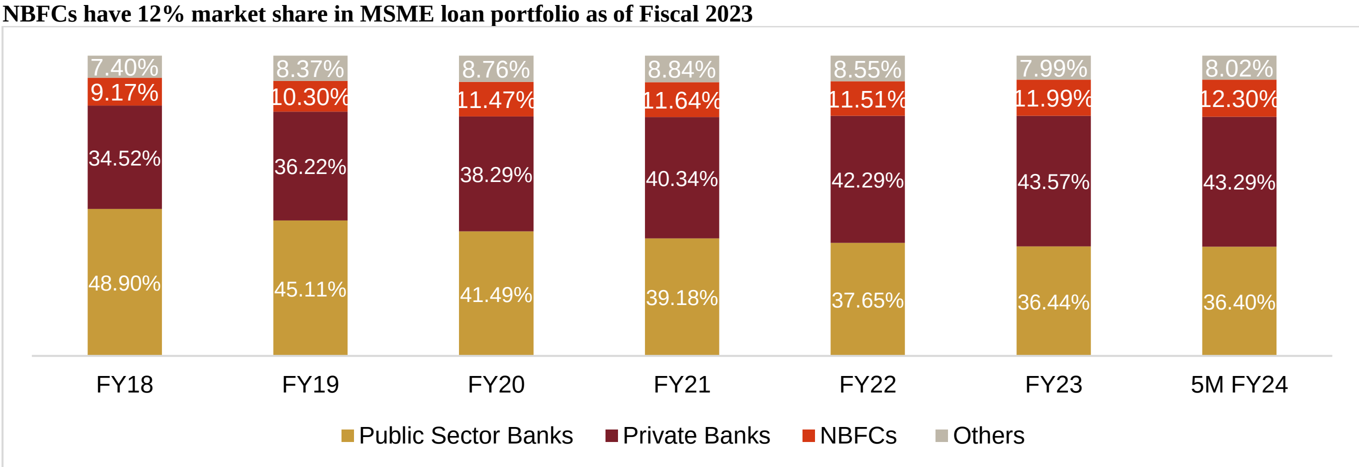
Portfolio outstanding of semi urban and rural areas increasing over the last few years



Note: MSME portfolio outstanding as reported in the commercial bureau for the following borrower types: very small, micro, small and medium.
Source: TransUnion CIBIL, CRISIL MI&A

NBFCs have managed to carve out a strong presence in MSME loans due to their focus on serving the needs of the customer segment, faster turnaround time, customer service provided and expansion in geographic reach. Over the years, the MSME portfolio of NBFCs have grown at a faster rate than the overall MSME portfolio at a systemic level. Thus, the share of NBFCs in total credit to MSMEs has increased to 12.30% at end of 5M Fiscal 2024 from 9.17% as of Fiscal 2019. Going forward CRISIL MI&A expects the competitive positioning of NBFCs to remain strong, given their strong target customer and product focus.

NBFCs have 12% market share in MSME loan portfolio as of Fiscal 2023

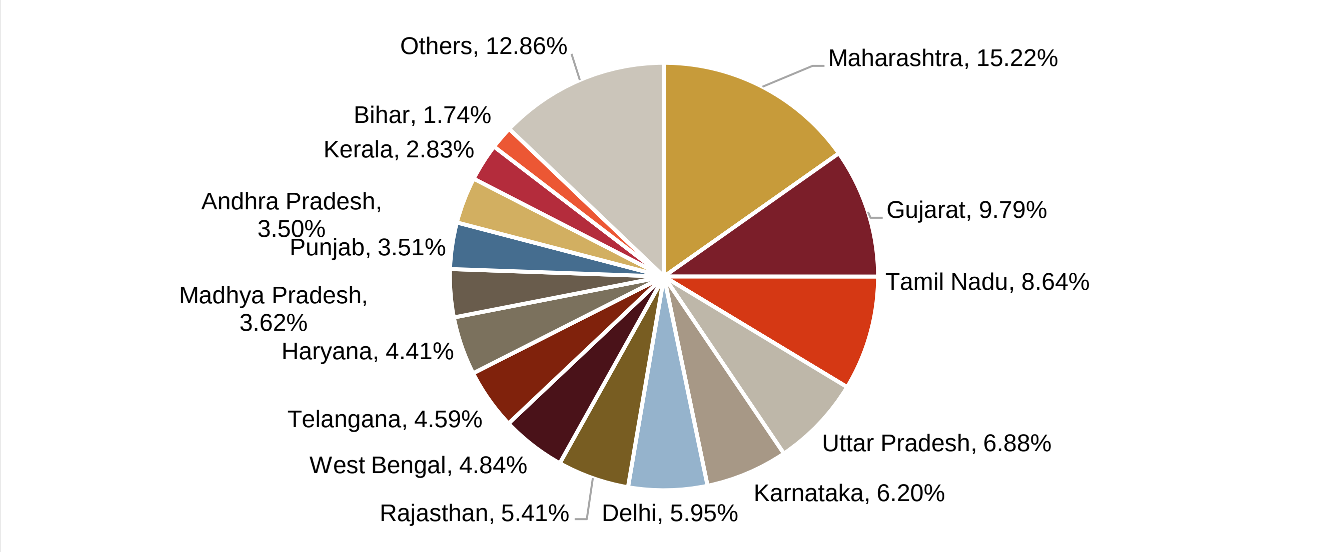


Note: MSME portfolio outstanding as reported in the commercial bureau for the following borrower types: very small, micro, small and medium.
Others include foreign banks, SFBs, Cooperative banks and RRBs.Source: TransUnion CIBIL, CRISIL MI&A

State-wise analysis of MSME loans

The MSME loans portfolio has been growing strongly with a CAGR of 11.26% between Fiscal 2018 and Fiscal 2023. Based on the value of MSME loans, the top 15 states accounted for approximately 87% of the market size in this segment as of August 2023. Maharashtra tops the list with the highest share of 15.22%, followed by Gujarat (9.79%), Tamil Nadu (8.64%), Uttar Pradesh (6.88%), Karnataka (6.20%), Delhi (5.95%), Rajasthan (5.41%), West Bengal (4.84%), Telangana (4.59%), Haryana (4.41%) and Madhya Pradesh (3.62%).

Top 15 states account for approximately 87% of MSME portfolio



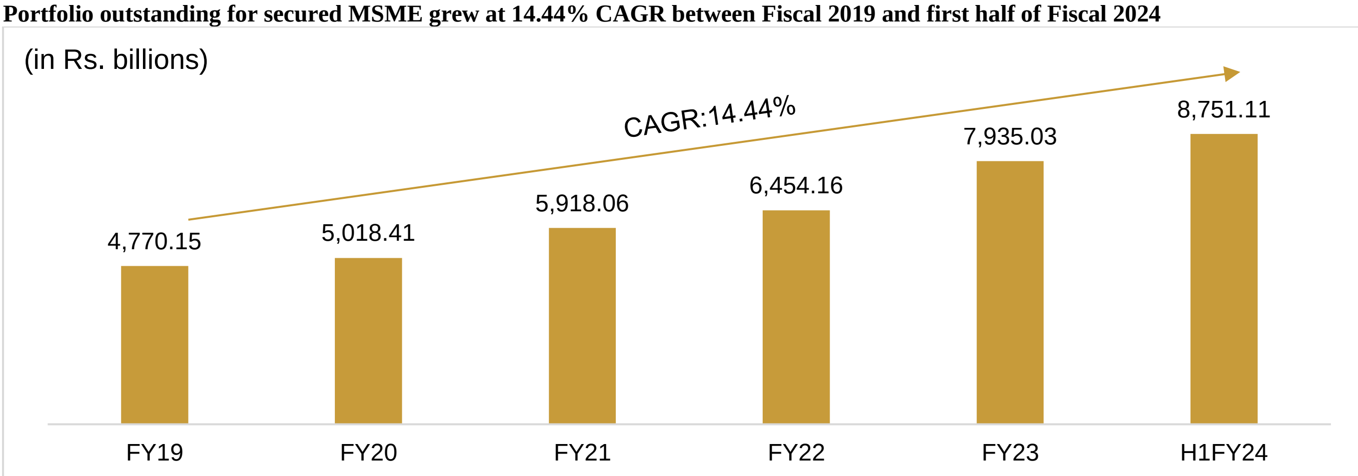
Note: MSME disbursements as reported in the commercial bureau for the following borrower types: very small, micro, small and medium.
Source: TransUnion CIBIL, CRISIL MI&A

Secured MSME loans with ticket wise less than ₹ 0.5 million witnessed high growth within the overall secured MSME portfolio

In this section, CRISIL MI&A has considered secured MSME loans (LAP) with ticket size < ₹ 0.5 million extended to MSMEs, and individuals as reported in the consumer bureau. CRISIL MI&A estimates such outstanding secured MSME loans given out by banks and NBFCs to be around ₹ 372 billion, representing 4% of overall secured MSME loans outstanding, as of September 2023.

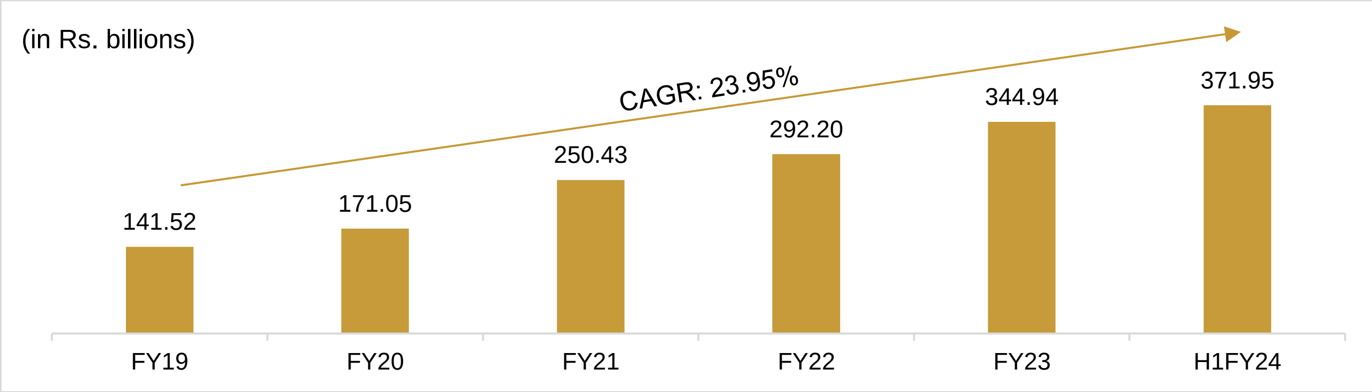
Secured MSME loans in the < ₹ 0.5 million ticket size band grew at a strong pace with portfolio registering a CAGR of 24% over Fiscal 2019 and the first half of Fiscal 2024. Over the last few years, expansion in branch network, more data availability and government initiatives like GST, UDYAM, and increasing formalisation of the MSME segment has led to increasing focus of lenders, especially the NBFCs, on this space. NBFCs and HFCs cumulatively enjoyed a market share of 46% as of September 2023 in loans outstanding in the aforesaid ticket size band.

Portfolio outstanding for secured MSME grew at 14.44% CAGR between Fiscal 2019 and first half of Fiscal 2024



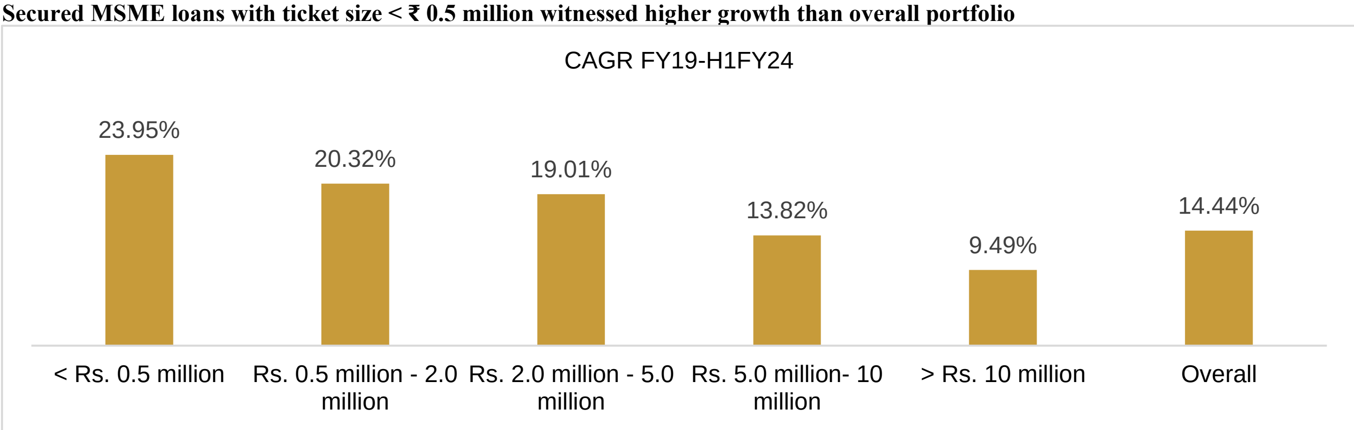
Note: Data includes overall secured MSME loans as reported in the consumer bureau
Source: TransUnion CIBIL, CRISIL MI&A

Portfolio outstanding for secured MSME (ticket size < ₹ 0.5 million) grew faster at 23.95% CAGR between Fiscal 2019 and first half of Fiscal 2024



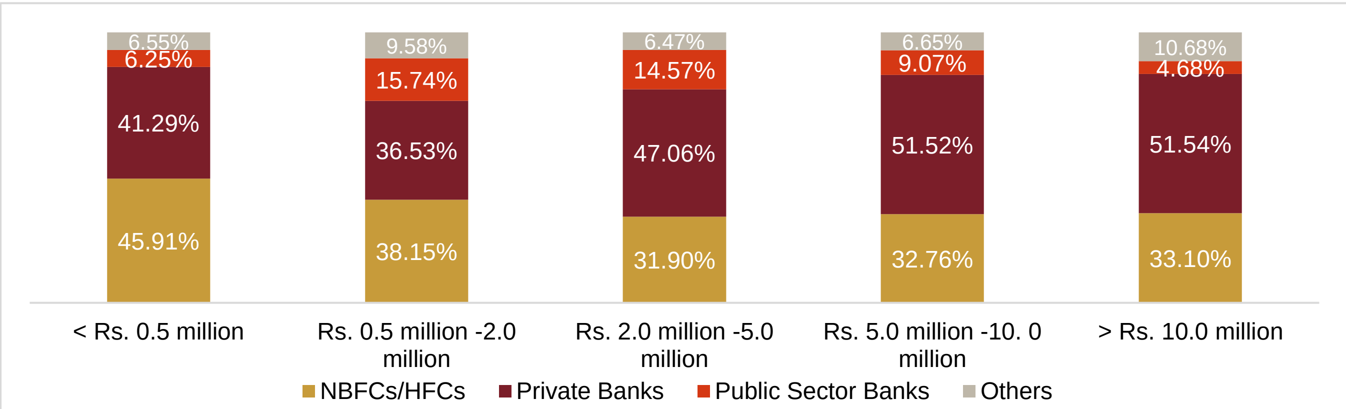
Note: Data includes overall secured MSME loans (< ₹ 0.5 million ticket size) as reported in the consumer bureau
Source: TransUnion CIBIL, CRISIL MI&A

Secured MSME loans with ticket size < ₹ 0.5 million witnessed higher growth than overall portfolio



Note: Data includes overall secured MSME loans as reported in the consumer bureau
Source: TransUnion CIBIL, CRISIL MI&A

NBFCs have 45.91% market share for ticket size less than < ₹ 0.5 million (first half of Fiscal 2024)

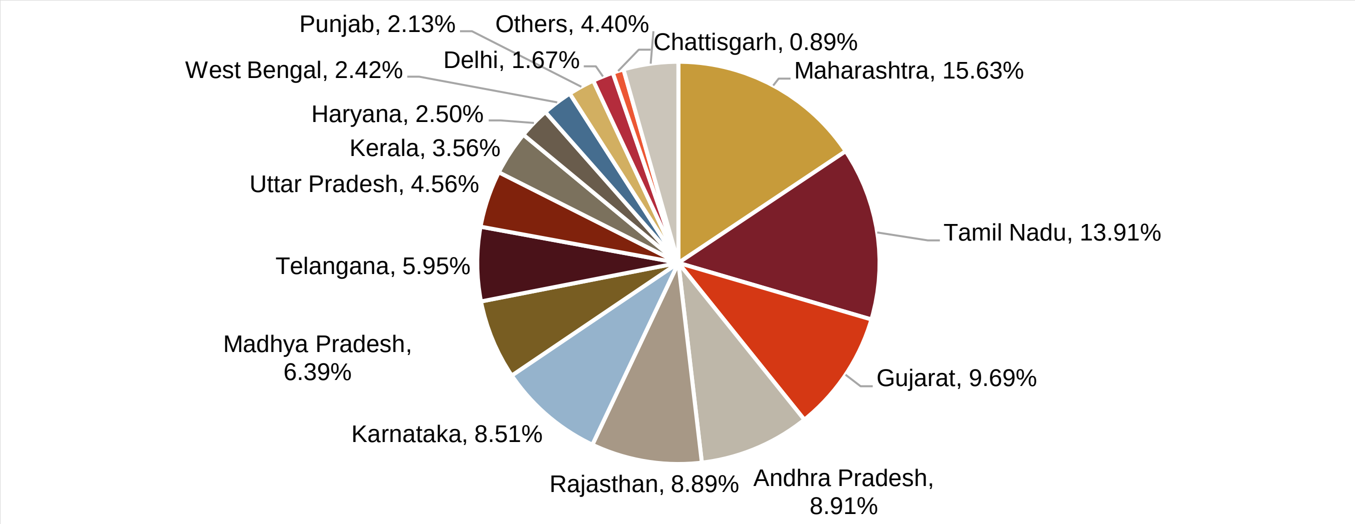


Note: (1) Data includes secured MSME loans as reported in the consumer bureau, (2) Others include players like foreign banks, SFBs, co-operative banks and regional rural banks
Source: TransUnion CIBIL, CRISIL MI&A

State-wise analysis of loans with ticket size < ₹ 0.5 million

The secured MSME loans portfolio has been growing strongly with a CAGR of 14% between Fiscal 2019 and first half of Fiscal 2024. Based on the value of MSME loans with ticket size less than ₹ 5 lakhs outstanding, the top 15 states accounted for 96% of the market size in this segment as of September 2023. Maharashtra tops the list with the highest share of 15.63%, followed by Tamil Nadu (13.91%), Gujarat (9.69%), Andhra Pradesh (8.91%), Rajasthan (8.89%) and Karnataka (8.51%).

Top 15 states account for 96% of secured MSME portfolio (ticket size < ₹ 0.5 million) (September 2023)

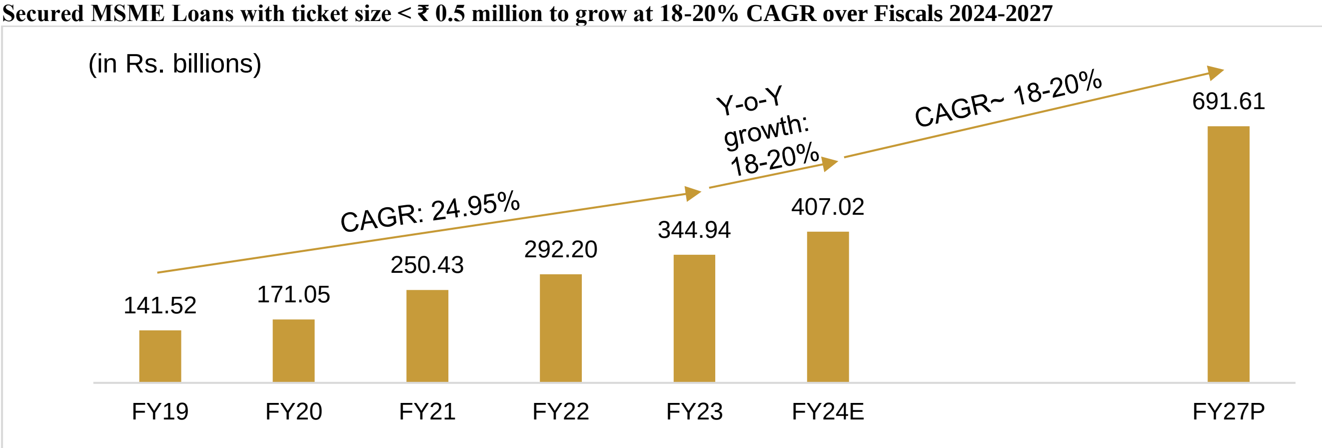


Note: Includes secured MSME loans of ticket size less than ₹ 0.5 million as reported in the consumer bureau.
Source: TransUnion CIBIL, CRISIL MI&A

Secured MSME loans < ₹ 0.5 million to continue to grow at a strong pace

There is a huge demand supply gap in the secured MSME loan segment, especially in lower ticket size segments. With increasing presence of MSME lenders in smaller cities and rising focus of lenders on underserved target customer segment, loan portfolio is expected to see a strong growth in future. Going forward, CRISIL MI&A expects the portfolio of secured MSME loans with ticket size < ₹ 0.5 million to grow at 18-20% CAGR over Fiscal 2024 and Fiscal 2027 aided by increasing focus and higher penetration of lenders for such loans, enhanced availability of data thereby increasing lender comfort while underwriting such loans, enhanced use of technology, newer players entering the segment, and continued government support.

Secured MSME Loans with ticket size < ₹ 0.5 million to grow at 18-20% CAGR over Fiscals 2024-2027

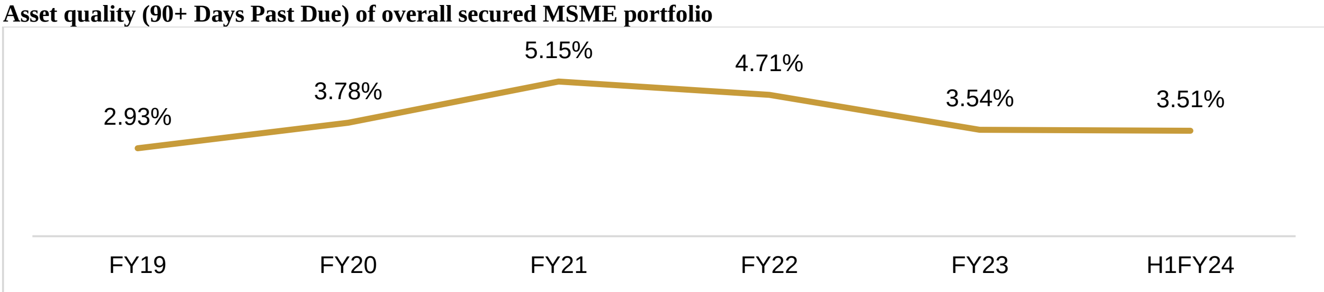


Note: E: Estimated, P: Projected, Includes secured MSME loans of ticket size less than ₹ 0.5 million as reported in consumer bureau,
Source: TransUnion CIBIL, CRISIL MI&A

Asset quality (90+ Days Past Due) for overall secured MSME loans at 3.51% as of first half of Fiscal 2024

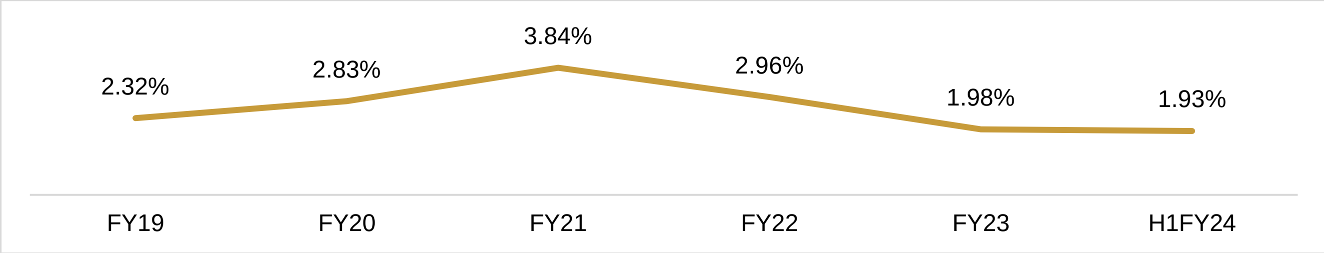
Over the past few years, asset quality for MSME loans has been deteriorating across the broad, and secured MSME loans. Moreover, due to COVID-19, income of the borrowers was impacted severely in Fiscal 2021, which led to rise in GNPA numbers whose effect can be witnessed in Fiscal 2022. However, asset quality (90+ DPD) ratio for overall secured MSME portfolio improved to 3.54% in Fiscal 2023 from 5.15% in Fiscal 2021.

Asset quality (90+ Days Past Due) of overall secured MSME portfolio



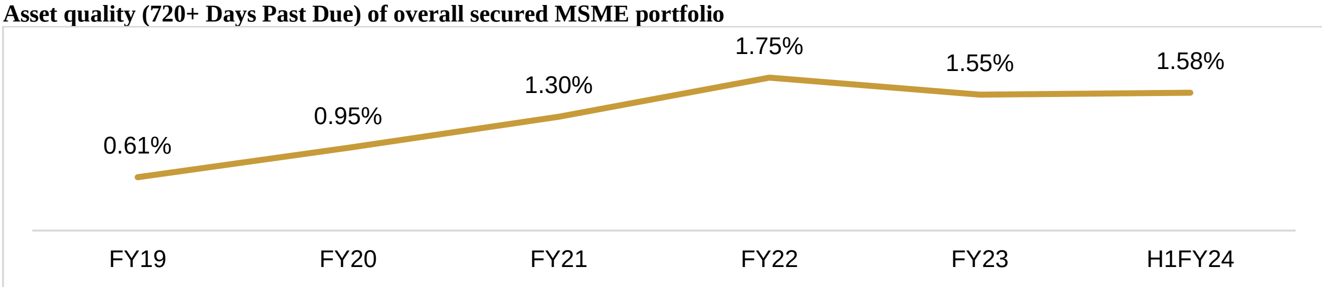
Note: Data Includes secured MSME loans as reported in consumer bureau, GNPA includes 90 days past due portfolio
Source: TransUnion CIBIL, CRISIL MI&A

Asset quality (90-720 Days Past Due) of overall secured MSME portfolio



Note: Data Includes secured MSME loans as reported in consumer bureau.
Source: TransUnion CIBIL, CRISIL MI&A

Asset quality (720+ Days Past Due) of overall secured MSME portfolio



Note: Data Includes secured MSME loans as reported in consumer bureau.
Source: TransUnion CIBIL, CRISIL MI&A

Asset quality (90+ Days Past Due) across various ticket sizes

Ticket size	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
< ₹ 0.5 million	5.16%	5.94%	7.05%	6.87%	4.83%	4.50%
₹ 0.5 – 2.0 million	2.74%	3.46%	4.46%	4.03%	3.35%	3.44%
₹ 2.0 – 5.0 million	2.55%	3.14%	4.35%	3.68%	2.88%	2.99%
₹ 5.0 million- 10 million	2.59%	3.21%	4.59%	4.11%	3.15%	3.08%
> ₹ 10 million	3.08%	4.17%	5.82%	5.57%	3.97%	3.84%
Overall (90+ DPD)	**2.93%**	**3.78%**	**5.15%**	**4.71%**	**3.54%**	**3.51%**

Note: Data Includes secured MSME loans as reported in consumer bureau, GNPA includes 90 days past due portfolio
Source: TransUnion CIBIL, CRISIL MI&A

Asset quality (90 – 720 Days Past Due) across various ticket sizes

Ticket size	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
< ₹ 0.5 million	3.72%	4.54%	5.47%	4.81%	3.28%	2.86%
₹ 0.5 – 2.0 million	2.20%	2.78%	3.66%	3.04%	2.28%	2.28%
₹ 2.0 – 5.0 million	2.03%	2.41%	3.37%	2.51%	1.75%	1.84%
₹ 5.0 million- 10 million	2.06%	2.43%	3.44%	2.54%	1.83%	1.78%
> ₹ 10 million	2.44%	3.00%	4.10%	3.06%	1.84%	1.73%
Overall (90-720 DPD)	2.32%	2.83%	3.84%	2.96%	1.98%	1.93%

Note: Data Includes secured MSME loans as reported in consumer bureau, GNPA includes 90-720 days past due portfolio
Source: TransUnion CIBIL, CRISIL MI&A

Asset quality (720+ Days Past Due) across various ticket sizes

Ticket size	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First half of Fiscal 2024
< ₹ 0.5 million	1.45%	1.40%	1.57%	2.05%	1.55%	1.64%
₹ 0.5 – 2.0 million	0.54%	0.68%	0.80%	0.98%	1.07%	1.16%
₹ 2.0 – 5.0 million	0.52%	0.73%	0.98%	1.18%	1.13%	1.15%
₹ 5.0 million- 10 million	0.53%	0.78%	1.15%	1.57%	1.32%	1.30%
> ₹ 10 million	0.64%	1.16%	1.72%	2.51%	2.12%	2.11%
Overall (720+ DPD)	0.61%	0.95%	1.30%	1.75%	1.55%	1.58%

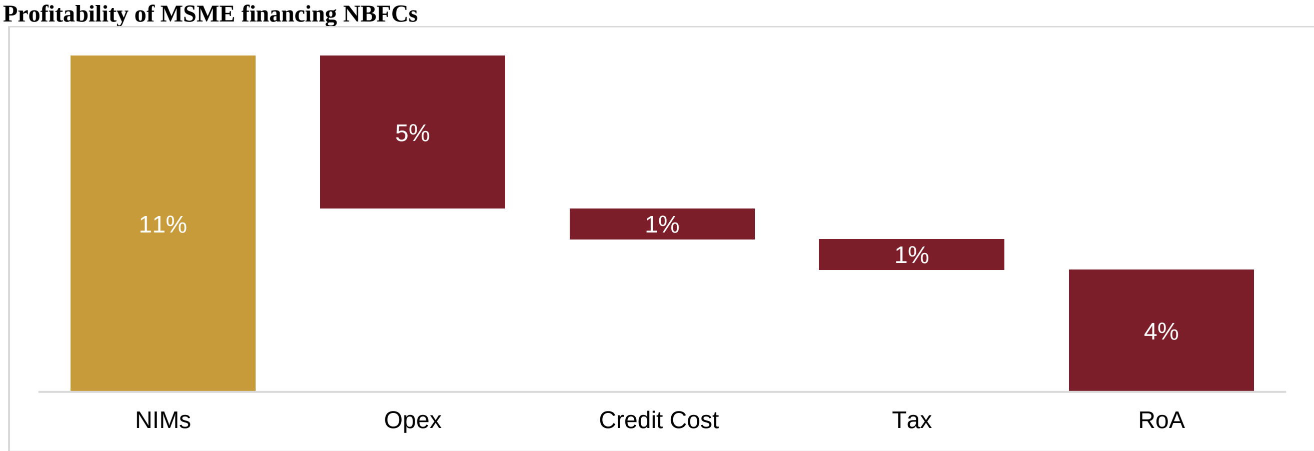
Note: Data Includes secured MSME loans as reported in consumer bureau, GNPA includes 720 days past due portfolio
Source: TransUnion CIBIL, CRISIL MI&A

Going forward, while the incomes of borrowers is expected to improve, cost pressures are likely to constrain the profitability of MSMEs. Given expected income, cash flow growth and increased recoveries, GNPA levels have moderated in Fiscal 2023. Going forward, CRISIL MI&A expects GNPA for secured MSME lending in the ticket size less than ₹ 0.5 million to moderate further in Fiscal 2024 due to continued improvement in economic activities, better collection efficiency and faster credit growth.

NBFC profitability in MSME improved in Fiscal 2024

NBFCs in MSME segment operate with yield in the range of 18-20%, on an average. With cost of funds being in the range of 7-8%, NIMs for this segment are in the range of 10-11%. CRISIL MI&A estimates the profitability in this segment to have increased in Fiscal 2024 (estimated ROA at approximately 4%) owing to lower credit costs and increase in interest yields.

Profitability of MSME financing NBFCs



Source: CRISIL MI&A; Profitability estimated for Fiscal 2024.

8.3. Growth drivers

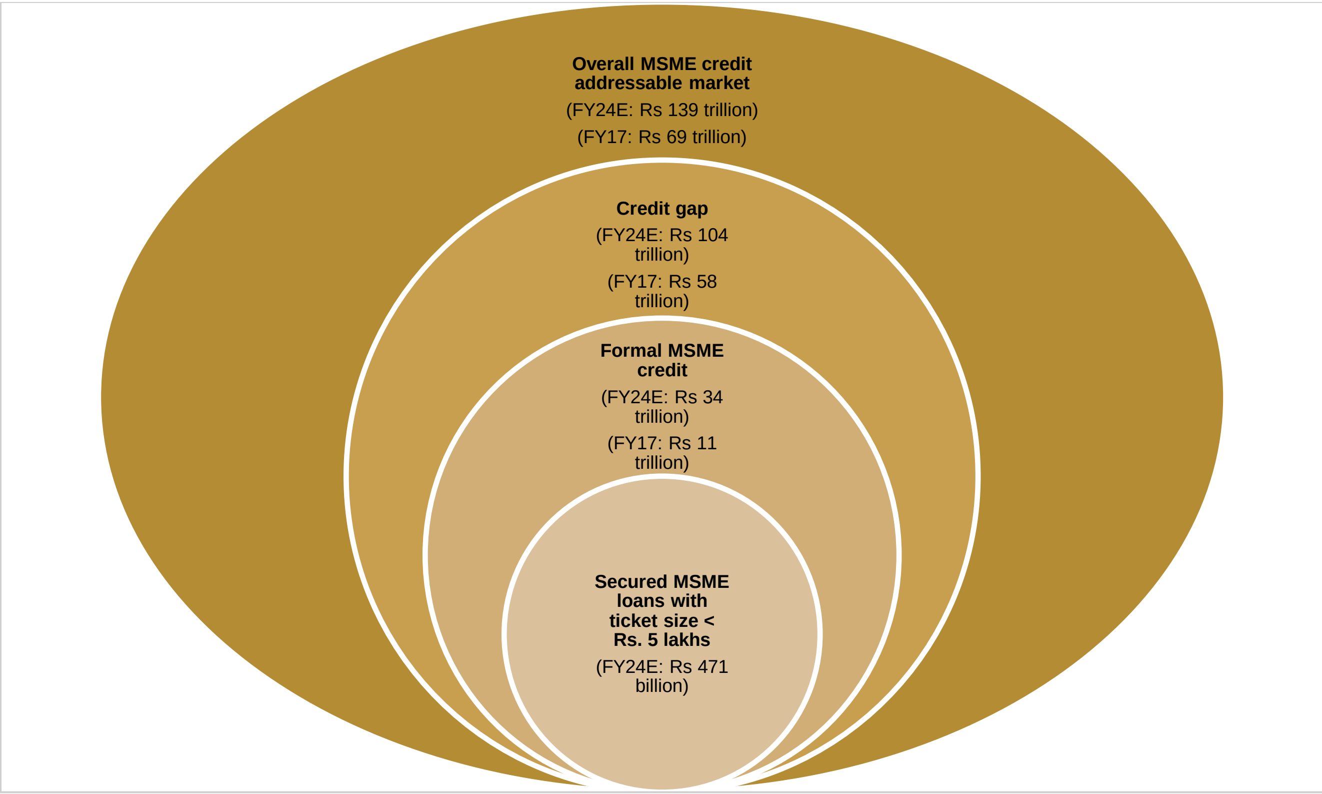
New Government Schemes

The government has special focus on the MSME sector in India on account of its economic contribution to the economy and number of people employed in the sector. MSMEs in India come under the purview of Government of India, Ministry of MSME, Khadi Village and Coir Industries Commission (KVIC). Government launched Udyam Assist Platform ("**UAP**") on January 11, 2023 to enhance formalisation of the economy. As of December 31, 2023, 1.11 crore informal micro enterprises have joined UAP to come under the formal economy. Government of India has also introduced a new scheme called 'PM Vishwakarma' aiming to improve the quality of products and services of small artisans and craftsman and ensure that their companies are a part of national and global supply chain. The scheme was launched on September 17, 2023. The initial amount to be disbursed under the scheme is ₹ 13,000 crores for five years from Fiscals 2023-2024 to 2027-2028.

High credit gap in the MSME segment

Less than 15% of approximately 70 million odd MSMEs have access to formal credit in any manner as of March 2022. High risk perception and the prohibitive cost of delivering services physically have constrained traditional institutions' ability to provide credit to underserved or unserved MSMEs and self-employed individuals historically. As a result, they resort to credit from informal sources. This untapped market offers huge growth potential for financial institutions. As stated earlier, the credit gap was estimated at around ₹ 58.4 trillion as of 2017 *(Source: IFC report named Financing India's MSMEs released in November 2018)* and is estimated to have widened further to around ₹ 104 trillion as of Fiscal 2024.

Secured MSME loans with ticket size < ₹ 0.5 million account for only 1% of formal MSME credit indicating huge opportunity

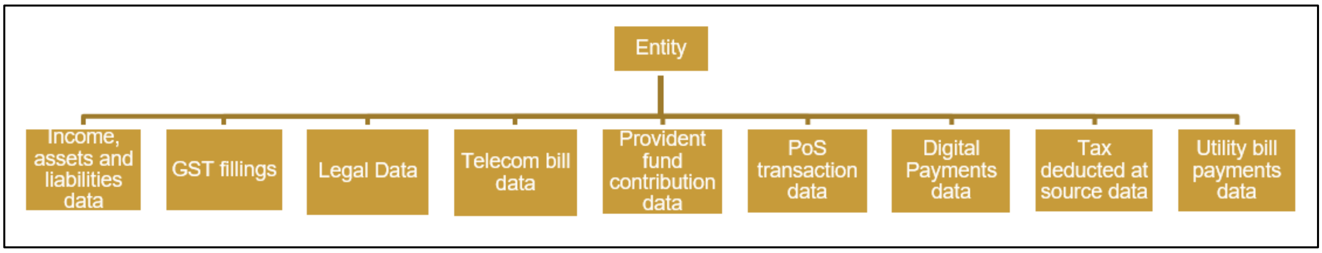


Note: Overall formal MSME credit given above includes all kinds of secured and unsecured loans given to MSMEs across ticket sizes by organised lenders.
Source: MSME Ministry Annual report for Fiscal 2021, IFC report on Financing India's MSMEs dated November 2018, CRISIL MI&A

Increased data availability and transparency

With increased digital initiatives by the MSMEs, the shift towards their formalisation and digitisation has created a plethora of data points for lenders that would help improve the efficacy of credit assessment and gradually enable provision of credit to hitherto underserved customer segments. For example, within UPI, the quantum of person-to-merchant payments has zoomed from ₹ 6.2 trillion in Fiscal 2021 to ₹ 30.7 trillion in Fiscal 2023 and as of nine months ended December 31, 2023 reached around ₹ 35.6 trillion. UPI has increased banking transactions materially, impacting significant increase in tax compliance. This increase has created a digital footprint of customers, which can be potentially used for credit decision making, along with other relevant parameters such as customer demographics, business details, credit score, and personal situation of the borrower. Demonetisation and GST have further accelerated formalization of the Indian economy.

Multiple data points can be used for credit assessment

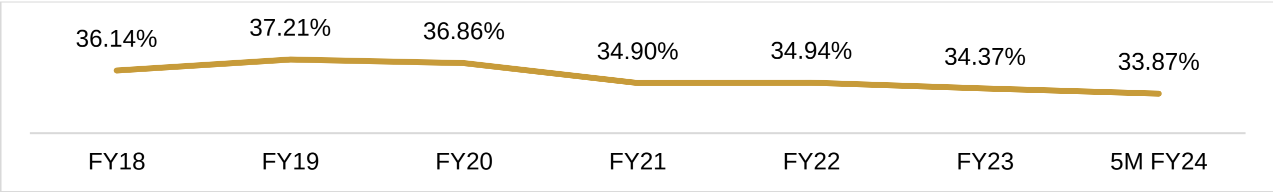


Source: CRISIL MI&A

Growth in branch network of players in MSME segment

Over past few years, players offering MSME loans have expanded their branch network with the intent to serve a larger customer base. Share of borrowers from top cities in India has been on a declining trend indicating that lenders are shifting their focus on MSMEs in rural and semi urban areas. In the future also, CRISIL MI&A expects lenders with a strong focus on MSME lending and healthy competitive positioning to continue to invest in branch expansion. With increasing branch network, customer acquisition and credit penetration, share of MSME loans is also expected to increase.

Share of MSME borrowers (%) from top 50 cities in India



Note: Top 50 cities chosen according to population from Census 2011.
Source: TransUnion CIBIL, Census 2011, CRISIL MI&A

Increasing competition with entry of new players and partnerships between them

More players in consumer-facing businesses with a repository of data (such as e-commerce companies and payment service providers) are expected to enter the lending business, intensifying competition. For example, in June 2018, Amazon India launched a platform for lenders and sellers, wherein sellers can choose loan offers from various lenders at competitive rates. In August 2021, Meta (earlier known as Facebook) partnered with Indifi Technologies to provide loans to small businesses that advertise on its platform. Lenders are increasing the use of digital platforms to help automate and digitize loan sanctioning process however the borrower is required to possess documents for the initial clearance as stated by the banks. Incumbent traditional lenders are expected to increasingly leverage the network of their partners and/or digital ecosystem to cross-sell products to existing customers, tap customers of other lenders, and also cater to new-to-credit customers. This is expected to expand the market for MSME loans.

Key success factors for NBFCs offering MSME Loans

- **Ability to dive into deeper geographies with a strong branch network**: Players need to have a clear and deeper understanding of their target customer segment, the markets they operate in and develop a strong local network. The deeper understanding and presence of inhouse sales team for direct sourcing within the segment also leads to lower customer churn.
- **Focussed approach to tap underserved niche borrower segments:** MSME focussed lenders need to build a portfolio with deep understanding of the target segment and market. Specific tailor-made lending products for MSMEs with easier data availability to help lenders take a focussed approach.
- **Strong underwriting capabilities**: MSMEs tend to generally be more impacted by vagaries of the business cycle given their limited financial wherewithal and/or reliance on larger buyers. On account of limited data to support credibility of the MSME borrower, lenders are now using alternate methods of underwriting like cash flow analysis to strengthen their underwriting capabilities.
- **On-the-ground presence to manage collections and maintain portfolio quality**: Additionally, given that players in the segment also cater to a relatively riskier profile, a strong focus on collections and monitoring risk of default at customer level is vital to manage asset quality. Direct Sourcing allows control over the quality of customers and processes involved for disbursement, which can lead to better asset quality, as compared to other methods of customer acquisition.
- **Collateral risk management**: Properties that are used as collateral for MSME loans sometimes lack proper property titles, especially in the outskirts of large cities, semi-urban and rural areas.

9. Peer Benchmarking

In this section, CRISIL MI&A has compared the financial and operating performance of NBFCs and SFB operating in vehicle finance and MSME finance segments in India based on the latest available data for Fiscal 2024. For analysis, CRISIL has considered following peers: SK Finance Limited (SK), Cholamandalam Investment and Finance Company Limited (Chola), Sundaram Finance Limited (Sundaram), Shriram Finance Limited (Shriram), Mahindra & Mahindra Financial Services Limited (M&M FS), Hinduja Leyland Finance Limited (HLF), AU Small Finance Bank Limited (AU), Five-Star Business Finance Limited (Five-Star), Veritas Finance Private Limited (Veritas), SBFC Finance Limited (SBFC), and Vistaar Financial Services Private Limited (Vistaar). These peers are selected based on the following:

A. Similarity in product mix – Vehicle finance NBFCs are considered as those which have more than 50% of AUM in vehicle finance, similarly MSME finance NBFCs are considered as those which have more than 50% of AUM in MSME finance. Further, a small finance bank is considered for analysis which has a similar product mix as compared to SK Finance.
B. These players have a presence in the geographies where SK Finance operates and therefore are considered as competitors.

9.1. SK Finance Limited is the fastest growing player in Vehicle & MSME segment among peers analyzed based on the Vehicle & MSME finance AUM CAGR for the period between Fiscal 2021 and Fiscal 2023

SK Finance Limited had the highest growth in vehicle finance AUM at a CAGR of 41.07% among the peers analyzed in the Vehicle Finance segment for the period between Fiscal 2021 and Fiscal 2023. Further, SK Finance Limited also had the highest growth in MSME finance AUM at a CAGR of 80.89% for the period between Fiscal 2021 and Fiscal 2023. Among Vehicle Peers, vehicle finance portfolio of Cholamandalam Investment and Finance Company Limited grew at a CAGR of 15.23% and Mahindra & Mahindra Financial Services Limited grew at 10.75% during the same period. Among MSME peers, MSME finance portfolio of SBFC Finance Limited grew at a CAGR of 62.63% and Veritas Finance Private Limited grew at 48.10% CAGR during the same period.

Player		AUM (in ₹ Millions)				CAGR (Fiscals 2021-2023)
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	
Vehicle Finance NBFCs	**Chola**	699,960	769,070	1,064,980	1,337,940	23.35%
	Vehicle finance	72.03%	68.76%	62.85%	59.52%	15.23%
	MSME finance	21.77%	23.97%	29.21%	31.47%	42.90%
	Others	6.21%	7.27%	7.94%	9.01%	39.45%

Player		AUM (in ₹ Millions)				CAGR (Fiscals 2021-2023)
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	
	HLF	272,940	260,210	302,390	N.A.	5.26%
	Vehicle finance	79.00%	77.00%	69.00%	N.A.	-1.63%
	MSME finance	13.00%	18.00%	21.00%	N.A.	33.78%
	Others	8.00%	5.00%	10.00%	N.A.	17.68%
	M&M FS	646,080	649,610	827,700	970,480	13.19%
	Vehicle finance	94.00%	93.00%	90.00%	91.00%	10.75%
	MSME finance	3.00%	3.00%	5.00%	5.00%	46.12%
	Others	3.00%	4.00%	5.00%	4.00%	46.12%
	Shriram	1,172,428	1,270,409	1,856,829	2,142,335	N.Ap.
	Vehicle finance	95.90%	97.58%	83.68%	82.02%	N.Ap.
	MSME finance	4.06%	2.37%	10.31%	10.78%	N.Ap.
	Others	0.04%	0.05%	6.01%	7.20%	N.Ap.
	Sundaram	308,820	295,320	345,520	421,720	5.78%
	Vehicle finance	90.80%	89.90%	90.50%	89.10%	5.60%
	MSME finance	N.A.	3.10%	4.10%	6.10%	N.Ap.
	Others	9.20%	7.00%	5.40%	4.80%	-18.96%
	SK	34,172	47,136	73,783	95,155	46.94%
	Vehicle finance	88.86%	86.77%	81.90%	78.03%	41.07%
	MSME finance	10.66%	12.23%	16.16%	19.30%	80.89%
	Others	0.48%	1.00%	1.94%	2.67%	197.04%
MSME Finance NBFCs	**Five-Star**	44,454	50,671	69,148	89,308	24.72%
	MSME finance	100.00%	100.00%	100.00%	100.00%	24.72%
	SBFC Finance	22,596	31,922	49,428	62,660	47.90%
	MSME finance	65.59%	72.90%	79.31%	83.72%	62.63%
	Others	34.41%	27.10%	20.69%	16.28%	14.70%
	Veritas	15,628	21,874	35,337	44,890	50.40%
	MSME finance	100.00%	100.00%	97.00%	91.00%	48.10%
	Others	0.0%	0.0%	3.00%	9.00%	N.A.
	Vistaar	20,650	24,200	31,320	34,570[#]	23.15%
	MSME finance	100.00%	86.10%	78.20%	N.A.	8.91%
	Others	0.0%	13.90%	21.80%	N.A.	N.A.
SFB	**AU**	377,120	479,950	640,720	761,770	30.34%
	Vehicle finance	39.57%	36.15%	35.71%	35.53%	23.82%
	MSME finance	42.88%	41.39%	38.71%	36.67%	23.85%
	Others	17.55%	22.46%	25.57%	27.80%	57.36%

Note:
N.A: Not Available, N.Ap.: Not Applicable
(*) For Shriram Finance, the Shriram Finance merger was effective from December 2022, nine months ended December 31, 2023 and Fiscal 2023 data are not comparable with previous years.
([#]) as of first half of Fiscal 2024
Source: Company Reports, CRISIL MI&A.

9.2. Among the peers analyzed and data available, SK Finance Limited has relatively higher share of business from Commercial Vehicles (excluding Medium and Heavy Commercial Vehicles) which is contributing 43.46% of the AUM as of December 2023.

AUM Mix by product (Nine months ended December 31, 2023)

Player	Vehicle Finance NBFCs					MSME Finance NBFCs				SFB	
	Chola	HLF	M&M FS	Shriram	Sundaram	SK	Five-Star	SBFC	Veritas	Vistaar	AU
Overall AUM (in ₹ Millions)	13,37,940	N.A.	9,70,480	21,42,335	4,21,720	95,155	89,308	62,660	44,890	34,570[#]	7,61,770
Vehicle Financing AUM	59.52%	N.A.	91.00%	82.02%	89.10%	78.03%	N.A.	N.A.	N.A.	N.A.	35.53%
CVs (Excl M&HCVs)	17.57%	N.A.	11.00%	55.40%	32.50%	43.46%	N.A.	N.A.	N.A.	N.A.	N.A.
M&HCVs	3.90%	N.A.			24.30%	-	N.A.	N.A.	N.A.	N.A.	N.A.
MUV	5.68%	N.A.	35.00%	N.A.	N.A.	-	N.A.	N.A.	N.A.	N.A.	N.A.
Tractor	4.48%	N.A.	13.00%	1.57%	7.60%	13.44%	N.A.	N.A.	N.A.	N.A.	N.A.
Two Wheeler	4.03%	N.A.	N.A.	5.67%	N.A.	2.51%	N.A.	N.A.	N.A.	N.A.	N.A.
Three Wheeler	0.48%	N.A.	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.	N.A.	N.A.

Player	Vehicle Finance NBFCs					MSME Finance NBFCs				SFB	
	Chola	HLF	M&M FS	Shriram	Sundaram	SK	Five-Star	SBFC	Veritas	Vistaar	AU
Car	7.30%	N.A.	19.00%	19.39%	24.70%	18.62%	N.A.	N.A.	N.A.	N.A.	N.A.
Used	16.08%	-	13.00%	-	-	-	-	-	-	-	-
HL	9.01%	N.A.	N.A.	N.A.	N.A.	-	N.A.	N.A.	9.00%	N.A.	N.A.
LAP & SME	31.47%	N.A.	5.00%	10.78%	6.10%	19.30%	100.00%	83.72%	91.00%	N.A.	36.67%
Others	0.00%	N.A.	4.00%	7.20%	4.80%	2.67%	N.A.	16.28%	N.A.	N.A.	27.80%

Note:
N.A: Not Available, CVs (excl. M&HCVs) include construction equipment, (#) as of first half of Fiscal 2024, (^) For Veritas Finance, LAP & SME consists of MSME and Unsecured Working Capital loans
Source: Company Reports, CRISIL MI&A.

AUM Mix by product (Fiscal 2023)

Player	Vehicle Finance NBFCs						MSME Finance NBFCs				SFB
	Chola	HLF	M&M FS	Shriram	Sundaram	SK	Five-Star	SBFC	Veritas	Vistaar	AU
Overall AUM (in ₹ Millions)	10,64,980	3,02,390	8,27,700	18,56,829	3,45,520	73,783	69,148	49,428	35,337	31,320	6,40,720
Vehicle Financing	62.85%	69.00%	90.00%	83.68%	90.50%	81.90%	N.A.	N.A.	N.A.	N.A.	35.71%
CVs (excl. M&HCVs)	19.62%	51.00%	11.00%	57.98%	28.20%	46.74%	N.A.	N.A.	N.A.	N.A.	N.A.
M&HCVs	4.45%				29.30%	-	N.A.	N.A.	N.A.	N.A.	N.A.
MUV	5.37%	N.A.	33.00%	N.A.	N.A.	-	N.A.	N.A.	N.A.	N.A.	N.A.
Tractor	5.29%	N.A.	14.00%	1.87%	8.00%	15.11%	N.A.	N.A.	N.A.	N.A.	N.A.
Two-Wheeler	3.66%	11.00%	N.A.	5.58%	N.A.	2.67%	N.A.	N.A.	N.A.	N.A.	N.A.
Three-Wheeler	0.40%		N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.	N.A.	N.A.
Car	7.32%	N.A.	20.00%	18.24%	25.00%	17.38%	N.A.	N.A.	N.A.	N.A.	N.A.
Used	16.74%	-	12.00%	-	-	-	-	-	-	-	-
Other Vehicles	0.00%	7.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
HL	7.94%	N.A.	0.00%	N.A.	N.A.	-	N.A.	N.A.	3.00%	21.80%	6.68%
LAP & SME	29.21%	21.00%	5.00%	10.31%	4.10%	16.16%	100.0%	79.31%	97.00%	78.20%	38.71%
Others	0.00%	10.00%	5.00%	6.01%	5.40%	1.94%	N.A.	20.69%	N.A.	N.A.	18.9%

Note:
N.A: Not Available, CVs (excl. M&HCVs) include construction equipment, (^) For Veritas Finance, LAP & SME consists of MSME and Unsecured Working Capital loans
Source: Company Reports, CRISIL MI&A.

9.3. Among the peers considered, for the nine months ended December 31, 2023, SK Finance Limited had the highest used vehicle finance share of 77.41% as part of its vehicle finance portfolio.

Vehicle Finance AUM Mix by used and new (Nine months ended December 31, 2023)

Player	Vehicle Finance NBFCs						SFB
	Chola	HLF	M&M FS	Shriram	Sundaram	SK	AU
Vehicle Finance AUM (in ₹ Millions)	796,400	N.A.	883,137	1,757,182	375,753	74,249	203,750
New %	97.30%	N.A.	85.71%	N.A.	79.35%	22.59%	N.A.
Used %	2.70%	N.A.	14.29%	N.A.	20.65%	77.41%	N.A.

Note:
N.A: Not Available
Source: Company Reports, CRISIL MI&A

Trend in Vehicle Finance AUM Mix by used and new (Fiscal 2023)

Player	Vehicle Finance NBFCs						SFB
	Chola	HLF	M&MFS	Shriram	Sundaram	SK	AU
Vehicle Finance AUM (in ₹ Millions)	669,380	N.A.	744,930	1,553,783	312,696	60,431	228,827
New %	73.36%	N.A.	86.67%	11.34%	80.00%	21.37%	60.00%
Used %	26.64%	N.A.	13.33%	88.66%	20.00%	78.63%	39.00%

Note:
N.A: Not Available

Source: Company Reports, CRISIL MI&A

9.4. Among the peers considered, SK Finance Limited disbursements grew at a CAGR of 85.50% during Fiscal 2021 and Fiscal 2023 which was second highest after Veritas Finance Private Limited CAGR of 91.11% during the same period.

Player		Disbursement (in ₹ Millions)				CAGR
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	(Fiscals 2021-2023)
Vehicle Finance NBFCs	Chola	260,430	354,900	665,320	639,400	59.83%
	HLF	90,100	85,500	161,340	N.A.	33.82%
	M&M FS	190,010	275,810	495,410	409,160	61.47%
	Shriram*	350,275	618,086	1,118,484	N.A.	N.Ap.
	Sundaram	117,420	132,750	209,660	199,540	33.62%
	SK	16,341	32,260	56,229	50,403	85.50%
MSME Finance NBFCs	Five-Star	12,450	17,562	33,914	35,450	65.05%
	SBFC	15,025	25,709	36,313	20,690#	55.46%
	Veritas	6,146	11,883	22,447	N.A.	91.11%
	Vistaar	5,790	8,990	13,830	N.A.	54.55%
SFB	AU	175,900	254,070	N.A.	N.A.	N.A.

Note:
N.A: Not Available, N.Ap: Not Applicable, (*) For Shriram Finance, the Shriram Finance merger was effective from December 2022, nine months ended December 31, 2023 and Fiscal 2023 data are not comparable with previous years, (#) only secured MSME disbursements
Source: Company Reports, CRISIL MI&A.

Disbursement Mix by product (Fiscal 2023)

Player	Vehicle Finance NBFCs						MSME Finance NBFCs			SFB
	Chola	HLF	M&M FS	Shriram	Sundaram	SK	Five-Star	SBFC	Veritas	Vistaar	AU
Overall Disbursement (in ₹ Millions)	665,320	161,340	495,410	1,118,484	209,660	56,229	33,914	36,313	22,447	13,830	N.A.
Vehicle Financing Disbursement	59.67%	N.A.	91.40%	N.A.	91.50%	81.89%	-	-	-	-	N.A.
CVs (excl. M&HCVs)	16.58%	N.A.	12.01%	N.A.	59.60%	48.18%	-	-	-	-	N.A.
M&HCVs	3.98%	N.A.		N.A.		-	-	-	-	-	N.A.
MUV	5.33%	N.A.	33.30%	N.A.	-	-	-	-	-	-	N.A.
Tractor	3.90%	N.A.	11.85%	N.A.	7.70%	12.90%	-	-	-	-	N.A.
Two-Wheeler	4.97%	N.A.	-	N.A.	-	3.39%	-	-	-	-	N.A.
Three-Wheeler	0.41%	N.A.	-	N.A.	-	-	-	-	-	-	N.A.
Car	6.58%	N.A.	17.57%	N.A.	24.20%	17.42%	-	-	-	-	N.A.
Used	17.92%	-	16.68%	-	-	-	-	-	-	-	-
LAP & SME	34.57%	N.A.	7.03%	N.A.	6.90%	15.20%	100.00%	62.70%	100.00%	100.00%	N.A.
HL	5.76%	N.A.	-	N.A.	-	-	-	-	-	-	N.A.
Others	0.00%	N.A.	1.57%	N.A.	1.60%	2.91%	-	37.30%	-	-	N.A.

Note:
N.A: Not Available
Source: Company Reports, CRISIL MI&A.

9.5. Among the peers considered within vehicle finance NBFCs, Profit After Tax ("PAT") of SK Finance Limited grew at a CAGR of 56.4% during Fiscal 2021 and Fiscal 2023 which was second highest after Mahindra and Mahindra Financial Services Limited CAGR of 143.3% during the same period.

For Mahindra and Mahindra Financial Services Limited, its profitability improved in Fiscal 2023 from Fiscal 2022 largely on account of a decline in impairment expenses.

Among all the peers considered for analysis, Veritas Finance Private Limited registered the second highest CAGR of 68.7% in PAT between Fiscal 2021 and Fiscal 2023.

Player		PAT (in ₹ Millions)				CAGR
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	(Fiscals 2021-2023)
Vehicle Finance NBFCs	Chola	15,149	21,467	26,662	23,647	32.66%
	HLF	2,701	2,322	2,768	N.A.	1.23%
	M&M FS	3,352	9,888	19,843	11,406	143.32%
	Shriram*	24,873	27,079	59,793	52,446	N.Ap.
	Sundaram	8,091	9,034	10,883	9,477	15.98%
	SK	911	1,429	2,228	2,171	56.40%
MSME Finance NBFCs	Five-Star	3,590	4,535	6,035	5,999	29.66%
	SBFC	852	645	1,498	1,636	32.60%
	Veritas	620	754	1,764	1,653	68.65%
	Vistaar	648	742	1,000	1,060	24.28%
SFB	AU	11,707	11,298	14,279	11,640	10.44%

Note:
N.A : Not Available, N.Ap.: Not Applicable, (*) For Shriram Finance, the Shriram Finance merger was effective from December 2022, nine months ended December 31, 2023 and Fiscal 2023 data are not comparable with previous years
Source: Company Reports, CRISIL MI&A.

9.6. Among the peers considered within vehicle finance NBFCs, the number of branches of SK Finance Limited grew at highest CAGR of 13.99% during Fiscal 2021 and Fiscal 2023.

Player		Branches (in nos.)				CAGR	Net new branches added			
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	(Fiscals 2021-2023)	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023
Vehicle Finance NBFCs	Chola	1,137	1,145	1,191	1,309	2.35%	46	8	46	76
	HLF	345	345	N.A.	N.A.	N.A.	-10	0	N.A.	N.A.
	M&M FS	1,388	1,384	1,386	1,369	-0.07%	66	-4	2	N.A.
	Shriram*	1,817	1,854	2,922	3,037	N.Ap.	59	37	1,068	115
	Sundaram	588	618	671	704	6.82%	-22	30	53	33
	SK	344	423	447	535	13.99%	19	79	24	88
MSME Finance NBFCs	Five-Star	262	299	373	480	19.32%	10	37	74	107
	SBFC	124	135	152	177	10.72%	27	11	17	25
	Veritas	204	229	287	356	18.61%	2	25	58	136
	Vistaar	191	193	211	212	5.11%	-25	2	18	1
SFB	AU	552	478	474	476	-7.33%	146	-74	-4	2

Note:
N.A : Not Available, N.Ap.: Not Applicable, (*) For Shriram Finance, the Shriram Finance merger was effective from December 2022, nine months ended December 31, 2023 and Fiscal 2023 data are not comparable with other years.
Source: Company Reports, CRISIL MI&A.

9.7. Among the peers considered within vehicle finance NBFCs, for SK Finance Limited top 5 states in terms of number of branches contributed 86.13% of their branches (Fiscal 2023)

Player		Top 5 States	%	Top 5 states cumulative %
Vehicle Finance NBFCs	Chola	Tamil Nadu	11.42%	41.65%
		Maharashtra	9.99%	
		Rajasthan	6.97%	
		Madhya Pradesh	6.72%	
		Karnataka	6.55%	
	HLF	N.A.	N.A.	N.A.^
	M&M FS	Uttar Pradesh	10.82%	43.29%
		Madhya Pradesh	10.03%	
		Maharashtra	8.44%	
		Rajasthan	8.37%	
		Gujarat	5.63%	
	Shriram	Tamil Nadu	22.31%	56.04%
		Andhra Pradesh	10.16%	
		Maharashtra	9.34%	
		Karnataka	7.39%	
		Telangana	6.84%	
	Sundaram	Tamil Nadu	19.85%	56.42%
		Rajasthan	10.00%	

Player		Top 5 States	%	Top 5 states cumulative %
		Madhya Pradesh	9.25%	
		Andhra Pradesh	8.81%	
		Karnataka	8.51%	
	SK	Rajasthan	40.04%	86.13%
		Madhya Pradesh	15.44%	
		Gujarat	14.32%	
		Maharashtra	10.29%	
		Haryana	6.04%	
MSME Finance NBFCs	Five-Star	Andhra Pradesh	32.44%	97.33%
		Tamil Nadu	28.42%	
		Telangana	15.82%	
		Madhya Pradesh	11.80%	
		Karnataka	8.85%	
	SBFC	Karnataka, Uttar Pradesh, Maharashtra, Telangana, Andhra Pradesh	N.A.	N.A.
	Veritas	Tamil Nadu, West Bengal, Telangana, Andhra Pradesh, Karnataka	N.A.	N.A.
	Vistaar	Tamil Nadu	27.96%	77.80%
		Karnataka	18.96%	
		Andhra Pradesh	13.27%	
		Maharashtra	10.90%	
		Madhya Pradesh	6.64%	
SFB	AU$	Rajasthan	39.02%	82.60%
		Gujarat	14.22%	
		Madhya Pradesh	13.24%	
		Maharashtra	11.08%	
		Punjab /Haryana	5.10%	

Note: N.A : Not Available, N.Ap.: Not Applicable, (^) Top 3 States have 38% as of Fiscal 2022, ($) Breakup of touchpoints are presented as available on company filings
Source: Company Reports, CRISIL MI&A.

9.8. Among the peers considered within vehicle finance NBFCs, SK Finance Limited registered highest CAGR of 28.90% in AUM per branch between Fiscal 2021 and Fiscal 2023 and within overall peers considered, AU Small Finance Bank Limited registered the highest CAGR of 40.66% in AUM per branch.

Among the peers considered within vehicle finance NBFCs, SK Finance Limited registered highest CAGR of 14.30% in AUM per employees between Fiscal 2021 and Fiscal 2023 and within overall peers considered, AU Small Finance Bank Limited registered the highest CAGR of 16.14% in AUM per employee between Fiscal 2021 and Fiscal 2023.

Player		AUM / Branch (₹ millions)					AUM / Employee (₹ millions)				
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	CAGR (Fiscals 2021-2023)	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	CAGR (Fiscals 2021-2023)
Vehicle Finance NBFCs	Chola	615.62	671.68	894.19	1,022.11	20.52%	26.55	23.25	23.71	25.53	-5.51%
	HLF	791.13	754.23	N.A.	N.A.	N.Ap.	36.26	36.28	N.A.	N.A.	N.Ap.
	M&M FS	465.48	469.47	597.19	708.90	13.27%	32.38	32.48	31.44	36.64	-1.47%
	Shriram*	645.25	685.23	635.46	705.41	N.Ap.	47.95	49.91	28.99	29.15	N.Ap.
	Sundaram	525.20	477.86	514.93	599.03	-0.98%	53.49	46.28	46.88	54.93	-6.39%
	SK	99.34	109.07	165.06	177.86	28.90%	6.69	7.03	8.74	8.87	14.30%
MSME Finance NBFCs	Five-Star	169.67	169.47	185.38	186.06	4.53%	11.29	8.93	9.41	10.25	-8.69%
	SBFC	182.23	236.46	325.18	354.01	33.59%	15.36	15.59	17.52	17.73	6.78%
	Veritas	76.61	95.52	123.13	N.A.	26.78%	6.70	8.02	7.97	N.A.	9.10%
	Vistaar	108.12	125.39	148.44	N.A.	17.17%	12.44	11.96	12.80	N.A.	1.46%
SFB	AU	683.19	1,004.08	1,351.73	1,600.36	40.66%	16.77	17.25	22.62	26.36	16.14%

Note:
N.A: Not Available, N.Ap: Not Applicable, (*) For Shriram Finance, the Shriram Finance merger was effective from December 22, nine months ended December 31, 2023 and Fiscal 2023 data are not comparable with previous years.
Source: Company Reports, CRISIL MI&A.

9.9. Among the peers considered, SK Finance Limited registered the highest CAGR of 62.73% in Disbursement per Branch followed by Mahindra and Mahindra Finance Limited (CAGR 61.59%) for the period between Fiscal 2021 to Fiscal 2023.

Among the peers considered, SK Finance Limited registered the highest CAGR of 44.31% in Disbursement per Employee followed by Mahindra & Mahindra Financial Services Limited (40.56%) for the period between Fiscal 2021 to Fiscal 2023.

Player		Disbursement / Branch (₹ millions)					Disbursement / Employee (₹ millions)				
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	CAGR (Fiscal 2021-2023)	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	CAGR (Fiscal 2021-2023)
Vehicle Finance NBFCs	Chola	229.05	309.96	558.62	488.46	56.17%	9.88	10.73	14.81	12.20	22.44%
	HLF	261.16	247.83	N.A.	N.A.	N.Ap.	57.6	54.1	N.A.	N.A.	N.Ap.
	M&M FS	136.89	199.28	357.44	298.88	61.59%	9.52	13.79	18.82	15.45	40.56%
	Shriram*	192.78	333.38	382.78	N.A.	N.Ap.	14.33	24.28	17.46	N.A.	N.Ap.
	Sundaram	199.69	214.81	312.46	283.44	25.09%	20.34	20.80	28.44	25.99	18.26%
	SK	47.50	76.27	125.79	94.21	62.73%	3.20	4.79	6.66	4.70	44.31%
MSME Finance NBFCs	Five-Star	47.52	58.74	90.92	73.85	38.33%	3.16	3.09	4.62	4.07	20.83%
	SBFC	121.2	190.4	238.9	116.9	40.42%	10.2	12.6	12.9	5.9	12.24%
	Veritas	30.13	51.89	78.21	N.A.	61.13%	2.63	4.36	5.06	N.A.	38.66%
	Vistaar	30.31	46.58	65.55	N.A.	47.04%	3.49	4.44	5.65	N.A.	27.32%
SFB	AU	337.37	570.69	N.A.	N.A.	N.Ap.	8.28	9.81	N.A.	N.A.	N.Ap.

N.A: Not Available, N.Ap: Not Applicable, (*) For Shriram Finance, the Shriram Finance merger was effective from December 2022, nine months ended December 31, 2023 and Fiscal 2023 data are not comparable with previous years
Source: Company Reports, CRISIL MI&A.

9.10. Among the peers considered within vehicle finance NBFCs, SK Finance Limited registered the highest average yield on advances of 18.63% for the period between Fiscal 2021 to Fiscal 2023.

Within overall peers considered for analysis, Five-Star Business Finance Limited registered the highest average of 24.53% in yield on advances followed by Veritas Finance Private Limited (22.79%) for the period between Fiscal 2021 to Fiscal 2023. For cost of borrowings, AU Small Finance Bank Limited registered the lowest average of 5.81%, followed by Sundaram Finance Limited (6.42%) and Cholamandalam Investment and Finance Company Limited (7.01%) for the period between Fiscal 2021 to Fiscal 2023.

Players		Yield on Advances					Cost of Borrowings				
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	Avg. (Fiscals 2021-2023)	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	Avg. (Fiscals 2021-2023)
Vehicle Finance NBFCs	Chola	14.64%	13.32%	13.20%	N.A.	13.72%	7.69%	6.46%	6.89%	8.04%	7.01%
	HLF	12.94%	12.48%	12.04%	N.A.	12.49%	8.33%	7.94%	7.54%	N.A.	7.94%
	M&M FS	15.66%	14.67%	14.08%	N.A.	14.80%	7.99%	6.83%	6.97%	7.76%	7.26%
	Shriram*	15.78%	16.05%	19.06%	N.A.	N.Ap.	8.50%	8.79%	9.18%	8.60%	N.Ap.
	Sundaram	11.78%	11.45%	10.81%	N.A.	11.35%	7.31%	6.07%	5.87%	6.76%	6.42%
	SK	19.37%	17.67%	18.84%	18.07%	18.63%	10.17%	8.84%	9.39%	9.72%	9.47%
MSME Finance NBFCs	Five-Star	24.31%	24.74%	24.54%	24.37%	24.53%	11.17%	9.97%	7.74%	8.79%	9.63%
	SBFC	15.18%	15.03%	16.09%	16.75%	15.44%	8.10%	7.66%	8.24%	9.47%	8.00%
	Veritas	23.38%	22.39%	22.60%	N.A.	22.79%	10.61%	10.37%	9.21%	9.59%	10.06%
	Vistaar	18.75%	18.61%	18.11%	N.A.	18.49%	10.18%	9.20%	9.29%	9.80%	9.56%
SFB	AU	12.82%	12.26%	13.10%	13.21%	12.73%	6.50%	5.29%	5.63%	6.45%	5.81%

Note:
N.A.: Not Available, N.Ap.: Not Applicable, Yield on Advances is calculated as Interest earned on loans and advances divided by average of total net advances on book, Cost of Borrowing is calculated as Interest expense divided by (average of deposits and borrowings), Nine months ended December 31, 2023 values are annualized, (*) For Shriram Finance, the Shriram Finance merger was effective from December 22, nine months ended December 31, 2023 and Fiscal 2023 data are not comparable with previous years.
Source: Company Reports, CRISIL MI&A

9.11. Trend of Net Interest Margins (NIMs) and Risk Adjusted Net Interest Margins (NIMs) of players

Among the peers considered, Five-Star Business Finance Limited had the highest average NIM (14.88%) followed by Veritas Finance Private Limited (12.66%) and Vistaar Financial Services Private Limited (9.54%) for the period between Fiscal 2021 and Fiscal 2023.

Among the peers considered, Five-Star Business Finance Limited registered the highest average of 14.32% in risk adjusted NIMs followed by Veritas Finance Private Limited (10.70%) and Vistaar Financial Services Private Limited (7.96%) for the period between Fiscal 2021 and Fiscal 2023.

Players		Net Interest Margin					Risk Adjusted NIMs				
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	Avg. (Fiscals 2021-2023)	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	Avg. (Fiscals 2021-2023)
Vehicle Finance NBFCs	Chola	6.71%	6.71%	6.47%	6.27%	6.63%	4.72%	5.60%	5.60%	5.09%	5.30%
	HLF	4.99%	4.94%	4.59%	N.A.	4.8%	1.55%	1.70%	2.00%	N.A.	1.70%
	M&M FS	7.32%	7.29%	7.12%	6.40%	7.2%	2.39%	4.20%	6.00%	4.47%	4.20%
	Shriram*	6.53%	6.56%	9.29%	8.53%	N.Ap.	4.06%	3.72%	6.88%	6.52%	N.Ap.
	Sundaram	4.22%	4.83%	4.43%	4.23%	4.49%	3.29%	3.92%	4.08%	3.83%	3.77%
	SK	8.73%	8.09%	8.67%	8.31%	6.23%.	6.36%	7.78%	7.47%	4.74%	7.20%
MSME Finance NBFCs	Five-Star	13.59%	14.77%	16.29%	16.13%	14.88%	12.90%	14.03%	16.02%	15.64%	14.32%
	SBFC	5.31%	5.75%	7.36%	8.59%	6.14%	4.51%	4.69%	6.74%	7.87%	5.3%
	Veritas	11.27%	12.34%	14.36%	13.91%	12.66%	9.27%	9.87%	12.97%	12.04%	10.70%
	Vistaar	10.02%	9.52%	9.09%	9.72%	9.54%	7.67%	8.09%	8.13%	8.65%	7.96%
SFB	AU	5.05%	5.36%	5.56%	5.32%	5.32%	3.00%	4.22%	4.81%	4.89%	4.01%

Note:
N.A.: Not Available, N.Ap.: Not Applicable, (*) For Shriram Finance, the Shriram Finance merger was effective from December 2022, nine months ended December 31, 2023 and Fiscal 2023 data are not comparable with previous years
Source: Company Reports, CRISIL MI&A

9.12. Trend in Cost to Income ratio and Pre-Provision Operating Profit % ("PPOP") for players

Among the peers considered, for cost to income ratio, Hinduja Leyland Finance Limited had the lowest average (19.39%) for the period between Fiscal 2021 to Fiscal 2023. For PPOP%, Five-Star Business Finance Limited had the highest average (51.53%) followed by Hinduja Leyland Finance Limited (39.68%) for the period between Fiscal 2021 to Fiscal 2023.

Players		Cost to Income Ratio					PPOP				
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	Avg. (Fiscals 2021-2023)	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	Avg. (Fiscals 2021-2023)
Vehicle Finance NBFCs	Chola	31.67%	35.42%	38.45%	39.54%	35.18%	35.68%	37.20%	34.28%	31.16%	35.72%
	HLF	16.51%	18.53%	23.15%	27.48%	19.39%	40.56%	40.65%	37.82%	29.63%	39.68%
	M&M FS	27.69%	35.0%	40.9%	40.4%	34.5%	39.77%	38.79%	34.66%	31.25%	37.74%
	Shriram*	22.75%	21.36%	26.71%	29.07%	N.Ap.	37.14%	38.92%	42.44%	40.84%	N.Ap.
	Sundaram	30.81%	31.73%	33.24%	34.05%	31.93%	34.19%	38.44%	37.82%	34.82%	36.83%
	SK	43.91%	59.08%	50.19%	48.81%	51.06%	31.68%	23.63%	29.06%	29.79%	28.12%
MSME Finance NBFCs	Five-Star	29.17%	32.01%	34.67%	32.64%	31.95%	48.92%	51.72%	53.95%	53.22%	51.53%
	SBFC	45.82%	56.96%	49.67%	54.16%	50.81%	28.91%	25.15%	31.54%	29.60%	28.53%
	Veritas	48.97%	48.93%	45.49%	49.61%	47.80%	33.87%	36.23%	40.99%	36.46%	37.03%
	Vistaar	43.94%	48.92%	49.03%	45.37%	47.29%	35.64%	32.64%	31.90%	35.19%	33.39%
SFB	AU	43.80%	57.07%	63.01%	63.06%	54.63%	33.40%	26.25%	21.86%	20.76%	27.17%

Note:
N.A.: Not Available, N.Ap.: Not Applicable, (*) For Shriram Finance, the Shriram Finance merger was effective from December 2022, Nine months ended December 31, 2023 and Fiscal 2023 data are not comparable with previous years, Cost to Income is calculated as operating expenses divided by addition of net interest income and other income., Pre-Provision Operating Profit is calculated as (Total income – Interest expense – Operating expenses) divided by Total income
Source: Company Reports, CRISIL MI&A

9.13. Trend in Credit Cost of players

Among the peers considered, Five-Star Business Finance Limited registered the lowest average of 0.57% in credit cost followed by Sundaram Finance Limited (0.67%) and SBFC Finance Limited (0.83%) for the period between Fiscal 2021 to Fiscal 2023.

Players		Credit Cost				
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	Avg. (Fiscals 2021-2023)
Vehicle Finance NBFCs	Chola	1.99%	1.12%	0.87%	1.17%	1.15%
	HLF	3.45%	3.28%	2.54%	N.A.	3.09%
	M&M FS	4.94%	3.11%	1.17%	1.93%	3.07%
	Shriram*	2.56%	2.84%	2.41%	2.01%	N.Ap.
	Sundaram	0.92%	0.91%	0.35%	0.40%	0.67%
	SK	2.37%	0.31%	1.20%	1.49%	1.29%
MSME Finance NBFCs	Five-Star	0.69%	0.74%	0.27%	0.49%	0.57%
	SBFC	0.79%	1.07%	0.62%	0.72%	0.83%
	Veritas	2.01%	2.46%	1.39%	1.87%	1.95%
	Vistaar	2.35%	1.42%	0.96%	1.07%	1.58%
SFB	AU	2.04%	1.14%	0.74%	0.43%	1.31%

Note:
Credit Costs are calculated as Provisions divided by average of total assets on book, N.A.: Not Available, N.Ap.: Not Applicable, Nine months ended December 31, 2023 values are annualized, (*) For Shriram Finance, the Shriram Finance merger was effective from December 2022, nine months ended December 31, 2023 and Fiscal 2023 data are not comparable with previous years
Source: Company Reports, CRISIL MI&A

9.14. Trend in Return on Assets and Return on Equity of players

Among the peers considered, Five-Star Business Finance Limited registered the highest average of 7.49% in RoA followed by Veritas Finance Private Limited (3.82%). Within vehicle financing NBFCs peers, Sundaram Finance Limited registered the highest average of 2.66% in RoA. For RoE, AU Small Finance Bank Limited had the highest average (17.9%) followed by Cholamandalam Investment and Finance Company Limited (16.92%) and Five-Star Business Finance Limited (15.63%) for the period between Fiscal 2021 to Fiscal 2023.

Players		RoA					RoE				
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	Avg. (Fiscals 2021-2023)	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	Avg. (Fiscals 2021-2023)
Vehicle Finance NBFCs	Chola	2.19%	2.74%	2.72%	2.45%	2.21%	17.09%	20.19%	20.51%	19.17%	16.92%
	HLF	1.27%	1.08%	1.16%	N.A.	1.17%	7.64%	6.05%	6.16%	5.72%	6.62%
	M&M FS	0.44%	1.30%	2.31%	1.49%	1.35%	2.57%	6.52%	12.13%	8.79%	7.07%
	Shriram*	2.04%	1.99%	3.46%	3.24%	N.Ap.	12.57%	11.40%	17.27%	15.48%	N.Ap.
	Sundaram	2.37%	2.57%	2.85%	2.80%	2.66%	13.80%	13.82%	14.88%	15.55%	12.64%
	SK	2.33%	2.72%	2.91%	2.91%	2.65%	9.85%	11.13%	12.99%	12.66%	11.32%
MSME Finance NBFCs	Five-Star	7.08%	7.42%	7.97%	8.16%	7.49%	16.84%	15.05%	14.99%	17.21%	15.63%
	SBFC	2.01%	1.47%	2.92%	3.52%	2.13%	7.68%	5.18%	9.94%	9.91%	7.60%
	Veritas	3.08%	3.13%	5.24%	4.36%	3.82%	7.25%	6.57%	11.76%	11.48%	8.53%
	Vistaar	3.03%	2.93%	3.25%	3.87%	3.07%	9.64%	9.97%	11.98%	12.79%	10.53%
SFB	AU	2.50%	1.87%	1.79%	1.63%	2.05%	21.98%	16.39%	15.44%	13.41%	17.94%

Note:
RoA is calculated as Profit after tax divided by average of total assets on book, RoE is calculated as Profit after tax divided by average total equity N.A.: Not Available, N.Ap.: Not Applicable, Nine months ended December 31, 2023 values are annualized, (*) For Shriram Finance, the Shriram Finance merger was effective from December 2022, nine months ended December 31, 2023 and Fiscal 2023 data are not comparable with previous years
Source: Company Reports, CRISIL MI&A

9.15. Trend in Capital Risk Adequacy Ratio ("CRAR") % of players

All the peers considered are well-capitalized and had CRAR % much higher than the regulatory requirements.

Players		CRAR (%)					Debt / Equity				
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	Avg. (Fiscals 2021-2023)	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	Avg. (Fiscals 2021-2023)
	Chola	19.10%	19.62%	17.13%	19.37%	18.12%	6.67	5.91	6.81	6.62	6.50
	HLF	17.98%	18.71%	18.56%	N.A.	18.4%	4.51	4.23	4.03	N.A.	4.26

Players		CRAR (%)					Debt / Equity				
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	Avg. (Fiscals 2021-2023)	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	Avg. (Fiscals 2021-2023)
Vehicle Finance NBFCs	M&M FS	26.20%	27.80%	22.50%	18.30%	25.4%	3.98	3.57	4.39	4.93	3.98
	Shriram*	22.50%	22.97%	22.61%	21.01%	N.Ap.	4.92	4.42	3.65	3.77	N.Ap.
	Sundaram	22.06%	24.37%	22.77%	19.99%	22.27%	4.57	4.04	4.23	4.73	4.35
	SK	27.67%	30.42%	26.10%	30.46%	28.06%	3.32	2.82	3.84	2.88	3.33
MSME Finance NBFCs	Five-Star	58.86%	75.20%	67.17%	53.26%	67.08%	1.48	0.69	0.98	1.17	1.05
	SBFC	26.30%	26.20%	31.90%	41.50%	28.13%	2.30	2.28	2.16	1.36	2.25
	Veritas	50.65%	64.43%	45.00%	45.29%	53.37%	1.41	0.85	1.53	1.63	1.26
	Vistaar	36.50%	30.00%	26.38%	34.28%	30.96%	2.10	2.44	2.72	1.90	2.42
SFB	AU	23.40%	21.00%	23.60%	20.82%	22.67%	6.85	7.80	6.89	7.03	7.18

Note:
N.A.: Not Available, N.Ap.: Not Applicable, (*) For Shriram Finance, the Shriram Finance merger was effective from December 2022, nine months ended December 31, 2023 and Fiscal 2023 data are not comparable with previous years
Source: Company Reports, CRISIL MI&A

9.16. Trend in Gross Stage 3 (%) and Net Stage 3 (%) assets of players

Among the peers considered for Gross Stage 3 (%), Five-Star Business Finance Limited registered the lowest average of 1.13% followed by Sundaram Finance Limited (2.06%) and AU Small Finance Bank Limited (2.63%) for the period between Fiscal 2021 to Fiscal 2023. For Net Stage 3 (%), Five-Star Business Finance Limited registered the lowest average of 0.74% followed by AU Small Finance Bank Limited (1.03%) and Sundaram Finance Limited (1.11%) for the period between Fiscal 2021 to Fiscal 2023.

Players		Gross Stage 3 %					Net Stage 3 %				
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	Avg. (Fiscals 2021-2023)	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023	Avg. (Fiscals 2021-2023)
Vehicle Finance NBFCs	Chola	3.96%	4.37%	3.01%	2.80%	3.78%	2.29%	2.72%	1.66%	1.57%	2.32%
	HLF	6.95%	7.05%	4.90%	N.A.	6.30%	3.65%	4.83%	3.43%	N.A.	3.96%
	M&M FS	8.96%	7.66%	4.49%	3.97%	7.04%	4.06%	3.45%	1.90%	1.54%	3.14%
	Shriram *	7.14%	7.07%	6.21%	5.66%	N.Ap.	4.44%	3.81%	3.30%	2.80%	N.Ap.
	Sundaram	2.29%	2.20%	1.68%	1.77%	2.06%	1.37%	1.08%	0.88%	1.02%	1.11%
	SK	4.03%	2.83%	1.94%	2.87%	2.93%	1.94%	2.04%	1.32%	1.64%	1.77%
MSME Finance NBFCs	Five-Star	1.02%	1.02%	1.35%	1.40%	1.13%	0.85%	0.68%	0.70%	0.65%	0.74%
	SBFC	3.07%	2.91%	2.57%	2.39%	2.85%	1.95%	1.85%	1.59%	1.36%	1.80%
	Veritas	2.70%	3.94%	2.19%	1.86%	2.94%	1.38%	2.36%	1.27%	1.05%	1.67%
	Vistaar	3.17%	2.62%	3.75%	3.19%	3.18%	2.19%	1.88%	2.44%	1.56%	2.17%
SFB	AU	4.25%	1.97%	1.66%	1.98%	2.63%	2.18%	0.50%	0.42%	0.68%	1.03%

Note:
N.A.: Not Available, N.Ap.: Not Applicable, (*) For Shriram Finance, the Shriram Finance merger was effective from December 2022, Nine months ended December 31, 2023 and Fiscal 2023 data are not comparable with previous years
Source: Company Reports, CRISIL MI&A

9.17. SK Finance Limited had lowest restructured assets pool of 0.27% of AUM as of Fiscal 2023 among peers considered for analysis

Player		Restructured Assets as % of AUM (Fiscal 2023)
Vehicle Finance NBFCs	Chola	1.60%
	HLF	3.70%
	M&M FS	2.00%
	Shriram	1.00%
	Sundaram	1.80%
	SK	0.27%
MSME Finance NBFCs	Five-Star	0.86%
	SBFC^	2.34%
	Veritas	1.60%
	Vistaar	0.50%
SFB	AU	1.20%

Note:

(^) as of nine months ended December 31, 2022
Source: Company Reports, Credit Ratings, CRISIL MI&A

9.18. Trend of borrowing mix of players – Instrument Type (Fiscal 2023)

Players	Vehicle Finance NBFCs						MSME Finance NBFCs				SFB
	Chola	HLF	M&M FS	Shriram	Sundaram	SK	Five-Star	SBFC	Veritas	Vistaar	AU
NCDs	16.00%	4.63%	26.70%	19.15%	41.10%	24.35%	12.33%	1.29%	7.00%	6.11%	N.A.
Retail NCDs	-	-	5.40%	-	-	-	-	-	-	-	N.A.
Bank /FI Loans	54.00%	87.18%	40.30%	26.09%	25.90%	58.59%	62.24%	86.62%	89.00%	86.39%	N.A.
Offshore Borrowings	8.00%	-	4.10%	14.71%	-	2.78%	1.93%	-	-	7.05%	N.A.
CP, ICDs, TREPS	4.00%	0.95%	7.50%	-	6.80%	-	-	-	-	-	N.A.
Securitization / Assignment	10.00%	-	8.90%	14.00%	11.40%	14.28%	23.50%	10.38%	-	-	N.A.
Subordinated Debt	5.00%	5.04%	-	2.86%	-	-	-	-	-	-	N.A.
Deposits	-	0.01%	7.40%	22.89%	14.80%	-	-	-	-	-	N.A.
Others	3.00%	2.19%	-	0.29%	-	-	-	1.71%	4.00%	0.45%	N.A.

Note:
N.A.: Not Available
N.Ap.: Not Applicable
Source: Company Reports, CRISIL MI&A

9.19. Ratings of players (Fiscal 24)

The below table shows the rating position for players in the peer set.

Players		Long Term Rating	Instrument	Date
Vehicle Finance NBFCs	Chola	ICRA AA+ Positive	Fund based - Term loan	March 14, 2024
	HLF	CARE AA Stable	Bank facilities	January 9, 2024
	M&M FS	IND AAA Stable	Bank loans and NCDs	September 13, 2023
	Shriram	CRISIL AA+ Stable	Bank loans and NCDs	December 29, 2023
	Sundaram	ICRA AAA Stable	Bank loans and NCDs	November 10, 2023
	SK	ICRA AA- Stable	NCDs	March 18, 2024
MSME Finance NBFCs	Five-Star	ICRA AA- Stable	NCDs	January 5, 2024
	SBFC	IND AA- Stable	Bank loans and NCDs	December 15, 2023
	Veritas	CARE A+ Stable	Bank facilities and NCDs	December 7, 2023
	Vistaar	ICRA A+ Stable	Term loan	February 7, 2024
SFB	AU	CRISIL AA+ Stable CRISIL AA Stable	Fixed deposits Tier II bonds	November 7, 2023

Note: Latest available ratings of players are provided.
Source: Company Reports, Rating rationale, CRISIL MI&A

List of Formulae used

Parameters	Formula used
Yield on advances	Interest earned on loans and advances / average of total advances on book
Cost of borrowings	(Interest paid – interest on lease liabilities) / (average of deposits and borrowings)
Debt to Equity	Total Borrowings / Total shareholder equity of the same Fiscal
NIMs	(Interest income – interest expense) / average of total assets on book
Risk Adjusted NIMs	NIMs – Credit Costs
Fee Income	Fee Income / average of current and previous Fiscal's total income
Cost to Income	Operating expenses / (net interest income + other income)
Opex %	(Operating expenditures for the Fiscal year) / (average of current Fiscal and previous Fiscal's total assets)
PPOP	(Total income – Interest expense – Operating expenses) / Total income
Credit Cost	Provisions / average total assets on book

Parameters	Formula used
RoA	Profit after tax / average of total assets on book
RoE	Profit after tax / average total shareholders’ equity
Gross Stage 3 %	Gross Stage 3 assets / Gross Advances
Net Stage 3 %	Net Stage 3 assets / Net Advances

OUR BUSINESS

Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to the Company. To obtain a complete understanding of our Company and business, prospective investors should read this section along with "Risk Factors", "Industry Overview", "Selected Statistical Information", "Other Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 28, 137, 277, 401 and 402, respectively as well as financial and other information contained in this Draft Red Herring Prospectus as a whole. Additionally, please refer to "Definitions and Abbreviations" beginning on page 1 for definitions of certain terms used in this section and "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation" on page 15.

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Draft Red Herring Prospectus, each of which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with the Ind AS, Indian GAAP, IFRS or U.S. GAAP. Such measures and indicators are not defined under Ind AS, Indian GAAP, IFRS or U.S. GAAP, and therefore, should not be viewed as substitutes for performance, liquidity or profitability measures under Ind AS, Indian GAAP, IFRS or U.S. GAAP. In addition, such measures and indicators are not standardized terms, and a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For risks relating to non-GAAP measures, see "Risk Factors –We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Ind AS" on page 59.

*The industry information contained in this section is derived from the industry report titled "Analysis of NBFC Sector and Select Asset Classes in India" dated April 2024, which is exclusively prepared for the purposes of the Offer and issued by CRISIL Market Intelligence & Analytics ("**CRISIL MI&A**"), a division of CRISIL Limited (together with CRISIL MI&A, "CRISIL" and is commissioned and paid for by our Company ("**CRISIL Report**"). CRISIL MI&A was appointed on January 30, 2024. We commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's products, that may be similar to the CRISIL Report. The CRISIL Report is available on the website of our Company at www.skfin.in/investor/investor-services and has also been included in "Material Contracts and Documents for Inspection – Material Documents" on page 502. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. References to segments in "Industry Overview" beginning on page 137 and information derived from the CRISIL Report are in accordance with the presentation, analysis and categorization in the CRISIL Report. The segment reporting in the Restated Summary Statements is based on the criteria set out in Ind AS 108 (Operating Segments). Our Company does not prepare its financial statements based on the segments outlined in the "Industry Overview" beginning on page 137.*

Some of the information set out in this section, especially information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" beginning on page 19 for a discussion of the risks and uncertainties related to those statements and "Risk Factors" beginning on page 28 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward -looking statements.

Our financial year ends on March 31 of every year, so all references to a particular financial year are to the twelve month period ended March 31 of that year. Further, financial information for the nine months ended December 31, 2023 and nine months ended December 31, 2022, has not been annualized.

Overview

Our Company was established in 1994 by Rajendra Kumar Setia. We are a non-deposit taking non-banking finance company middle layer ("**NBFC ML**"), operating in two verticals, vehicle financing and financing for Micro, Small and Medium Enterprises ("**MSME**"). According to the CRISIL Report, we are the fastest growing player in the vehicle financing segment and the MSME financing segment among our peers analyzed, based on our assets under management ("**AUM**") CAGR in the respective segment for the period between Fiscal 2021 and Fiscal 2023.

In our vehicle financing vertical, we primarily have a secured, granular and retail loan portfolio for financing used and new commercial vehicles (excluding medium and heavy commercial vehicles) ("**CVs (excluding M&HCVs)**"), cars and tractors as well as new two-wheelers. According to the CRISIL Report, among the peers considered, for the nine months ended December 31, 2023, our Company had the highest used vehicle finance share of 77.41% as part of our vehicle financing portfolio. In addition, we have identified specific businesses in the MSME sector to which we offer loans. We started the MSME lending business in late 2016, where we primarily lend for the purpose of working capital requirements of these businesses. These loans are fully backed by assets and are offered, primarily for income generation purposes, to the mid to low-income category of customers that are predominantly self-employed, unbanked or underbanked individuals in the rural and semi-urban areas of India with limited access to organized lending channels.

According to the CRISIL Report, the overall vehicle financing segment in India stood at approximately ₹ 11.85 trillion as of Fiscal 2023, witnessing a CAGR of around 11.07% from Fiscal 2019 and going forward, the outstanding credit is expected to grow at a CAGR of 16-18% from Fiscal 2023 to Fiscal 2027 to reach approximately ₹ 21 trillion. According to the CRISIL Report, NBFCs accounted for the highest share of 39.97% in vehicle finance credit outstanding in Fiscal 2023. Our presence in the vehicle financing market for over 25 years, our product offerings, and our extensive distribution network, position us to capture the growth in this market.

We have an extensive distribution network in rural areas, through which we aim to provide last-mile coverage and financial support to unbanked customers. According to the CRISIL Report, rural areas, which accounted for 47% of GDP, received just 8% of the overall banking credit as of March 31, 2023, which shows the vast market opportunity for banks and NBFCs to lend in these areas. As of December 31, 2023, we have a distribution network of 535 branches in 11 states and one union territory. Out of 535 branches, we provide secured business loans to the MSME sector through 322 branches in eight states and one union territory, as of December 31, 2023, and we plan to gradually provide MSME financing from our existing untapped branch network. We source our customers through two channels for our vehicle financing vertical – direct channel, i.e., through our on-ground sales teams, and the indirect channel of a well-diversified base of direct sales agents ("**DSAs**"). As of December 31, 2023, out of 10,725 employees, 6,202 employees and 1,607 employees were part of our sales and collection team, respectively for our direct channel. Further, we had 8,853 DSAs in our network as of December 31, 2023. 100.00% of sourcing for our MSME financing vertical is done through our direct channel i.e., our on-ground sales team.

With over 25 years of experience, we have developed a robust underwriting process which has been built on three key pillars, i.e., income, intent and insurance. Our first pillar, being income, primarily focuses on lending towards income generating activities of our customers. This helps our credit decision-making process by focusing on the collateral value and income-generating capability of our customers. Our second pillar, being intent, is based on evaluating the intent of the customer. The assessment of the customers' incomes becomes relevant for us to identify their intent to pay through multiple reference checks. Our third pillar, being insurance, refers to our underwriting process, whereby our security backed lending acts as 'insurance' against potential customer defaults. Our underwriting process is conducted through a dedicated on-ground sales team and credit officers who independently evaluate each loan application. Our collection process is conducted by a dedicated on-ground collections team which follows a high customer touch model. These processes are customized to assess our target customers' income and evaluate the collaterals in a structured manner.

We cater to an informal category of customers present primarily in rural/semi-urban areas in India, which is typically challenging to underwrite in terms of understanding the customer behavior and connecting with the customers. We have been able to leverage technology across our operations and throughout the customer life cycle, including loan origination, underwriting, collections, post-disbursement monitoring and customer service. We have also implemented data backed analytics for our credit approval and disbursal process and have implemented solutions to ensure a largely paperless underwriting process. Our on-ground presence of more than two decades, robust and thorough underwriting process and technology interface which integrates into our lending process have enabled us to maintain our asset quality. The table below sets forth, the breakdown of our AUM with days past due ("**DPD**") of more than 1 day, 30 days and 90 days as of the dates indicated, which demonstrates the decreasing proportion of such AUM to the total AUM from December 31, 2022 to December 31, 2023 and from Fiscal 2021 to Fiscal 2022 and further to Fiscal 2023:

Product	**As of December 31,**		**As of March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
	% of AUM	**% of AUM**	**% of AUM**	**% of AUM**	**% of AUM**
DPD of more than 1 day	14.88%	15.91%	11.95%	18.15%	27.61%
DPD of more than 30 days	6.89%	6.89%	4.88%	9.06%	14.44%
DPD of more than 90 days	2.17%	2.22%	1.55%	2.30%	3.50%

Further, as per the CRISIL Report, we have a restructured assets pool of 0.27% of our AUM as of Fiscal 2023, which is the lowest amongst our peers analyzed.

We have diversified sources of funding, and have access to funds from 61 lenders, including nine public sector banks, 25 private banks, four mutual funds and 23 financial institutions as of December 31, 2023. We raise debt through several instruments such as term loans from public sector banks and private banks, non-convertible debentures, working capital demand loans, overdrafts against fixed deposits and external commercial borrowings. We also securitize our existing receivables through arrangements such as direct assignments and pass through certificates ("**PTCs**"). These diverse sources of funds allow us to access more cost-effective and long-term financing as well as access capital as and when required to meet our business needs. As of the date of this Draft Red Herring Prospectus, our credit rating for (i) our non-convertible debentures was "AA-/ Stable" by ICRA and CARE; (ii) our loan facility was "AA-" by CARE and Acuite; and (iii) our commercial paper was "AA-" by India Ratings. See "*– Description of Our Business and Operations – Credit Ratings*" and "*Risk Factors – Any downgrade of our credit ratings could increase borrowing costs and constrain our access to capital and lending markets and, as a result, could negatively affect our net interest margin and our business*" on pages 221 and 41 for further details, respectively.

We have an experienced management team with an average experience of 18 years, led by our Promoter Rajendra Kumar Setia, who has over 29 years of experience in the financial services sector. Our KMPs and SMPs have been with our Company for an average of over seven years. Further, our board of directors includes experienced directors, who have relevant industry knowledge such as Anand Raghavan and Debanshi Basu who are chartered accountants, and Nanda Sameer Dave who served as executive director on the board of the RBI. See "*Our Management*" on page 246 for further details.

Since 2012 we have raised equity share capital from various institutional investors, some of whom have participated in multiple funding rounds. Our most recent equity capital transaction was undertaken in Fiscal 2024 raising ₹ 13,283.71 million through a mix of primary and secondary capital. See "*Capital Structure*" on page 84 for further details. Our institutional shareholders include, among others, Norwest, TPG, India Business Excellence Fund IV, 360 One Special Opportunities Fund-Series 9 and 360 One Special Opportunities Fund – Series 10, Massachusetts Institute of Technology and 238 Plan Associates LLC.

According to the CRISIL Report, we are the fastest growing player in the vehicle financing segment and the MSME financing segment among our peers analyzed, based on our AUM CAGR in the respective segment for the period between Fiscal 2021 and Fiscal 2023. We have continued to invest in our business in the last three years growing from 344 branches as of March 31, 2021 to 535 branches as of December 31, 2023 as well as more than doubling our employee strength from 5,107 employees as of March 31, 2021 to 10,725 employees as of December 31, 2023. During this period we also continued to grow our businesses as our AUM increased from ₹ 34,171.69 million as of March 31, 2021 to ₹ 73,783.42 million as of March 31, 2023, our vehicle financing AUM grew at a CAGR of 41.07% and our MSME AUM grew at a CAGR of 80.89% between Fiscal 2021 and Fiscal 2023. The following table sets forth certain key metrics as of and for the periods/ years indicated:

Metric	**As of and for the nine months ended December 31,**		**As of and for the year ended March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
	(₹ in million, except otherwise stated)				
Financial Parameters					
Interest income	11,702.68	8,608.33	12,105.22	7,722.56	6,380.88
Finance costs	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Fees and commission income	443.77	275.19	394.76	247.35	145.06
Net gain on fair value changes	93.49	139.96	210.01	143.93	129.87
Net gain on de-recognition of financial instruments under amortised cost category	847.23	188.88	317.69	29.98	72.76
Other income	65.09	71.56	114.73	63.05	96.35
Employee benefits expenses	2,768.50	2,112.44	2,828.05	2,049.22	1,193.40
Depreciation and amortization	256.80	184.73	252.03	158.14	113.33
Other expenses	710.00	509.77	767.98	592.48	386.02
Impairment on financial instruments	1,109.06	833.93	917.46	162.85	927.88
Profit before tax	2,808.74	1,820.96	2,902.09	1,776.03	1,234.16
Profit for the period/year	2,171.01	1,388.83	2,227.86	1,428.74	910.83
Operating Metrics					
Number of States and Union Territory	12	10	10	10	6
Number of Branches	535	441	447	423	344
Number of Employees	10,725	8,143	8,438	6,730	5,107
Disbursement (1)	50,403.38	40,594.15	56,228.52	32,260.49	16,340.52
Disbursement growth (%)(2) #	24.16%	-	74.30%	97.43%	-
AUM (3)	95,155.23	67,159.89	73,783.42	47,135.66	34,171.69
AUM growth (%)#(4)	41.68%	-	56.53%	37.94%	-
Financial Metrics					
Yield on average Gross Loans (%)*(5)	13.42%	13.92%	18.71%	17.43%	19.00%
Average cost of borrowing (%)*(6)	7.29%	6.95%	9.39%	8.84%	10.17%
Interest margin (%)*(7)	6.23%	6.59%	8.67%	8.09%	8.73%
Operating Expenditure /Average Total Assets (%)*(8)	3.75%	3.87%	5.03%	5.32%	4.33%
Operating Expenditure to Net Income Ratio (%)(9)	48.81%	51.39%	50.19%	59.08%	43.91%
Earnings per share (basic) (10)*	17.78	11.94	19.13	12.62	9.04
Net worth (11)	27,322.10	17,415.74	18,319.34	15,930.17	9,691.92
Total Borrowings to Net Worth Ratio (in times) (12)	2.89	3.68	3.84	2.82	3.33
Return on Average Total Assets (%)(13) *	2.18%	1.91%	2.91%	2.72%	2.33%
Return on average net worth (%)(14) *	9.51%	8.33%	13.01%	11.15%	9.87%
CRAR (%)(15)	30.46%	27.12%	26.10%	30.42%	27.67%
Gross Loans – Stage 3	2,548.59	1,875.67	1,380.76	1,350.76	1,386.67
Gross Loans – Stage 3 Ratio (%)(16)	2.87%	2.83%	1.94%	2.83%	4.03%
Provision Coverage Ratio on Gross Loans – Stage 3 (%)(17)	43.59%	30.63%	32.26%	28.58%	52.85%
Gross Loans – Regulatory Stage 3 (18)	1,539.58	1,156.52	836.79	-	-
Gross Loans – Regulatory Stage 3 Ratio (%)(19)	1.73%	1.75%	1.17%	-	-
Provision Coverage Ratio on Gross Loans – Regulatory Stage 3 (%)(20)	13.82%	13.89%	12.27%	-	-

\# *The information for growth as at and for the nine months ended December 31, 2022 and as at and for Fiscal 2021 have not been included as the corresponding comparative periods in this Draft Red Herring Prospectus.*

* *Not annualized for the period ended December 31, 2023 and December 31, 2022.*

Note:

(1) *Disbursement represents the aggregate of all loan amounts extended to our customers in the relevant period/ year.*

(2) *Disbursement growth represents the percentage growth in our disbursement for the relevant period/ year over our disbursement for the previous period/ year.*

(3) AUM represents the aggregate of future principal outstanding and principal overdue held in our books as on the last day of the relevant period/ year and loan assets which has been transferred/ sourced by our Company by way of securitization and pool buy out/ assignment/ our share of co-lending loans and are outstanding as at the end of the relevant period/ year.

(4) AUM Growth represents the growth percentage in AUM as of the last day of the relevant period/ year over AUM as of the last day of the previous period/ year.

(5) Yield on average gross loans, which is a Non-GAAP measure, represents interest income on financial assets measured at amortized cost for the relevant period/ year divided by average gross loans. Average gross loans represents simple average of gross loans as at the end of relevant period/year and Gross Loans as at the end of the relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(6) Average cost of borrowing, which is a Non-GAAP measure, is adjusted finance costs for the relevant period/ year divided by average total borrowings. Adjusted finance costs represents the finance costs reduced by interest on lease liability for the relevant period/ year. Average total borrowings, which is a Non-GAAP measure, is the simple average of total borrowings as at the end of relevant period/ year and total borrowings as at the end of relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(7) Interest margin, which is a Non-GAAP measure, represents the net interest income for the relevant period/ year divided by average total assets for such period/ year. Net interest income, which is a Non-GAAP measure, is the difference between interest income and finance costs for the relevant period/ year. Average total assets is the simple average of total assets as at the end of relevant period/ year and total assets as at the end of relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(8) Operating Expenditure / Average Total Assets, which is a Non-GAAP measure, represents operating expenditure for the relevant period/ year divided by 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 expenditure, which is a Non-GAAP measure, represents the aggregate of employee benefits expenses, depreciation and amortization and other expenses for the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(9) Operating expenditure to Net Income Ratio, which is a Non-GAAP measure, represents operating expenditure for the relevant period/ year divided by the Net Income for the relevant period/ year, expressed as a percentage. Operating expenditure, which is a Non-GAAP measure, represents the aggregate of employee benefits expenses, depreciation and amortization and other expenses for the relevant period/ year. Net Income, which is a Non-GAAP measure, represents the difference between total income and finance costs for the period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(10) Earnings per share (basic) represent the earnings per Equity Share of ₹1 each – Basic which is computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Earnings per share (basic) is calculated by dividing the profit for the period/year attributable to equity holders by the weighted average number of equity shares outstanding during the period/year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. The Board in its meeting held on February 1, 2024 and Shareholders in the extraordinary general meeting held on March 11, 2024 approved the sub-division of shares from ₹2 per share to ₹1 per share and also approved the bonus share in the ratio of 1:1 with effect from March 16, 2024. The number of shares used for the calculation of earnings per share, and the earnings per share(including that in the comparative periods), have been adjusted for pursuant to paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

(11) Net worth, which is a Non-GAAP measure, means the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(12) Total borrowings to Net Worth ratio, which is a Non-GAAP measure, represents total borrowings as at the end of the relevant period/ year divided by Net Worth as at end of such period/ year. Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. Net worth, which is a Non-GAAP measure, means the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ yearFor details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(13) Return on average total assets, which is a Non-GAAP measure, represents profit for the period/ year divided by average total assets for the relevant period/ year. Average total assets is the simple average of total assets as at the end of relevant period/ year and total assets as at the end of relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(14) Return on average net worth, which is a Non-GAAP measure, represents profit for the period/ year divided by average net worth as at the end of relevant period/ year. Average net worth, which is a Non-GAAP measure, represents simple average of Net Worth as at the end of relevant period/ year and Net Worth as at the end of previous year. Net worth, which is a Non-GAAP measure, means the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(15) CRAR is computed by dividing company's Tier I and Tier II- Capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.

(16) Gross Loans - Stage 3 ratio, which is a Non-GAAP measure, is calculated as Gross Loans - Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(17) Provision Coverage Ratio on Gross Loans - Stage 3, which is a Non-GAAP measure, represents as Impairment loss allowance - Gross Loans - Stage 3 divided by Gross Loans - Stage 3 as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(18) Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021. The lifetime Expected Credit Loss for these assets is calculated based on the repayment status of its overdue as of the reporting date.

(19) Gross Loans – Regulatory Stage 3 ratio, which is a Non-GAAP measure, represents Gross Loans – Regulatory Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(20) Provision Coverage Ratio on Gross Loans – Regulatory Stage 3, which is a Non-GAAP measure, represents Impairment loss allowance - Gross Loans - Regulatory Stage 3 divided by Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

We consider that the operating and financial metrics specified in the table above highlight our ability to

(i) maintain our yields on average gross loans;

(ii) borrow at competitive rates with a reducing cost of borrowing;

(iii) maintain our interest margins;

(iv) leverage technology to drive sales and collections, and optimize our efficiencies and cost to income; and

(v) maintain our asset quality.

This resulted in our return on average total assets (1) improving from 2.33% in Fiscal 2021 to 2.91% in Fiscal 2023 and our return on average net worth (2) improving from 9.87% in Fiscal 2021 to 13.01% in Fiscal 2023.

Notes:

(1) Return on average total assets, which is a Non-GAAP measure, represents profit for the period/ year divided by average total assets for the relevant

period/ year. Average total assets is the simple average of total assets as at the end of relevant period/ year and total assets as at the end of relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(2) *Return on average net worth, which is a Non-GAAP measure, represents profit for the period/ year divided by average net worth as at the end of relevant period/ year. Average net worth, which is a Non-GAAP measure, represents simple average of Net Worth as at the end of relevant period/ year and Net Worth as at the end of previous year. Net worth, which is a Non-GAAP measure, means the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

Strengths

According to the CRISIL Report, we are the fastest growing player in the Vehicle & MSME finance segment among the peers analyzed with a growing presence in the underpenetrated used CVs (excluding M&HCVs) and MSME financing segment.

Vehicle financing vertical

We primarily have a secured, granular and retail loan portfolio for financing used and new commercial vehicles (excluding medium and heavy commercial vehicles) ("**CVs (excluding M&HCVs)**"), cars and tractors as well as new two-wheelers. Our vehicle financing vertical, which constituted 78.03% of our total AUM for December 31, 2023, grew at a CAGR of 41.07% between Fiscals 2021 and 2023. According to the CRISIL Report, we are the fastest growing player among the peers analyzed in the vehicle financing segment, based on our vehicle financing AUM CAGR between Fiscal 2021 and Fiscal 2023. In line with the growth of our vehicle financing AUM, our customer base in the vehicle financing vertical increased in nine months ended December 31, 2023 and the past three Fiscals. The number of active loan accounts in our vehicle financing vertical was 330,591 as of December 31, 2023.

According to the CRISIL Report, the vehicle financing segment is closely linked with the macroeconomic environment and underlying asset sales, in particular, commercial vehicles sales grew at a CAGR of 32.1% between Fiscal 2021 and Fiscal 2023 with revival in economic activities. According to the CRISIL Report, the overall vehicle financing segment in India stood at approximately ₹ 11.85 trillion as of Fiscal 2023, witnessing a CAGR of around 11.07% from Fiscal 2019. The growth witnessed a slow down during Fiscal 2021 and Fiscal 2022 primarily due to the impact of Covid-19 outbreak growing at a pace of 5% and 6% year-on-year respectively, the easing of semiconductor shortage and uptick in demand in Fiscal 2023 led to growth in car and utility vehicle volumes, and the vehicle financing outstanding witnessed a 24% year-on-year growth from Fiscal 2022. According to the CRISIL Report, going forward, the outstanding credit is expected to grow at a CAGR of 16-18% from Fiscal 2023 to Fiscal 2027 to reach approximately ₹ 21 trillion.

Further, according to the CRISIL Report, vehicle financing is a heterogeneous business and is highly fragmented in comparison to other loan products, and within the vehicle financing segment, commercial vehicles financing has the largest share for NBFCs and it grew at a CAGR of 9.47% from Fiscal 2019 to Fiscal 2023. CRISIL MI&A expects that during Fiscal 2024, the overall outstanding of commercial vehicle financing to grow at approximately 17% from Fiscal 2023 primarily due to pick up in wholesale sales, aided by higher replacement value, economic recovery and higher government spend on infrastructure. CRISIL MI&A further expects the overall commercial vehicle financing to grow at a CAGR of 11-13% from Fiscal 2023 to Fiscal 2027 and to reach approximately ₹ 5,500 billion to ₹ 6,000 billion by Fiscal 2027, in particular, the potential financing market size for used CVs (excluding M&HCVs) would be in the range of ₹ 800 billion to ₹ 1,000 billion by Fiscal 2027.

According to the CRISIL Report, NBFCs have a dominant market share of 57.88% as of first half of Fiscal 2024 in the commercial vehicle financing market on account of relatively superior customer connect in small fleet operators (SFOs) and first time buyers (FTBs) customer segment, strong and deep understanding of the local economy, ease of loan processing, relatively higher LTV, and higher risk-taking ability. Further, according to the CRISIL Report, NBFCs are expected to maintain their leadership in CVs, specifically in the CVs (excluding M&HCVs) and used vehicle finance segments. Due to our presence in this market for over 25 years, our product offerings, and our distribution network of 535 branches with a hub and spoke model across 11 states and one union territory in India, we are positioned to capture the growth in the vehicle financing market, especially the used vehicle financing market.

MSME financing vertical

Since our entry into the MSME financing vertical in late 2016, we have improved our understanding of the MSME sector and have experienced growth in terms of AUM in our MSME financing vertical in the nine months ended December 31, 2023 and past three Fiscals. We leverage our experience in underwriting customers for our vehicle financing vertical, who in our assessment have similar socio-economic conditions as our customers in the MSME financing vertical, to enter and develop our MSME financing vertical organically. During nine months ended December 31, 2023 and December 31, 2022 and Fiscals 2023, 2022 and 2021, our MSME financing vertical constituted 19.30%, 15.19%, 16.16%, 12.23% and 10.66%, respectively, of our overall AUM. According to the CRISIL Report, we are the fastest growing player in the MSME financing segment among our peers analyzed, based on our AUM CAGR in the respective segment for the period between Fiscal 2021 and Fiscal 2023.

Further, according to the CRISIL Report, NBFCs have managed to carve out a strong presence in MSME loans segment due to their focus on serving the needs of the customer segment, faster turnaround time, customer service provided and expansion in geographic reach. According to the CRISIL Report, the industry wide secured MSME loans portfolio has been growing strongly with a CAGR of 14.44% between Fiscal 2019 and first half of Fiscal 2024. In particular, according to the CRISIL Report, the secured MSME portfolio with ticket size less than ₹0.50 million has been growing faster at a CAGR of 23.95% between Fiscal 2019 and first half of Fiscal 2024. As per the CRISIL Report, the secured MSME financing sector with ticket size less than ₹0.50 million is further expected to grow at a CAGR of 18-20% over Fiscal 2024 and Fiscal 2027, aided by increasing focus and higher penetration of lenders for such loans, enhanced availability of data thereby increasing lender comfort while underwriting such loans, enhanced use of technology, newer players entering the segment, and continued government support. Accordingly, we are well placed to take advantage of this large addressable market and anticipated growth due to our geographic presence and distribution network.

Deep sales network enabling access to a large demography of customers in the rural and semi urban areas of India supported by a mix of direct and indirect sourcing channels

We have a growing sales network that caters to customers primarily in the rural and semi-urban areas of India. According to the CRISIL Report, as of Fiscal 2023, semi-urban and rural regions accounted for approximately 29% and 24% share of the overall vehicle financing credit in India, respectively. The following table sets forth the geographical spread of our branches across different region types, as of the dates indicated:

Region	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Number of Branches	% of Branches	Number of Branches	% of Branches	Number of Branches	% of Branches	Number of Branches	% of Branches	Number of Branches	% of Branches
Urban	190	35.51%	153	34.69%	158	35.35%	142	33.57%	112	32.56%
Semi-Urban	247	46.17%	212	48.07%	213	47.65%	204	48.23%	162	47.09%
Rural	98	18.32%	76	17.23%	76	17.00%	77	18.20%	70	20.35%
Total	**535**	**100.00%**	**441**	**100.00%**	**447**	**100.00%**	**423**	**100.00%**	**344**	**100.00%**

Through our extensive branch network spreading across rural and semi-urban areas, we understand the characteristics of the local markets and our prospective customers. This allows us to address the specific needs of our low and middle-income customers and further assists our penetration into such markets. We cultivate personal relationships with our existing customers and attract new customers through physical proximity of our network to our existing and target customers and facilitating interaction by our employees with these customers.

We source our vehicle financing customers through two channels – direct channel, i.e., through our on-ground sales teams that report into our branches, and DSAs. Sourcing for our MSME financing vertical is done through our direct channel only.

<u>*Direct Channel*</u>

As of December 31, 2023, we have 535 branches in 11 states and one union territory. Our extensive branch network is enhanced by our established brand presence primarily in rural and semi-urban India. We started operations in Jaipur, Rajasthan in 1994 and have diversified our geographical presence leading to reducing concentration in AUM by adopting a strategy of contiguous expansion across regions, while following a hub and spoke model. This helps our efforts to deliver a better customer service and timely delivery of service at reduced cost.

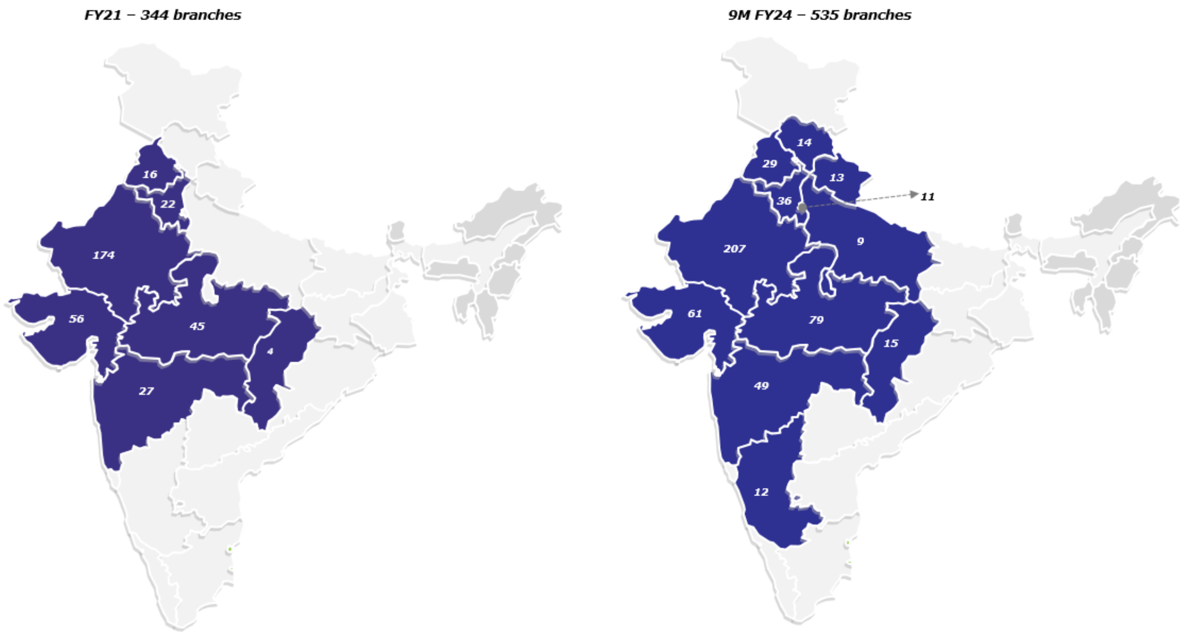
The following table sets forth the changes in AUM for our top five states by AUM as on March 31, 2021 and December 31, 2023:

AUM of our top five states	As of December 31, 2023		As of March 31, 2021	
	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM
Rajasthan	49,093.21	51.59%	22,519.70	65.90%
Madhya Pradesh	13,044.48	13.71%	3,485.91	10.20%
Gujarat	9,975.93	10.48%	4,752.30	13.91%
Haryana	5,496.58	5.78%	1,008.95	2.95%
Punjab	5,201.94	5.47%	1,395.50	4.08%

Such a contiguous expansion is underpinned by utilizing neighboring branches to evaluate local credit environments, combined with our focus on hiring local staff with an understanding of the catchment area, local market and having local personnel and DSA networks. The following table sets forth the breakdown of our disbursement in the vehicle financing vertical by sourcing channel, for the periods/ years indicated:

Sourcing Channel	For nine months ended December 31,				For year ended March 31,					
	2023		2022		2023		2022		2021	
	Disbursement (in ₹ million)	% of Total Disbursement	Disbursement (in ₹ million)	% of Total Disbursement	Disbursement (in ₹ million)	% of Total Disbursement	Disbursement (in ₹ million)	% of Total Disbursement	Disbursement (in ₹ million)	% of Total Disbursement
Vehicle Financing Vertical	38,724.17	76.83%	33,513.21	82.56%	46,045.31	81.89%	28,528.67	88.43%	14,530.78	88.92%
– Direct Channel	*10,960.93*	*21.75%*	*8,803.21*	*21.69%*	*12,184.36*	*21.67%*	*8,597.60*	*26.65%*	*5,341.13*	*32.69%*
– DSAs	*27,763.24*	*55.08%*	*24,710.00*	*60.87%*	*33,860.95*	*60.22%*	*19,931.08*	*61.78%*	*9,189.65*	*56.24%*

The following maps set forth the number of our branches in various states of India on March 31, 2021 and December 31, 2023:



(*Map not to scale*)

Out of 535 branches in 11 states and one union territory, we provide secured business loans to the MSME sector through 322 branches in eight states and one union territory, as of December 31, 2023.

As of December 31, 2023 we have 10,725 employees and out of these employees, 6,202 and 1,607 employees are part of our sales team and collection team, respectively. Of the above sales team employees, 3,560 and 2,642 employees focus on vehicle financing and MSME financing, respectively. In addition, we have a team of 218 employees for tele-calling that assists our on-ground sales teams in sourcing customers as of December 31, 2023. This team operates from Jaipur, Rajasthan.

*Direct selling agents (“**DSAs**”)*

As of December 31, 2023, we have 8,853 DSAs for our vehicle financing vertical and none of our DSAs individually contribute more than 1.00% towards total disbursal from DSAs. The following table sets forth the contribution by our top 10 DSAs towards the total DSA disbursement during the periods indicated:

	Nine months ended December 31,		Fiscals ended March 31,		
	2023	2022	2023	2022	2021
Contribution by the top 10 DSAs to the Total DSA disbursement	6.43%	6.02%	5.67%	7.11%	8.70%

Our on-ground sales teams are supported by a tele-calling team of 218 employees operating out of our Registered Office in Jaipur as of December 31, 2023. The tele-calling team is common across both sourcing channels and sources new customers by generating leads through a database created by the on-ground sales team’s marketing efforts and endeavors to retain departing customers by identifying them upon receiving bureau triggers and taking steps to retain them.

Comprehensive systems and process for underwriting, collections and risk management

We have over time developed and instituted comprehensive systems covering underwriting, collection and risk management processes.

Underwriting

We have a customer centric model whereby our underwriting process has been built on three key pillars, i.e., income, intent and insurance. This framework helps us to mitigate risk and underwrite new loans while maintaining our asset quality. Our first pillar, being income, primarily focuses on lending towards income generating activities of our customers. This helps our credit decision-making process by focusing on the collateral value and income-generating capability of our customers. Our second pillar, being intent, is based on evaluating the intent of the customer. The assessment of the customers’ incomes becomes relevant for us to identify their intent to pay through multiple reference checks. Our third pillar, being insurance, refers to our underwriting process which has matured over time, whereby our security backed lending acts as ‘insurance’ against potential customer defaults. For further details, see “- *Description of Our Business and Operations – Underwriting and collection processes – Underwriting*” on page 207. To grow our MSME financing vertical, we have been able to leverage our experience in underwriting customers for our vehicle financing vertical based on our assessment that our customers in the MSME financing vertical have similar socio-economic conditions as our customers in the vehicle financing vertical.

Collections

We have 1,607 employees in our collection team as of December 31, 2023. Over time, we have moved our collections process from cash collection to digital collection, and the following table sets forth our increase in digital collection and corresponding decrease in cash collection for the indicated periods:

	For nine months ended December 31,		For Fiscals,		
	2023	2022	2023	2022	2021
Cash collection	21.85%	29.02%	27.48%	40.64%	53.53%
Digital collection	78.15%	70.98%	72.52%	59.36%	46.47%

Further, the utilization of data and analytics has enabled us to make more targeted collection efforts. We have also adopted a high touch model that utilizes multiple points to follow up with our customers, use of technology backed mechanism for regular follow-ups with our customers such as personal meetings with our customers, and automated reminders being sent to our customers before the payment due date. For further details, see "*– Description of Our Business and Operations – Underwriting and collection processes – Collections*" on page 207.

Risk management

We consider risk monitoring as a central aspect of our operations and over time, we have developed a risk management system tailored to our business, products, customers profiles and the customer base we cater to. In our risk management system, we have segregated the risk management duties among our Risk Management Committee to the management level committee of executives and the internal audit function. We have also established risk management policies to enable us to identify and analyze the risks faced by us, to set appropriate limits and controls and to monitor risks and adherence to these limits. For further details, see *"- Description of our Business and Operations – Risk Management"* on page 208.

Our underwriting, collections and risk management framework together enables us to focus on the profile of the borrower we underwrite. For the nine months ended December 31, 2023, 59.77% of our disbursement are made to customers with a credit bureau score above 650 at the time of origination, while 32.53% of our disbursement are made to new to credit ("**NTC**") customers who do not have an existing credit bureau score or has a credit bureau score of up to 300. Since Fiscal 2021, the percentages of our customers with a credit bureau score of 650 or more and our NTC customers has remained more than 55.00% and 30.00% of our total customers, respectively. See "*Selected Statistical Information – IX. Customer Base – NTC and Women Customers*" on page 298 for further details. Further, 100.00% of our vehicle financing and MSME financing loan portfolio was secured as of December 31, 2023.

Additionally, once a loan is classified as a non-performing asset we use a combination of legal strategies including initiation of recovery proceedings, arbitration or reconciliation camps to recover our dues. For further details, see "*- Description of Our Business and Operations – Risk Management*" on page 208. Our effective credit risk management system is reflected in our portfolio quality indicators. The following table sets forth our Gross Loans – Stage 3 Ratio, Net Loans – Stage 3 Ratio, AUM and AUM growth as of the dates indicated:

	December 31,		March 31,		
	2023	2022	2023	2022	2021
	(₹ in million, except otherwise stated)				
Gross Loans	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Net Loans	86,739.80	64,640.77	69,903.93	46,433.02	32,798.97
Gross Loans – Stage 3	2,548.59	1,875.67	1,380.76	1,350.76	1,386.67
Gross Loans – Regulatory Stage 3(1)	1,539.58	1,156.52	836.79	-	-
Gross Loans – Stage 3 Ratio *(%)*(2)	2.87%	2.83%	1.94%	2.83%	4.03%
Net Loans – Stage 3 Ratio *(%)* (3)	1.64%	1.98%	1.32%	2.04%	1.94%
Gross Loans – Regulatory Stage 3 Ratio (4) (%)	1.73%	1.75%	1.17%	-	-
Net Loans – Regulatory Stage 3 Ratio(5) (%)	1.50%	1.51%	1.03%	-	-
AUM \(6)	95,155.23	67,159.89	73,783.42	47,135.66	34,171.69
AUM growth (%) (7)#	41.68%	-	56.53%	37.94%	-

\# *The information as at and for the nine months ended December 31, 2022 and as at and for Fiscal 2021 have not been included as the corresponding comparative periods in this Draft Red Herring Prospectus.*

Notes:

(1) Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021. The lifetime Expected Credit Loss for these assets is calculated based on the repayment status of its overdue as of the reporting date.

(2) Gross Loans - Stage 3 ratio, which is a Non-GAAP measure, is calculated as Gross Loans - Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(3) Net Loans – Stage 3 ratio, which is a Non-GAAP measure, represents Net Loans – Stage 3 divided by Gross Loans net of impairment loss allowance – Gross Loans - Stage 3. Net Loans – Stage 3, which is a Non-GAAP measure, represents Gross Loans – Stage 3 reduced by impairment loss allowance – Gross Loans – Stage 3 as at the end of the relevant period/ year. Gross Loans net of impairment loss allowance – Gross Loans – Stage 3, which is a Non-GAAP measure, represents Gross Loans as at the end of the relevant period/ year reduced by impairment loss allowance – Gross Loans – Stage 3 as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.

(4) Gross Loans – Regulatory Stage 3 ratio, which is a Non-GAAP measure, represents Gross Loans – Regulatory Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.

(5) *Net Loans – Regulatory Stage 3 ratio, which is a Non-GAAP measure, represents Gross Loans – Regulatory Stage 3 reduced by Impairment loss allowance - Gross Loans - Regulatory Stage 3 as of the last day of relevant period/ year divided by Gross Loans reduced by Impairment loss allowance - Gross Loans - Regulatory Stage 3 as at the end of relevant period/ year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.*
(6) *AUM represents the aggregate of future principal outstanding and principal overdue held in our books as on the last day of the relevant period/ year and loan assets which has been transferred/ sourced by our Company by way of securitization and pool buy out/ assignment/ our share of co-lending loans and are outstanding as at the end of the relevant period/ year.*
(7) *AUM Growth represents the growth percentage in AUM as of the last day of the relevant year over AUM as of the last day of the previous period/ year.*

As highlighted in the table above, our Gross Loans – Stage 3 Ratio and Net Loans – Stage 3 Ratio decreased from Fiscal 2021 to Fiscal 2023 and have largely remained stable between nine months ended December 31, 2022 and December 31, 2023, while our AUM has increased between Fiscals 2021 and 2023 and between nine months ended December 31, 2022 and December 31, 2023. These trends reflect our stable asset quality as a result of our effective risk management.

Diversified sources of funding backed by broad borrowing mix and lender base

Our ability to access diversified sources of funding has been a key contributor to our growth. As of December 31, 2023, we access funds from 61 lenders, including nine public sector banks, 25 private banks, four mutual funds and 23 financial institutions. Our key lenders include public sector banks such as the State Bank of India Limited, Bank of Baroda, Canara Bank, Union Bank of India and Punjab & Sind Bank and private banks such as ICICI Bank, HDFC Bank, Kotak Mahindra Bank, IDFC First Bank Limited, Axis Bank, IndusInd Bank Limited, Federal Bank, HSBC, RBL Bank Limited, Bandhan Bank, DBS Bank and YES Bank. We have broadened our lender base over time and have deepened our relationship with our top 10 lenders. The percentage of loans availed from our top 10 lenders has increased to 48.38% as of December 31, 2023 from 35.85% as of March 31, 2023. For further details on our lender concentration, see "– *Description of our Business and Operations – Source of Funding*" on page 221. Our relationship with our lenders over the years is also reflected in our increasing average ticket size ("**ATS**") per lender of ₹1,293.61 million for nine months ended December 31, 2023 from ₹1,067.14 million in Fiscal 2023 and our increasing average tenure of borrowings at origination (including securitization) to 45.13 months for nine months ended December 31, 2023 from 43.83 months in Fiscal 2023. We raise debt through several instruments such as term loans from public sector banks and private banks, non-convertible debentures, working capital demand loans and overdrafts against fixed deposits and external commercial borrowings. We also securitize our existing receivables through arrangements such as direct assignments and PTCs. The diverse sources of funds allow us to access more cost-effective long-term financing. We have deepened our relationship with our existing lenders thereby increasing the tenure of our borrowings over time and our average ticket size with the existing lenders. The following table sets forth tenure and average ticket size of our borrowings for the relevant period/ year:

Product	As of and for the nine months ended December 31,		As of and for Fiscals ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in million)				
Average Tenure of Borrowings at Origination (including securitization) (in months) (1)	45.13	44.86	43.83	38.89	39.55
Average Residual Tenure of Borrowings (including securitization) (in months)(2)	34.19	34.05	34.62	28.20	30.97
Average Ticket Size ("**ATS**") (Exposure) per Lender (3)	1,293.61	1,001.05	1,067.14	803.17	555.92

Notes:
(1) *Average Tenure of Borrowings at Origination (including securitization) represents the average tenure of borrowings as of the last day of the relevant period/ year weighted based on origination tenure.*
(2) *Average Residual Tenure of Borrowings (including securitization) represents the average tenure of borrowings as of the last day of the relevant period/ year weighted based on residual tenure.*
(3) *ATS (exposure) per lender represents total borrowings outstanding from lender as of the last day of the relevant period/ year divided by the number of lenders as of the last day of the relevant period/ year.*

We have an established liability franchise aimed towards procuring cost-effective long-term financing. Further, despite increases in the repo rate in India in Fiscal 2023 as specified in the CRISIL Report, we were able to maintain borrowing costs, average cost of borrowings and incremental cost of borrowings, as shown in the table below:

Product	As of and for the nine months ended December 31,		As of and for the year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in million , except otherwise stated)				
Debt securities	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Borrowings (other than debt securities)	61,141.20	45,412.85	53,281.82	30,037.82	16,637.38
Subordinated liabilities	-	204.06	-	203.66	402.94
Finance costs	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Average Cost of borrowing (1) (%)*	7.29%	6.95%	9.39%	8.84%	10.17%
Incremental Cost of Borrowings (2) (%)	9.27%	9.07%	9.17%	8.80%	9.74%

* *Not annualized for the period ended December 31, 2023 and December 31, 2022*
Notes:
(1) *Average cost of borrowing, which is a Non-GAAP measure, is adjusted finance costs for the relevant period/ year divided by average total borrowings. Adjusted finance costs represents the finance costs reduced by interest on lease liability for the relevant period/ year. Average total borrowings , which is a Non-GAAP measure, is the simple average of total borrowings as at the end of relevant period/ year and total*

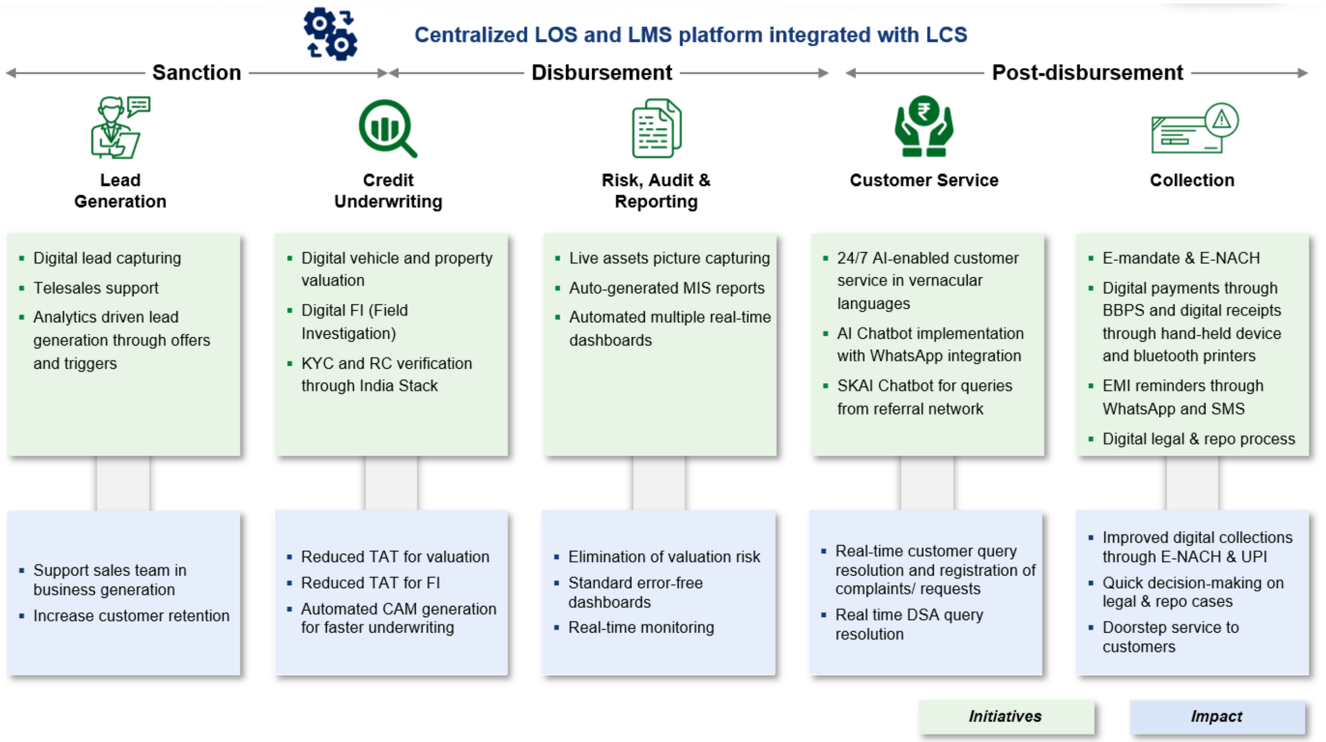
borrowing as at the end of relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.
(2) *Incremental Cost of Borrowings represents the weighted average cost of fresh borrowings during the relevant period/ year.*

Further, our credit rating improved for (i) our non-convertible debentures to "AA-/ Stable" by CARE and "A+/ Positive" by CRISIL as of the date of this Draft Red Herring Prospectus from "A+/Stable" by CARE and "A" by CRISIL in Fiscal 2021; and (ii) our loan facility to "AA-" by CARE as of the date of this Draft Red Herring Prospectus from "A" by CARE in Fiscal 2021, which indicate the strength of our business model. We also have asset liability management strategies in place to ensure that we do not have any cumulative asset / liability mismatches. As of December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, we had no cumulative asset-liability mismatch across all the maturity buckets.

We rely on our diversified sources of borrowing, stable credit history, credit ratings and effective asset-liability management to enhance our access to cost-effective debt financing.

Technology driven company with scalable operating model

We are a technology driven company using systems with digital infrastructure to manage a scalable and sustainable operating model, which we rely on to expand and scale our business and drive growth in revenue at lower incremental costs. Our loan origination, management and collection processes, along with the support function activities, are backed by technology interface and the following chart reflects our technology framework as of December 31, 2023:



Note: LOS – Loan Origination System, LMS – Loan Management System, LCS – Loan Collection System

We use data analytics throughout the customer journey from lead generation to sales and collections, as well as across our operations in our planning of business initiatives, human resources, credit management, and customer selection and monitoring. The integration of data analytics in our business operations has helped improve our productivity, see "*Selected Statistical Information – XI. Productivity Ratios*" on page 301 for further details.

Our productivity per employee positions us in a favorable position in the industry. According to the CRISIL Report, among the peers analyzed, our Company had the highest CAGR in disbursement per employee and disbursement per branch and the second highest CAGR in AUM per employee and AUM per branch between Fiscals 2021 and 2023.

Further, our systems and applications are maintained on a robust technology infrastructure, which is protected by information security policies. This aids us in sustaining high traffic in terms of volume of data and number of visitors across various branches and integration of the technology infrastructure with our systems and applications, which aids us in providing consistent uptime for smooth functioning and enterprise expansion. For further details, see "- *Description of our Business and Operations – Information Technology*" on page 222.

We have made investments in our information technology systems and adopted technology enabled platforms tools in order to strengthen our product offerings. Our continuing investment in technology systems are intended to enable us to improve recoveries, assess asset quality and reduce our operating expenditure, our cost of customer acquisition and credit costs over time. The following table sets forth our investment in our information technology and digital systems for the periods indicated:

Particulars	For the nine-months ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
Investment in information technology and digital systems (₹ in million)	306.30	187.01	291.23	239.13	114.34
% of Revenue from Operations	2.34%	2.03%	2.24%	2.94%	1.70%
% of Average AUM	0.36%	0.33%	0.48%	0.59%	0.36%

Experienced and professional management team with extensive industry knowledge

Our Company was founded and promoted by Rajendra Kumar Setia, our Managing Director and Chief Executive Officer, who has experience of over 29 years in the financial services sector. He was awarded as one of the "ET Business Leaders of Rajasthan 2019" by the Times Group. Yash Setia, Rajendra Kumar Setia's son, was also appointed to our Board as a Whole-time Director (also our Promoter). Further, we have Board approved succession plans in place for members of our management team. As of the date of this DRHP, our Promoters own 32.26% of the issued, subscribed and paid-up equity share capital of our Company , on a fully diluted basis. Our KMPs and SMPs have an average experience of 18 years, and have been with our Company for an average of over seven years thereby demonstrating their commitment to our Company and stability of our management. We have segregated our leadership team based on product verticals and geography. Further, our Board includes experienced directors, who have extensive industry knowledge. For further details in relation to our Board and key management personnel, see *"Our Management"* on page 246.

Focus on sustainable business practices and social empowerment

We are focused on promoting sustainable business practices and creating opportunities for the broader community, as shown in the social impact reports we have released, which highlight the impact in the lives of our customers through their association with us. For further details, see *"-Description of our Business and Operations – Corporate Social Responsibility"* on page 224. As part of our Company's risk mitigation measures and initiative to support social empowerment, the percentage of our women borrowers and co-borrowers have increased in the past three Fiscals and nine months ended December 31, 2023, of which the majority of women are co-borrowers. The following table sets forth the percentage of women borrowers and co-borrowers in our loans in the period/ year indicated:

	Nine months ended December 31,		Fiscals		
	2023	2022	2023	2022	2021
Women borrowers as a percentage of gross loan *(%)* (1)	42.24%	41.17%	41.61%	40.23%	37.01%

Note:

(1) Women borrower as a percentage of gross loan represents our AUM to women borrowers (including both solo-borrowers and co-borrowers) divided by our total AUM in the relevant period/ year.

The Company's sustainable business practices and social empowerment initiatives are aimed at being conducive to improving the Company's brand image and attracting additional capital. We have also secured debt capital from the Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. ("**FMO**") and the Global Climate Fund in Fiscal 2022 specifically aimed at reducing carbon dioxide emissions by financing or re-financing compressed natural gas ("**CNG**") and CNG hybrid vehicles. We have accordingly increased the percentage of our disbursements towards green funding. The following table sets forth the increasing trends of green funding for the periods indicated, which show our emphasis on sustainable business practices:

	Nine months ended December 31,		Fiscals		
	2023	2022	2023	2022	2021
Green Funding Ratio *(%)* (1)	8.61%	6.85%	7.17%	6.32%	1.72%

Note:

(1) Green Funding Ratio represents our green funding to vehicle disbursement during the relevant period/ year. Green Funding represents the aggregate of all CNG, and CNG hybrid vehicle loan amounts extended to our customers during the relevant period/ year.

Strategies

Increase penetration and distribution network in existing markets and diversifying into contiguous markets

According to the CRISIL Report, the overall vehicle finance credit is expected to grow at a CAGR of 16-18% from Fiscal 2023 to Fiscal 2027 to reach approximately ₹ 21 trillion. While from Fiscal 2023 to Fiscal 2027, CRISIL MI&A expects overall CV financing to grow at a CAGR of 11-13% and reach approximately ₹ 5,500 billion to ₹ 6,000 billion by Fiscal 2027. As we are the fastest growing player among the peers analyzed in the vehicle financing segment, according to the CRISIL Report, based on growth of our vehicle financing AUM between Fiscal 2021 and Fiscal 2023, we aim to leverage this position in continuing to grow our vehicle financing vertical.

With respect to the MSME financing vertical, according to the CRISIL Report, the industry wide secured MSME loans portfolio has been growing strongly with a CAGR of 14% between Fiscal 2019 and first half of Fiscal 2024. In particular, according to the CRISIL Report, the secured MSME portfolio with ticket size less than ₹0.50 million has been growing faster at a CAGR of 24% between Fiscal 2019 and first half of Fiscal 2024 and is expected to grow at a CAGR of 18-20% over Fiscal 2024 and Fiscal 2027, aided by increasing lender focus and penetration of such loans, enhanced availability of data increasing lender comfort while underwriting such loans, enhanced use of technology, newer players entering the segment, and continued government support.

Further, according to the CRISIL Report, the MSME credit demand in Fiscal 2024 was estimated to be approximately ₹138 trillion, of which only 25% was met through formal financing with an estimated overall credit gap of ₹ 104 trillion. We have expanded to Karnataka in south India in Fiscal 2024 and continue to look to expand our geographies in a contiguous manner. Furthermore, as our MSME business is operated only from 322 branches of the existing 535 branches we plan to leverage our geographic presence and distribution network to take advantage of the large addressable market to grow our MSME financing vertical by gradually providing MSME financing from our existing untapped branch network.

We have been actively growing our branch network over the years and aim to further deepen our reach, expand our presence in new geographies, and increase penetration in high potential states where our presence is relatively new in a calibrated and systematic manner, thereby enabling us to further grow geographically in India. We follow a hub and spoke model in expanding across regions. We designate district-level branches as the hub branch, which manages multiple spoke branches. The number of spoke branches depends on the number of customers and volume of loans from a particular geographical area. We have an area manager responsible for overseeing the hub branch and its spoke branches thereunder.

In expanding into contiguous markets, we typically open branches in locations that are in the vicinity of existing branches and assess suitability of such locations by understanding (i) the lending and repayment culture of the geography through primary research; (ii) the economic activity in the region; (iii) the community or major trading markets (mandis) in the region; (iv) the product requirements in the region; and (v) competitors and their performance over time. We continually evaluate locations using the above criteria and intend to continue to add branches in the existing states as well as in new geographies, to grow our network in the near term. As of December 31, 2023, we have 535 branches, out of which we provide MSME financing through 322 branches, and we intend to commence providing MSME financing from our remaining branches. In addition to expanding our geographical presence we will also look to expand our service offerings at these locations. For example we may act as a corporate agent for sale of insurance products.

With our operating experience of over 25 years, our existing scale, multiple product offerings, diversified reach and intent to deepen and expand our geographical presence, we are well positioned to capture the growth in this market.

Focus on improving our operational efficiencies

We have increased the total number of our branches over nine months ended December 31, 2023 and the past three Fiscals, see "– *Strengths – Deep sales network enabling access to a large demography of customers in the rural and semi urban areas of India supported by a mix of direct and indirect sourcing channels*" on page 205.

The following table sets forth the geographical spread of our branches based on vintage as of December 31, 2023:

	As of December 31, 2023				
	1 year or less	**>1 year – 2 years**	**>2 years – 3 years**	**>3 years – 5 years**	**> 5 years**
Number of branches	96	47	64	82	246

The following table sets forth our AUM per branch based on its vintage as of the dates indicated:

Branch vintage	**As of December 31,**		**As of March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
	(₹ million)				
Branches of 1 year or less	11.95	40.50	35.90	30.53	18.90
Branches of >1 year to 2 years	108.64	77.95	93.61	60.43	40.84
Branches of >2 years to 3 years	136.86	102.04	102.80	82.05	70.92
Branches of >3 years to 5 years	180.40	143.80	154.13	112.21	101.75
Branches of >5 years	253.89	200.89	213.44	156.02	136.52

Note: AUM per branch based on its vintage is calculated as AUM of branches on the last day of the period/ year divided by the number of branches on the last day of the relevant period/ year.

As indicated in the table above, our branches with higher vintage have a higher AUM per branch as of the dates indicated. This highlights the opportunity for us to grow as branches with less vintage mature. We expect to benefit from economies of scale, as our existing branches mature. In particular, our branches in the lower vintage bucket would have relatively higher leverage in benefiting from economies of scale as they mature.

We aim to continue focusing on growing from our existing infrastructure, investing in technology and increasing the use of analytics in our business, in order to improve our branch productivity while benefitting from economies of scale. See *"– Strategies – Continue to invest in technology to upgrade productivity, systems and procedures and further the use of analytics in the business*" on page 212 for further details.

Continue to invest in technology to upgrade productivity, systems and procedures and further the use of analytics in the business

We use information technology to increase our operational and managerial efficiency, see "– *Strengths – Technology driven company with scalable operating model*" on page 210 for further details. We aim to continue using technology and leverage analytics to make our operations more agile by driving branch productivity and improve operational and managerial efficiency, including productivity of our sales and collection teams, maintain asset quality and enhance our customer experience. We aim to continue upgrading our technology systems to meet the needs of our employees, DSAs and customers.

Further, we intend to increase the use of data analytics across different functions by focusing on business support and business intelligence while we continue to digitize processes. We conduct regular review of our onboarding, underwriting and credit processes to digitize and optimize our loan disbursal time. Under business support, we intend to increase the use of data analytics for customer selection, customer follow-up, lead rationalization, field assignment and customer retention. Under business intelligence, we intend to use data analytics and leverage our business intelligence tools to drive sales and collections. We also aim to adopt technology and assets to ensure that operations are conducted in a secure manner and in compliance with regulatory requirements and aid with data protection. Through our regular review of the use of technology in our operations, along with continuous use of new and available technologies, we aim to further improve our work processes to enhance the customers' experience.

Further diversify our source of funds and widen our lender base to scale our borrowing requirements while lowering costs

We seek to reduce our average cost of long-term borrowings through improved credit ratings and by continuing to increase our lending base. For further details in relation to our funding sources, see *"-Strengths – Diversified sources of funding backed by broad borrowing mix and lender base"* on page 209. We intend to continue to diversify our funding sources including accessing long term capital such as sovereign funds and mutual funds, enhance limits from existing sources and identify new sources of funds. As we continue to grow the scale of our operations, we aim to continue exploring other opportunities such as co-lending, direct assignments and securitization.

In addition, we are committed to improve our credit rating, which not only provides access to additional funding sources but also contributes to a reduction in our overall cost of borrowing. A lower cost of borrowing backed by sustained performance and improvement in our credit ratings will help us improve our net interest margin, competitively price our loan products and deliver better return ratios.

Strengthen our brand equity through marketing initiatives

We consider that having a strong recognizable brand is a key attribute in our business, which will help us attract and retain customers as well as increase our customer confidence. Having a strong and recognizable brand is also likely to help us in recruiting and retaining employees. We intend to continue undertaking various initiatives, such as campaigns, programs, outreach activities and events as we have undertaken in the past, such as campaign to install water coolers with our logos in public areas, workshops for motorists, outreach to farmers in nearby markets, marathons and festivals, to increase the strength and recall of our 'SK' brand. For further details in relation to our marketing initiatives, see *"- Description of our Business and Operations – Marketing"* on page 223. We are also committed to promoting sustainable practices and creating opportunities for the broader community to establish our brand equity and to continue growing the percentage of our green funding. For further details, see *"-Description of our Business and Operations – Corporate Social Responsibility"* on page 224.

Description of our Business and Operations

We primarily provide financing for used and new CVs (excluding M&HCVs), cars and tractors as well as new two-wheelers. In addition, in the MSME vertical, we offer loans to customers in sectors such as grocery, medical, auto part, cycle, optical and plumbing essential shops and we offer loans to MSMEs in those sectors. Further, a small component of our loan book comprises of other loans, which includes co-lending, trade advances to our DSAs and personal loans (including personal loans provided to our employees) (collectively, "**other loans**"). We enter into co-lending arrangements with scheduled commercial banks and non-banking financial institutions to leverage our distribution network and widen our sources of funds ("**co-lending arrangements**").

Our Products

We provide the following products to our customers as on the date of this Draft Red Herring Prospectus:

<u>*Vehicle financing vertical*</u>

Category of financed products	Target Customers	End-use/features
CVs (excluding M&HCVs)	Individuals with driving experience typically of three to four years	Small ticket loans for used and new CVs (excluding M&HCVs) primarily used for intra-city or last-mile connectivity in transporting goods or passengers. The majority of the CVs (excluding M&HCVs) we finance are used vehicles.
Cars	Individuals who are primarily looking to upgrade from two-wheelers to small cars	Small ticket loans primarily to first-time car buyers for used and new cars. Typically, these cars are used vehicles for personal use.
Tractors	Farmers and owners of agricultural land	Small ticket loans for purchasing used and new tractors, which are primarily for dual use of agricultural and other commercial activities.

Category of financed products	Target Customers	End-use/features
Two-wheelers	First-time buyers of new two-wheelers	Small ticket loans for purchase of new two-wheelers, which are usually purchased for personal use.

The following tables set forth the key metrics for each category of products in the vehicle financing vertical for disbursements in nine months ended December 31, 2023 and December 31, 2022 and Fiscals 2023, 2022 and 2021, respectively:

CVs (excluding M&HCVs)	For the nine-months ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
Tenure *(in months)*	44.37	42.13	42.36	39.39	38.07
Loan to value	82.37%	83.11%	83.11%	79.43%	81.20%
Blended yield *(in %)*	17.88%	18.24%	18.16%	19.00%	19.75%
Average ticket size *(in ₹ million)*	0.51	0.45	0.46	0.37	0.35
AUM *(in ₹ million)*	41,355.32	31,595.98	34,483.07	22,793.90	17,967.35
Disbursements *(in ₹ million)*	21,035.56	19,504.65	27,091.98	15,506.73	7,994.72

Cars	For the nine-months ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
Tenure *(in months)*	44.90	43.00	43.25	40.93	39.60
Loan to value	77.71%	76.50%	76.34%	75.91%	76.58%
Blended yield *(in %)*	16.94%	16.90%	16.85%	17.24%	17.62%
Average ticket size *(in ₹ million)*	0.43	0.38	0.38	0.34	0.31
AUM *(in ₹ million)*	17,715.89	11,717.77	12,824.72	8,410.62	5,637.91
Disbursements *(in ₹ million)*	10,118.81	7,028.50	9,794.33	6,102.96	2,827.21

Tractors	For the nine-months ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
Tenure *(in months)*	41.74	40.80	40.49	39.82	38.67
Loan to value	82.12%	81.82%	81.92%	80.06%	79.56%
Blended yield *(in %)*	19.93%	19.81%	19.98%	20.45%	21.53%
Average ticket size *(in ₹ million)*	0.36	0.33	0.33	0.31	0.30
AUM *(in ₹ million)*	12,784.43	10,460.44	11,150.73	8,522.15	6,067.42
Disbursements *(in ₹ million)*	6,061.26	5,442.89	7,255.39	5,777.85	3,185.06

Two-wheelers	For the nine-months ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
Tenure *(in months)*	27.57	26.50	26.58	25.32	23.54
Loan to value	81.06%	80.13%	79.89%	79.63%	80.17%
Blended yield *(in %)*	20.92%	21.43%	21.51%	21.90%	22.43%
Average ticket size *(in ₹ million)*	0.07	0.07	0.07	0.06	0.06
AUM *(in ₹ million)*	2,392.88	1,963.12	1,972.77	1,172.31	693.79
Disbursements *(in ₹ million)*	1,508.54	1,537.17	1,903.61	1,141.12	523.79

While we finance used and new CVs (excluding M&HCVs), cars and tractors, we only finance new two-wheelers. In nine months ended December 31, 2023 and December 31, 2022 and Fiscals 2023, 2022 and 2021, 60.40%, 65.39%, 64.40%, 70.09% and 72.93% of the vehicles financed by us were used vehicles, respectively. As of December 31, 2023, 43.67% of the AUM of our vehicle financing vertical are to finance vehicles aged 5 years or less. In nine months ended December 31, 2023 and December 31, 2022 and Fiscals 2023, 2022 and 2021, the average age of the vehicles (excluding two wheelers) financed by us was 7.51 years, 7.30 years, 7.50 years, 7.25 years and 7.13 years, respectively.

The following table sets forth the increases in disbursements to our repeat customers of our vehicle financing vertical, i.e., customers with unique customer IDs who have availed more than one loan from us in the periods/ years indicated:

	For nine months ended December 31,				For year ended March 31,					
	2023		2022		2023		2022		2021	
	Disbursement to repeat customers (in ₹ million)	**Disbursement to repeat customers as a % of total vehicle disbursements**	**Disbursement to repeat customers (in ₹ million)**	**Disbursement to repeat customers as a % of total vehicle disbursements**	**Disbursement to repeat customers (in ₹ million)**	**Disbursement to repeat customers as a % of total vehicle disbursements**	**Disbursement to repeat customers (in ₹ million)**	**Disbursement to repeat customers as a % of total vehicle disbursements**	**Disbursement to repeat customers (in ₹ million)**	**Disbursement to repeat customers as a % of total vehicle disbursements**
Disbursements to our repeat customers	10,119.32	20.08%	7,255.53	17.87%	10,390.65	18.48%	5,825.83	18.06%	2,719.76	16.64%

<u>MSME financing vertical</u>

We primarily provide inventory-based funding to specific sectors in the MSME vertical, such as grocery, medical, auto part, cycle, optical and plumbing essential shops.

The following table sets forth certain metrics for our MSME financing product in the periods indicated:

	Nine months ended December 31,		Fiscals		
	2023	**2022**	**2023**	**2022**	**2021**
Disbursements *(in ₹ million)*	9,494.47	5,881.39	8,544.14	3,257.85	1,717.25
AUM *(in ₹ million)*	18,364.25	10,199.22	11,919.87	5,763.45	3,642.89
Tenure *(in months)*	71.53	72.55	71.86	71.87	76.59
Average ticket size *(in ₹ million)*	0.38	0.36	0.36	0.36	0.46
Average yield (in %)	19.87%	20.13%	20.07%	19.97%	20.35%
LTV	31.59%	30.27%	30.33%	26.61%	30.35%

<u>Others</u>

We enter into co-lending arrangements with scheduled commercial banks and non-banking financial institutions, such as Axis Bank Limited and Bajaj Finance Limited to leverage our distribution network and widen our sources of funds. Our co-lending arrangements allow us to utilize the relevant banks' and financial institutions' low cost of funds and leverage our existing infrastructure to launch customized products to new markets and expand our customer base without taking significant balance sheet risks. Our other loans also include trade advances granted to our DSAs for their working capital requirements and personal loans primarily to our employees.

AUM, Disbursements, ATS by Products

For details of our AUM, disbursements and average ticket size by product in our vehicle financing and MSME financing verticals and AUM and disbursements for Others, see *"Selected Statistical Information – VII. Products Offering"* on page 291.

Interest Rates and Fees for our Vehicle Loans and MSME Loans

The pricing of our vehicle loans and MSME loans is determined based on our credit underwriting and collateral assessment processes and the safeguards developed in our system. These processes and safeguards are regularly reviewed and revised from time to time based on the prevailing market conditions. The pricing and interest rates of our loans are dependent on factors such as the sourcing cost, and, in respect of our vehicle loans, the model and make of the vehicle. For further details, see "*- Description of our Business and Operations–- Underwriting and collection processes – Underwriting*" on page 217.

We require our customers to pay processing fees which are up to 4.00% excluding tax, and other charges such as valuation costs prior to the disbursement of the loans at different stages of the loan application. These fees and charges are subject to change from time to time based on market conditions and regulatory requirements.

Collateral

Loans in our vehicle financing vertical are secured against a hypothecation of the vehicles purchased by our customers. Our MSME loans are secured against mortgages on the self-occupied residential properties or self-occupied commercial properties of our customers.

We monitor our exposure to our loan portfolio using the LTV ratio, which is calculated as the ratio of the gross amount of the loan to the value of the collateral. The value of the collateral for vehicle loans is derived by ascertaining the vehicle value based on the lowest of the value ascertained by an independent valuer, insurance value and grid value of the vehicle. Grid value of the vehicle is created based on internal valuation parameters including manufacturer, model, variant and year of manufacturing, and is evaluated and updated periodically. The value of the collateral for MSME loans is based on the lower of internal credit assessment and the valuation report from an empaneled third-party valuer, which is based on the property being mortgaged having a clear title report from a lawyer appointed by us.

The following table sets forth, for the periods indicated, the LTV of our secured loans portfolio:

Portfolio	For nine months ended December 31,		For year ended March 31,		
	2023	2022	2023	2022	2021
	(in percentage)				
CVs (excluding M&HCVs)	82.37%	83.11%	83.11%	79.43%	81.20%
Tractors	82.12%	81.82%	81.92%	80.06%	79.56%
Two-Wheeler	81.06%	80.13%	79.89%	79.63%	80.17%
Cars	77.71%	76.50%	76.34%	75.91%	76.58%
MSME	31.59%	30.27%	30.33%	26.61%	30.35%

Our Customer Base

Our target customers primarily belong to mid to low-income category who are predominantly self-employed, unbanked or underbanked individuals in the rural and semi-urban areas of India with limited access to organized lending channels. We aim to provide last-mile coverage to unbanked customers by providing them with timely financial support. Our target customers for our vehicle financing vertical are typically first-time borrowers, have multiple sources of income and are typically involved in trading businesses. We aim to focus on smaller customers in rural and semi-urban regions of India who can deploy their assets for multiple purposes and generate ongoing income from the use of the asset. We aim to maintain more than two applicants (including a guarantor) for our loans to enhance accountability. In our assessment customers in our MSME financing vertical have similar socio-economic conditions as our customers in the vehicle financing vertical. We offer loans to specific sectors in MSME verticals such as grocery, medical, auto part, cycle, optical and plumbing essential shops. For further details of our customers who are new to credit ("**NTC**"), see "*Selected Statistical Information – IX. Customer Base – NTC and Women Customers*" on page 298. Further, for the nine months period ended December 31, 2023, 59.77% of our disbursed loan accounts have a credit bureau score above 650 at the time of origination.

Over the years we have focused on developing a deep understanding of the sectors in which our target customers operate and earn their livelihood. As a result, we tailor loans to effectively serve such customers and grow our business, while monitoring and mitigating risks with data analytics.

Our Sales Network

In the vehicle financing vertical, we source our customers through two channels – direct channel, i.e., through our on-ground sales teams that report into our branches, and indirect channel (i.e., through DSAs). As of December 31, 2023, our on-ground sales team is supported by a tele-calling team of 218 employees operating out of our Registered Office in Jaipur.

The following table sets forth the percentage of customers for our vehicle financing vertical that have sourced through our direct channel and DSAs, based on disbursements for the relevant period/ year:

Vehicle financing vertical	For nine months ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
	Customers from different sources as percentage of AUM (in %)				
Direct channels	39.92%	38.33%	38.00%	41.66%	46.37%
DSAs	60.08%	61.67%	62.00%	58.34%	53.63%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

The following table sets forth the number of active loan accounts by vertical as at the relevant period/ year ends:

Number of Active Loan Accounts	As at December 31,		As at March 31,		
	2023	2022	2023	2022	2021
	(in numbers)				
Vehicle financing vertical	330,591	271,739	283,898	216,721	169,172
MSME financing vertical	55,806	29,738	35,465	15,556	8,059

<u>*Direct*</u>

As of December 31, 2023, we have 535 branches in 11 states and one union territory. Out of 535 branches, we provide secured business loans to the MSME sector through 322 branches in eight states and one union territory, as of December 31, 2023.

We started operations in Jaipur, Rajasthan and have diversified our geographical presence by adopting a strategy of contiguous expansion across regions, while following a hub and spoke model. The number of our branches increased to 535 branches as of December 31, 2023 from 441 branches as of December 31, 2022, 447 branches as of March 31, 2023, 423 branches as of March 31, 2022 and 344 branches as of March 31, 2021. Our portfolio is diversified, as shown in the following table, which sets forth the geographical spread of our branches as of the dates indicated:

Branch by State/ Territory	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Number of branches	% of total branches	Number of branches	% of total branches	Number of branches	% of total branches	Number of branches	% of total branches	Number of branches	% of total branches
Rajasthan	207	38.69%	179	40.59%	179	40.04%	180	42.55%	174	50.58%
Uttar Pradesh	9	1.68%	-	-	-	-	-	-	-	-
Delhi	11	2.06%	4	0.91%	8	1.79%	4	0.95%	-	-
Haryana	36	6.73%	27	6.12%	27	6.04%	23	5.44%	22	6.40%
Uttarakhand	13	2.43%	10	2.27%	10	2.24%	8	1.89%	-	-
Punjab	29	5.42%	22	4.99%	23	5.15%	22	5.20%	16	4.65%
Himachal Pradesh	14	2.62%	10	2.27%	11	2.46%	7	1.65%	-	-
Karnataka	12	2.24%	-	-	-	-	-	-	-	-
Madhya Pradesh	79	14.77%	69	15.65%	69	15.44%	69	16.31%	45	13.08%
Gujarat	61	11.40%	65	14.74%	64	14.32%	64	15.13%	56	16.28%
Maharashtra	49	9.16%	47	10.66%	46	10.29%	39	9.22%	27	7.85%
Chhattisgarh	15	2.80%	8	1.81%	10	2.24%	7	1.65%	4	1.16%
Total	**535**	**100.00%**	**441**	**100.00%**	**447**	**100.00%**	**423**	**100.00%**	**344**	**100.00%**

The following table sets forth our vertical wise disbursement in each of the top five states in nine months ended December 31, 2023 and December 31, 2022 and Fiscals 2023, 2022 and 2021:

Disbursement based on state	Nine months ended December 31,				Fiscals					
	2023		2022		2023		2022		2021	
	Vehicle financing	MSME financing	Vehicle financing	MSME financing	Vehicle financing	MSME financing	Vehicle financing	MSME financing	Vehicle financing	MSME financing
	(in ₹ million)									
Rajasthan	19,459.12	5,412.36	17,821.38	3,803.66	24,277.13	5,414.06	16,174.48	2,160.73	9,054.93	1,244.27
Madhya Pradesh	4,623.82	2,018.16	4,227.50	1,233.03	5,744.62	1,817.83	3,548.63	639.48	1,726.46	202.96
Gujarat	4,732.73	-	4,530.30	-	6,179.47	-	3,934.98	138.59	1,899.39	206.78
Haryana	2,117.94	1,112.25	1,577.95	309.82	2,221.09	533.61	1,900.51	136.99	800.96	15.33
Punjab	2,183.41	586.81	1,513.70	505.37	2,146.33	691.76	1,283.04	182.06	597.21	47.92

As of December 31, 2023, the top three states of Rajasthan, Madhya Pradesh and Gujarat accounted for ₹24,871.48 million or 49.34% of our disbursement, ₹6,641.99 million or 13.18% of our disbursement and ₹4,732.73 million or 9.39% of our disbursement, respectively. Our disbursements grew at a CAGR of 69.79%, 71.29%, 97.98%, 109.74% and 83.70% between Fiscal 2021 and Fiscal 2023, in each of Rajasthan, Gujarat, Madhya Pradesh, Punjab and Haryana, respectively. For further details of our concentration risk, see "*Risk Factors – As on December 31, 2023, 75.79% of our Assets Under Management were located in the states of Rajasthan, Madhya Pradesh and Gujarat in India. Accordingly, our operations are concentrated in these three states and any adverse developments in these regions could have an adverse effect on our business, cash flows and results of operations*" on page 32.

We have replicated the learnings of our contiguous expansion model from the existing states in which we have had presence for several years to the new states that we have recently entered into, with our experienced management team leading the expansion. Our branch expansion is done in a calibrated and systematic manner. We review a number of factors including demographics and competitive landscape before establishing a branch. For further details of our hub and spoke model in expansion, see "*– Strategies – Increase penetration and distribution network in existing markets and diversifying into contiguous markets*" on page 211.

Further, with respect to our MSME financing vertical , our business development managers conduct a variety of marketing initiatives to reach out to potential customers, leaflet distribution, setting up canopies in prominent business areas, meeting traders and shopkeepers at large mandi markets, inviting existing customers to acknowledge their association with our Company in order to procure more leads, meeting leaders, the local sarpanch, elders of the community or panchayats to develop relationships.

*Direct selling agents ("**DSAs**")*

For our vehicle financing vertical, we have 8,853 DSAs, across 11 states and one union territory in India as of December 31, 2023, who coordinate with our on-ground sales teams or branch managers in our branch network. We typically enter into empanelment agreements with our DSAs, on a non-exclusive basis. The DSAs pass on the leads to our on-ground sales teams or our branch managers. Thereafter, our on-ground sales teams complete the underwriting process. The customers sourced by these DSAs are then subject to our internal credit approval and disbursement process in accordance with our internal policies. For further details, see "- *Underwriting, Disbursement and Collection Process*" on page 207. Our DSA network primarily comprises retail DSAs and typically 25%-31% of our DSAs were active (by sourcing business to us for at least once in the period/ year) during the nine months ended December 31, 2023, and December 31, 2022, and Fiscals 2023, 2022 and 2021. We also provide commission to our DSAs based on the amount of business sourced by them. The following table sets forth commission paid to our DSAs as percentage of our total vehicle disbursement through DSA channel during the periods indicated:

Particulars	Nine months ended December 31,		Fiscal		
	2023	2022	2023	2022	2021
Commission paid to DSAs as % of our total vehicle disbursement through DSA channel	2.29%	2.12%	2.11%	2.01%	2.20%

Underwriting and collection processes

We have over time developed comprehensive systems covering our underwriting and collections process.

Underwriting

Our underwriting process screens and evaluates loan applications, as well as determines the disbursement amount and the LTV ratio. We adopt a "Phygital" approach in underwriting by combining physical verification methods by the on-ground sales team and digitalized processes on our information technology platform for underwriting. Our on-ground sales team conducts follow-up on leads generated by our DSAs, which is backed by the digital KYC and evaluation processes and data-backed analytics in determining the disbursement amount and the LTV ratio.

Our underwriting process has been built on three key pillars, i.e., income, intent and insurance. Our first pillar of income focuses on lending towards income-generating activities of our customers. This considers income generation of our customers. assessing whether the income-generating capacity of the customer is over and above the value of the collateral of the loan. Furthermore, our underwriting model is an assessed income model, wherein our credit and sales team independently evaluate and take into account the earnings of the borrower on the vehicle and the multiple other sources of income of an applicant. The teams also assess the applicant's family income which may support applicant's repayment capabilities. The CVs (excluding M&HCVs) purchased with the loans are usually used for intra-city or last-mile connectivity in transporting goods or passengers. Our second pillar is based on evaluating the intent of the customer and we achieve this by utilizing multiple filters such as carrying out credit bureau checks of applicants who have a past payment track record. Our tele-calling team also calls our customers, and our on-ground sales teams conduct physical visits to verify the credit history of our customer. The third pillar of our underwriting process is 'insurance' in the form of security. Given that we primarily engage in secured lending, the assets that have been secured with us as collateral, act as an 'insurance' in case of defaults. As part of our Company's risk mitigation measures in the 'insurance' pillar and initiative to support social empowerment, we typically require that our loans have women co-borrowers.

We have also extended these three pillars to our MSME financing vertical, as it primarily caters to customers who we assess to have similar socio-economic conditions as our customers in the vehicle financing vertical. Our on-ground sales team personally visits the applicants at their place of business or residences, and we capture the details of the collateral in our information technology systems by using geo-tagging and photographs. This enables us to understand the applicant's profile, business and property. Our MSME loans are secured by self-occupied residential properties or self-occupied commercial properties, which we believe further act as social collateral given the lower default risk for loans secured by self-occupied residential properties as per the CRISIL Report. As a result, we have been able to leverage our experience in underwriting our vehicle financing vertical to the underwriting processes for our MSME financing vertical.

Our physical plus digital "Phygital" approach in underwriting are further characterized by a multi-level evaluation process for each loan, where the physical approach of our sourcing and operations teams conducting the preliminary assessment of each applicant, which is then independently evaluated by our credit team who approves the loan proposal. The applicants are assessed digitally based on credit bureau scores, reference and valuation checks carried out by us and independent valuers, as well as review of their financial statements and market related risk, after which our credit team decides whether to approve the loan. Our credit team also recommends the loan tenure, the interest rate and specific terms and conditions, if any, pertaining to the loan after assessing the gross income and net income of the applicant and co-applicant (where applicable). Our credit team processes and sanctions the loan applications based on the customer selection and risk acceptance criteria specified in our product manual and after considering a conservative gap between the EMI obligation and the assessed net income of the borrower. Our credit team also prepares a credit appraisal memorandum which captures key details of the applicant, references and the loan, as well as the collected and assessed items. This methodology of underwriting enables us to evaluate the intent and ability of the customer to repay the loan, despite the lack of traditional documentary proof of income.

Collection

While we have separate sales teams for our vehicle financing and MSME financing verticals, we have a dedicated and experienced collection team consisting of 1,607 employees as of December 31, 2023 servicing both our verticals. The collection employees aim to educate customers and conduct regular follow-ups with customers. The collection team is supported by a legal team of 188 people as of December 31, 2023, ensuring a seamless communication process between our collection team and our customers in issuing delinquency notices and seeking approval from police authorities before repossessing the collateral in accordance with the applicable laws and regulations. Our collection team collaborates with our sales team and legal team to ensure that our collections process is well-structured.

At the outset of loan disbursement, we educate our customers on the impact of delay in repayments and possibility of moratorium throughout the loan cycle. We introduced auto-payment arrangements through the Electronic National Automated Clearing House ("**eNACH**") in the year of 2019. Our digital collections are largely made through eNACH, and in the event that payment does not come through eNACH due to insufficient bank account balance on the customers' end, we would contact the customers for repayment by cash or through Unified Payment Interface ("**UPI**") or Bharat Bill Payment System ("**BBPS**"). Digital collections are instrumental in avoiding repayment delinquencies and increasing our collection efficiency. Our sales team is responsible for collections during the initial 12 months of the loan cycle in both business verticals and their incentives and appraisals are designed to include the performance of the initial 12 months of portfolios sourced by them. In the vehicle financing vertical, after the initial 12 months of the loan cycle, the collection team takes charge of collections and conducts regular follow-ups with our customers to track their repayment progress in each time bucket, with support from the sales team. In the MSME financing vertical, the sales team continues to take charge of collections for up to 60 days past due, after which the responsibility of collections shifts to the collection team. We also remind our customers of their payment schedules through text messages two days prior to the due date, followed by calls from our dedicated collection tele-calling team for customers who fail to make payments on the due date. Our collection tele-calling team supplements the on-ground intelligence by specifically identifying cases with higher risks, in which case our field collection officers visit the selected customers to follow up on their repayments. Collection teams also have monthly targets and incentives designed on the amounts collected by them, including the roll backs made by them. For overdue cases, our field officers visit customers to collect instalments and profile the customers based on their intention to pay, impact of default on their business and initiate the process of repossession of the collateral no later than 60 days past due.

Our collection process is differentiated with a high touch approach which focuses on building personal connection with our customers based on stage of delinquency and through personal meetings with customers and use of technology-backed mechanism for regular follow-ups with our customers and automated reminders to our customers before the due date. In the event of default under a loan agreement, we initiate the enforcement process by sending a legal notice to the customer on non-payment of the scheduled repayment. On non-recovery of the equated monthly instalments ("**EMIs**"), the collateral is repossessed after following a documented legal process wherein our collections team coordinates with our legal team to initiate and monitor the process of repossession. We work with third party repossession agencies who assist in the repossession and disposal of assets. In case of the vehicle financing vertical, we park the repossessed assets in a third party contracted yard, until the sale of the asset is not completed through an auction process, or a settlement of the dues and closure of the loan is not completed with the customer.

As we provide business and collection targets for our sales team and collection team as well as collection targets for our legal team based on their legal actions during collections, we align the goals of these teams and provide incentives for members in these teams if they meet the business and collection targets.

Risk Management

Our risk management framework includes the segregation of duties among our Risk Management Committee, our management level committee of executives and our internal auditors, to ensure independence and avoid conflicts of interest. Our board of directors has overall responsibility for the establishment and oversight of our risk management framework. Our board of directors has established the Risk Management Committee, which exercises supervisory power in connection with the risk management of our Company, developing and monitoring risk management policies, monitoring of the exposures, reviewing adequacy of risk management process and ensuring compliance with the relevant statutory/regulatory framework. Our Risk Management Committee also sub-delegates the execution strategy to our risk committee of executives and our asset liability management committee, which meets on a regular basis to ensure that our risk management structure is complied with. We have also appointed internal auditors to conduct internal audit and furnish the internal audit report to the Board every quarter.

We have also established risk management policies that enable us to identify and analyze the risks faced by us, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The risks and non-compliances are appropriately escalated to the relevant committees and business verticals to ensure that the risks and non-compliances are considered while taking business decisions. Our risk management policies and systems are reviewed regularly to reflect changes in market conditions and our activities.

The major types of risk we face in our businesses are credit risk, liquidity risk, interest rate risk, foreign currency risk and price risk.

<u>Credit Risk</u>

Credit risk is the risk of actual or probable financial loss to our Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our receivables from customers and loans and advances now or in future. The sanction and renewal of any credit facility to a particular borrower requires appropriate credit approval by the concerned authority. The appropriate authority is entrusted with the task of verifying the credentials of the customer as per set processes and guidelines. We manage and control credit risk by setting limits on the amount of risk that we are willing to accept for individual counterparties and for a group of counterparties and by monitoring exposures in relation to such limits. The credit worthiness of borrowers is regularly reviewed and monitored by line credit risk managers, who are responsible for maintaining the portfolio quality as per given risk-return targets. Further we have established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality review process aims to allow us to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial assets. Our approach to managing liquidity is to ensure, as far as possible, that we will have sufficient liquidity to meet our financial liabilities when they are due, under both normal and stressed conditions in a timely manner, without incurring unacceptable losses or risking damage to our reputation.

We have obtained fund based working capital loans from various banks. Further, we have access to funds from debt market through non-convertible debentures and other debt instruments including term loans. Short term facilities including cash credits and working capital demand loans are renewed on yearly basis and are revolving in nature. We also manage liquidity by raising funds through securitization transactions. We use debt funds and fixed deposit receipts to manage and/or invest our available surplus. We have also taken overdraft facilities on our investments in fixed deposits, and used such funds as working capital in the ordinary course of business.

Our asset liability management committee ("**ALCO**") defines its risk management strategy and set the overall policies and procedures. The liquidity risk management strategies are reviewed by the ALCO to align with changes to the external environments, including regulatory changes, business conditions and market developments.

Interest Rate Risk

Interest rate risk consists primarily of risks inherent in asset-liability management ("**ALM**") activities and relates to the potential adverse impact of changes in market interest rates on future net interest income ("**NII**"). Interest rate risk arises from mismatches in re-pricing of interest rate sensitive assets ("**RSA**") and rate sensitive liabilities ("**RSL**").

Our board of directors is responsible for management of our interest rate risk and sets the overall policy and risk limits. In order to manage and/or mitigate interest rate risk, we have defined interest rate sensitive gap tolerance limits for each time bucket which is approved by our Board. Our treasury team is entrusted with the responsibility of managing interest rate risk within the prescribed overall risk limits and the same is monitored by ALCO. Further, we undertake NII analysis to assess the impact of changes in interest rate on the earnings of our Company.

Our interest rate risk arises from borrowings. The following table sets forth the interest rate profile of our interest-bearing financial instruments as of the dates indicated:

Particulars	**As at December 31,**		**As at March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
	(₹ in million)				
Fixed-rate instruments					
Financial assets	106,176.60	80,973.22	88,518.19	60,781.36	41,896.49
Financial liabilities	35,535.88	34,372.40	32,319.02	26,960.41	23,581.30
Variable-rate instruments					
Financial assets	-	-	-	-	-
Financial liabilities	45,350.80	30,910.57	39,688.39	19,226.06	9,429.67
Total Net	**25,289.92**	**15,690.25**	**16,510.78**	**14,594.89**	**8,885.52**

Note: Total Net refers to financial assets less financial liabilities for both fixed-rate instruments and variable-rate instruments.

Foreign Currency Risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises mainly on account of foreign currency borrowings. The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows:

Particulars	**Underlying Currency**	**As at December 31,**		**As at March 31,**		
		2023	**2022**	**2023**	**2022**	**2021**
Financial liabilities in ₹ million	USD	1,745.10	1,948.73	1,954.55	1,880.84	752.25

Price Risk

Our exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in highly liquid debt funds for very short durations. We have a Board approved policy of investing our surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds or risk bearing instruments.

Risk Management Architecture

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes monitoring by our Board through the Audit Committee and the Risk Management Committee, as well as the ALCO and the Risk Management Committee of Executives which are sub-committees of the Risk Management Committee.

- *Audit Committee:* Our Company engages internal auditor to periodically review various aspects of the internal control systems. The reports of the internal auditor are reviewed by the Audit Committee.

- *Risk Management Committee:* The Risk Management Committee exercises supervisory power in connection with the risk management of our Company, developing and monitoring risk management policies, monitoring of the exposures, reviewing adequacy of our risk management process, ensuring compliance with the regulatory framework of the risk management process. The Risk Management Committee supervises and manages various aspects including liquidity risks faced by us and provides necessary directives to the ALCO, as and when necessary.

- *Asset Liability Management Committee:* The ALCO devises the risk management strategy and sets the overall policies and procedures. The ALCO comprises of senior management of the Company and headed by managing director or/and executive director. The ALCO reviews liquidity risk management strategies to align with changes to the external environments, including regulatory changes, business conditions and market developments. ALCO meetings are held once in a quarter or more frequently as required from time to time. The minutes of ALCO meetings are placed before the Risk Management Committee and the board of directors. The ALCO reports to the Risk Management Committee.

- *Risk Management Committee of Executives*: The Risk Management Committee of Executives reviews and manages risks within the Company, including regular reporting and assessment of enterprise-level risks, ensuring the reporting of internal capital adequacy assessment process results to the Board or the Risk Management Committee, reviewing the results of stress testing, monitoring compliance risks on an ongoing basis, and assessing and managing information technology and cybersecurity risk. The Risk Management Committee of Executives reports to the Risk Management Committee.

Treasury Functions

Our treasury department is responsible for our asset liability management, liquidity management and control, diversifying fund raising sources, managing interest rate risk and investing surplus funds in accordance with the criteria set forth in our investment policy. In order to meet our capital requirements, we raise debt through several instruments as specified under *"- Description of our Business and Operations – Source of Funding"* on page 221. While our financings are typically secured against our assets on an exclusive (rather than *pari passu*) basis, we have steadily reduced the security cover on our borrowings over time. The following table sets forth our security cover as of the dates indicated:

	As of				
	December 31, 2023	**December 31, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Security cover	114.57%	115.85%	114.68%	117.22%	118.74%

We also assign loans through direct assignment to banks and financial institutions, which enables us to transfer risks of our loan portfolio and actively manage our funding and liquidity requirements, capital and asset liability match. Our treasury and finance team periodically submit their reports to our asset liability management committee, which submits its findings to our Board**.**

Sources of Funding

We raise debt through several instruments such as term loans from public sector banks and private banks, non-convertible debentures, working capital demand loans, overdrafts against fixed deposits and external commercial borrowings. For further details in relation to our (i) liability profile and (ii) the average tenure of borrowings at origination and average ticket size per lender, as of December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, see *"Selected Statistical Information – III. Borrowings – Sources of Borrowings"* and "*Selected Statistical Information – III. Borrowings – Details of Borrowings"* on page 284.

The following table sets forth the breakdown of our liability profile with our existing top 10, top 11-30 and the remaining lenders, as of the dates indicated:

	As of			
	December 31, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Top 10 lenders	48.38%	35.85%	44.80%	46.01%
Top 11- 30 lenders	36.80%	40.11%	40.89%	37.71%
Remaining lenders	14.82%	24.04%	14.31%	16.29%

As indicated in the table above, we have diversified our lending base over time and have extended our relationship with our top 10 lenders as the percentage of loans availed from them increased to 48.38% as of December 31, 2023 from 35.85% as of March 31, 2023.

Capital Adequacy Ratios

As per the RBI Master Directions, NBFCs are required to maintain a minimum capital ratio on an ongoing basis, consisting of Tier I- Capital and Tier II- Capital of not less than 15% of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. Further, the total Tier II- Capital at any point of time, should not exceed 100% of Tier I- Capital. For further details in relation to our Tier I, Tier II- Capital and capital adequacy ratio, see *"Selected Statistical Information – VI. Capital Adequacy"* on page 290.

Credit Ratings

Our credit ratings for the periods indicated are set forth below:

Rating Agency	Instrument	December 2023	December 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
CARE Ratings	Non-convertible debentures	AA- Stable	A+ Stable	A+/Positive	A+	A
	Market linked debentures	AA- Stable	A+ Stable	A+/Positive	A+/Stable	A/Stable
	Subordinated bonds	Withdrawn	A+ Stable	A+/Positive	A+	A
	Loan facility	AA- Stable	A+ Stable	A+/Positive	A+	A
CRISIL Ratings	Non-convertible debentures	A+ Positive	A + Stable	A+/Stable	A+	A
	Market linked debentures	A+ Positive	A+ Stable	A+/Stable	A+/Stable	A/Stable
	Loan facility	-	A + Stable	A+/Stable	A+	A
	Commercial paper	-	A1+	-	-	-
ICRA Ratings	Non-convertible debentures	AA- Stable	A+ Stable	A+/Positive	A+	-
	Market linked debentures	AA- Stable	A+ Stable	A+/Positive	A+ Stable	-
	Structured non-convertible debentures	-	Withdrawn	Withdrawn	A+(CE) (Stable)	AA+(CE) (Stable)
	Loan facility	-	A+ Stable	Withdrawn	A+	-
Acuite Ratings	Market linked debentures	AA- Stable	AA- Stable	AA-/Stable	-	-
	Loan facility	-	AA- Stable	AA-/Stable	AA-	-
	Commercial paper	-	A1+	A1+	A1+	-
India Ratings	Non-convertible debentures	AA- Stable	-	-	-	-
	Loan facility	AA- Stable	A+ Stable	A+/Stable	A+	-
	Commercial paper	A1+	A1+	A1+	A1+	-
Brickworks Rating	Non-convertible debentures	-	-	-	-	A
	Loan facility	-	-	-	-	A

For disclaimers on our credit ratings, see "Risk Factors – Any downgrade of our credit ratings could increase borrowing costs and constrain our access to capital and lending markets and, as a result, could negatively affect our net interest margin and our business" on page 41.

Information Technology

We are a technology driven company using systems with digital infrastructure to manage a scalable and sustainable operating model. For further details, see *"-Strengths – Technology driven company with scalable operating model"* on page 210. Our core partner for loan origination system ("**LOS**"), loan management software ("**LMS**") and collection system is Nucleus Software Exports Limited. Our LOS, LMS and collection systems are cloud-based with data integration and streamlined report generation to reduce manual intervention, turnaround time and operation costs. Meanwhile, we also have third-party technology partners who help manage the entire end to end employee engagement, manage customer communication and customer relationship management and help with various business support technology enablement.

We have implemented transformation initiatives across all our core functions such as data analytics that flag early warning signs, predictive analytics and digitized collection and monitoring. Particularly for our MSME financing vertical, we have digitized our sourcing capabilities by implementing a virtual branch concept, wherein we source loans for MSMEs through SKOP, our app-based service. We have developed a virtual paperless origination to disbursal process and our sales employees utilize a mobility-driven cloud-based tool (such as our mobile application) to on-board our potential customers by visiting such customers at their location. For our loan origination and underwriting processes, we leverage analytics to gather data intelligence on our customers and collateral data points during the origination process, and analyze such data to process loan applications, assess credit risks and identify fraud. We also leverage SKOP, our mobile application with live image capturing features to generate valuation reports for vehicles and/or property collaterals, which shortens the turnaround time and reduces the associated costs. For credit approval and disbursement, we utilize data backed analytics in making underwriting decisions and updating our used vehicle internal grids or valuation matrix from time to time. We have implemented a largely paperless approach to credit underwriting. For further details in relation to underwriting, see *"– Our Strengths – Comprehensive systems and process for underwriting, collections and risk management"* on page 207.

We utilize technology for payments by adopting digital payment methods such as eNACH, and UPI/BBPS. For further details in relation to our digital collections, see "*– Underwriting, disbursement and collection processes*" on page 207. The digital payment options allow our customers to repay the vehicle loans and MSME loans at their convenience without having to spend time and effort in visiting our branches, and thereby improve our collection efficiency. As we endeavor to optimize our customers' experience and provide real-time support services to our DSAs, we have implemented SKAI Chatbot with WhatsApp integration in five different languages to provide customer support at all times. We further deepen our customer engagement with digital touchpoints by providing, among other things, frequent file status updates to customers.

Our employee lifecycle management process from on-boarding to exit is also backed by our technology interface. We have multiple real-time dashboards and have the ability to auto-generate MIS reports, which helps us to eliminate risk, monitor on a real-time basis and provide portfolio performance-based incentives. We have also increased the use of data analytics across different business functions and have several key ongoing technology initiatives leveraging data analytics to (i) provide personalized offers to our customers; (ii) implement leadership dashboards; (iii) help our human resources team predict attrition and enable them to attract and retain talent; and (iv) formalize the lead/credit score cards and perform reject referencing whereby insights are generated based on score cards that inform our credit officers' decision to approve or reject loans. We have also implemented tools and processes to ensure cybersecurity, including frequent vulnerability assessment and penetration testing assessments, end point protection for hardware, email gateway security, virtual private network and mobile device management.

We have consolidated our data in the form of a cloud-based repository. Our primary data center is in Jaipur and our disaster recovery center is located in Mumbai, Maharashtra.

As of December 31, 2023, we have a dedicated technology team of 163 employees, broadly covering three verticals, i.e., digital, infrastructure and services, and cybersecurity, each being headed by a vertical head, i.e., Chief Digital Officer, Chief Technology Officer and Chief Information Security Officer, respectively.

Intellectual Property

We own a combination of trademarks to establish and protect our brands, logos and marketing designs. As of December 31, 2023, we have:

- eight trademarks registered with the Registrar of Trademarks under the Trademarks Act, including our logo, ;
- one accepted and advertised and two objected trademark; and
- 46 domain names registered in the name of our Company, including our website, www.skfin.in.

Marketing

We target customers belonging to mid to low-income category who are predominantly self-employed, unbanked or underbanked individuals in the rural and semi-urban areas of India with limited access to organized lending channels. We seek to connect with prospective customers in both our vehicle financing vertical and MSME financing vertical through our direct channels and DSAs. For further details, see "– *Our Sales Network*" on page 216. We also utilize our social media to create awareness of our brand among the younger Indian population and to increase the strength and recall of our 'SK' brand. We have undertaken several marketing and brand visibility initiatives, including the following :

- *Boond* campaign: In nine months ended December 31, 2023 and Fiscals 2023, 2022 and 2021, we have installed water coolers bearing our brand logo in public areas and other areas such as police stations and temples in Rajasthan, Madhya Pradesh, Delhi, Haryana and Chhattisgarh;
- *SK Suraksha Shapath*: In nine months ended December 31, 2023, we distributed helmets in schools and workshops for motorists who provided penalty receipts (challans) issued to them for not wearing helmets;
- *Kisan Sabha* and *Mandi Sabha*: In the nine months ended December 31, 2023, our employees at our branches reached out to the farmers by visiting nearby markets to share details of our loan products;
- National Panchayat Raj Day: During the nine months ended December 31, 2023, we engaged farmers across our branches in Rajasthan and Punjab to interact with our existing and potential customers;
- Events: In nine months ended December 31, 2023 and Fiscal 2023, we organized two marathons in Jodhpur, Rajasthan as well as two health and wellness fests in Jaipur, Rajasthan. These events are part of our marketing initiatives to engage potential customers and increase our brand visibility;
- Advertisements: During the nine months ended December 31, 2023, we placed advertisements at public places and outside the offices of the DSAs during Diwali to engage potential customers and increase our brand visibility;
- *Chai Chaupal*: In Fiscals 2023 and 2022, our employees visited locations in the vicinity of over 250 branches such as taxi stands and bus stands, to discuss our loan products and educate potential customers about financial literacy; and
- *Loan Gaadi*: In Fiscal 2023, a car displaying our brand logo drove across various regions in India such as Rajasthan, Madhya Pradesh, Gujarat, Punjab, Haryana and Delhi to connect with potential customers and discuss our loan products.

Competition

The NBFC finance industry in India is highly competitive. We face competition from other NBFCs and scheduled commercial banks on the range of product offerings, interest rates, fees and customer service, as well as for skilled employees. Our primary competitors include Cholamandalam Investment and Finance Company Ltd, Sundaram Finance Ltd, Shriram Finance Ltd, Five-Star Business Finance Ltd and SBFC Finance Ltd. For further details, see "*Industry Overview*" on page 137.(*Source: CRISIL Report*)

Insurance

We maintain insurance policies that we believe are customary for companies operating in our industry. Our principal types of coverage include directors' and officers' liability insurance, money insurance policy pertaining to cash in safes and in transit and we also have a combined corporate policy which covers, among others, employee health insurance, personal accident cover, fidelity insurance, electronic equipment insurance for non-portable electronic assets, risks for portable electronic assets, burglary, fire and allied perils, public liability, strikes, terrorism and natural disasters and breakdown of office equipment. In addition, our Company has procured insurance policies for the vehicles provided to its employees.

Our insurance coverage, as of December 31, 2023 is as follows:

Particulars	Remarks	Amount (in ₹)	% of total Assets (in %)	Percentage of insurance coverage (in %)
Insured Assets	Property, plant and equipment and Cash	981.06	0.90%	139.22%
Uninsured Assets	Other Financial and Non-Financial Assets	1,07,515.21	99.10%	Nil
Total Assets		**1,08,496.27**	**100.00%**	**1.26%**

Employees

As of December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, we had 10,725 employees, 8,143 employees, 8,438 employees, 6,730 employees and 5,107 employees, respectively.

The following table sets forth the break-down of our employees as of December 31, 2023:

Particulars	Number of employees as of December 31, 2023
Sales	6,202
Collection	1,607
Corporate office	755
Information technology	163
Others*	1,998
Total	10,725

* *Others include, among others, administration, human resources and other support teams.*

For further details in relation to the total number of sales and collection employees as of December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, see "*Selected Statistical Information – XII. Key Operational Metrics*" on page 303.

We consider human talent as one of the key pillars for our success and growth. We have established practices of skill-building through regular trainings and leadership development programs. We further strive to provide our employees with a healthy work-life balance, which we believe enhances their productivity and motivates their performance.

We have a young workforce with majority of our employees below the age of 35 years as of December 31, 2023. To further motivate our employees, we have an employees' stock option scheme for selected employees. For details of the employees' stock option scheme, see "*Capital Structure – Employee Stock Options Scheme of our Company*" on page 102.

Corporate Social Responsibility

Our corporate social responsibility ("**CSR**") initiatives focus on areas such as health and wellness, sanitation and hygiene, education and vocational skill development, women empowerment, animal welfare, promoting sports for underprivileged children, education, etc. We have incurred or accrued ₹29.25 million, ₹26.20 million, ₹18.92 million and ₹19.01 million in the nine months ended December 31, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021 on various CSR activities.

We have implemented the following initiatives to strive towards social welfare and community development including (i) establishing the institute of child and adolescent development center with the Babylon's Newton Charitable Trust, an institute committed to transform the lives of children, adolescents and their caregivers (including doctors, parents and teachers); (ii) collaborating with autism care center and supporting hospitals for public awareness of sanitation and healthcare measures; (iii) funding the "Education through Cinema on Wheels" project; (iv) initiating the SK Skill Academy to provide vocation skill programs for youth; and (v) initiating the Shri Kalyan Vidhya Mandir project to construct a school.

Environment

With the objective of promoting sustainable business practices and reducing our impact on the environment, we have implemented various energy-efficient technologies and practices in our buildings and operations, including (i) using LED-lighting, optimizing our heating and cooling systems, and reducing water consumption; and (ii) transitioning from plastic to glass bottles. In addition, we had secured debt capital from FMO and the Global Climate Fund in Fiscal 2022 specifically aimed at reducing carbon dioxide emissions by financing or re-financing compressed natural gas vehicles.

Governance

We have established policies and procedures of corporate governance to support transparency, business ethics and compliance, such as implementing board approved succession plans. For further details in relation to the succession plan, see *"– Strengths – Experienced and professional management team with extensive industry knowledge"* on page 211.

Properties

Our registered office, which is located at G 1-2, New Market, Khasa Kothi, Jaipur, Rajasthan 302001, India is on leased premises. Our corporate office which is located at Plot No. 36, Dhuleshwar Garden, Jaipur 302 001, Rajasthan, India has been on premises leased from a member of the Promoter Group, namely Shalini Setia. As of December 31, 2023, we conducted our operations through 535 branches, and the premises of all our branches have been taken on a lease basis. The period of lease typically ranges from six months to 15 years, and the rentals are typically payable on the basis of prevailing market rates depending on the geographical location of the property. The periods of lease of our registered office and our corporate office are 41 years and 9 years and 11 months, respectively. Other than the lease agreement entered into by our Company with a member of the Promoter Group for our Corporate Office, none of the lease agreements have been entered into with related parties.

KEY REGULATIONS AND POLICIES

Given below is an indicative summary of certain sector-specific and relevant laws, regulations, and policies in India, which are applicable to our Company. The information detailed in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below is only intended to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be treated as a substitute for professional legal advice. The indicative summaries are based on the current provisions of applicable law in India, which are subject to change or modification, or amendment by subsequent legislative, regulatory, administrative, or judicial decisions.

For details of material regulatory approvals obtained by us, see "*Government and Other Approvals*" on page 444.

1. Key regulations applicable to our Company

The Reserve Bank of India Act, 1934 ("RBI Act")

The RBI is entrusted with the responsibility of regulating and supervising NBFCs by virtue of powers vested in Chapter IIIB of the RBI Act. The RBI Act defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which is in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of institutions as the RBI may, with the previous approval of the Central Government, and by notification in the Official Gazette, specify.

A company would be categorized as an NBFC if it has minimum net owned fund of ₹ 20.00 million or such other amount, not exceeding ₹ 1,00 million, as the RBI may, by notification in the official gazette, specify from time to time. Further, NBFCs are required to obtain a certificate of registration from the RBI prior to commencement of the business as a non-banking financial institution.

Pursuant to Section 45-IC of the RBI Act, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared by such company. Further, no appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

2. Key regulations applicable to all NBFCs

Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("Scale Based Regulations")

The RBI had issued the master directions dated October 19, 2023, as amended. The Scale Based Regulations divide NBFCs into four layers based on their size, activity, and perceived risk. The lowest layer is the base layer (NBFC-BL), followed by the middle layer (NBFC-ML), upper layer (NBFC-UL) and top layer (NBFC-TL).

- Base layer – The base layer comprises non-deposit taking NBFCs with assets worth up to ₹10,000 million.
- Middle layer – The middle layer comprises deposit-taking NBFCs irrespective of asset size, non-deposit-taking NBFCs with assets worth ₹10,000 million or more, as well as NBFCs undertaking activities such as housing finance companies, standalone primary dealers, infrastructure debt fund – non-banking financial companies, core investment companies and infrastructure finance companies.
- Upper layer – The upper layer comprises the top ten NBFCs in terms of asset size, irrespective of any other factor and certain other NBFCs specifically identified by the RBI based on parameters set out in the Scale Based Regulations.
- Top layer – The Master Directions require the top layer to remain empty unless, in the opinion of the RBI, there is a substantial increase in the potential systemic risk from specific NBFCs in the upper layer. Such NBFCs will be moved from the upper layer to the top layer.

Our Company is classified as NBFC-ML.

Under the Scale Based Regulations, all regulations applicable to an NBFC-BL are also applicable to an NBFC-ML, unless specified otherwise. Further, from October 1, 2022, all references to NBFC-ND (i.e., non-systemically important non-deposit taking NBFC) shall mean NBFC-BL and all references to NBFC-D (i.e., deposit taking NBFC) and NBFC-ND-SI (systemically important non-deposit taking NBFC) shall mean NBFC-ML or NBFC-UL, as the case may be.

The Scale Based Regulations prescribe the following requirements in relation to NBFC-MLs:

Corporate Governance

Constitution of Committees

All NBFC-ML are required to constitute the committees disclosed below:

(i) Audit Committee: An NBFC is required to constitute an audit committee consisting of not less than three members of its board of directors. The audit committee constituted by an NBFC as required under Section 177 of the Companies Act, 2013 shall be the audit committee for the purposes of the Scale Based Regulations as well, and its powers and functions shall be as provided under Section 177 of the Companies Act, 2013. The audit committee must ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the NBFCs.

(ii) Nomination Committee: NBFCs are required to constitute a nomination committee to ensure 'fit and proper' status of proposed or existing directors, which shall have the same powers and functions as the nomination and remuneration committee required to be constituted under Section 178 of the Companies Act, 2013.

(iii) Risk Management Committee: NBFCs are required to constitute a risk management committee for evaluating the overall risks faced by the NBFC including liquidity risk.

(iv) Asset-Liability Management Committee: NBFCs are required to constitute an asset liability management committee. The asset liability management committee is required to be headed by the chief executive officer/ managing director or the executive director of such NBFC, as prescribed under the Guidelines on Liquidity Risk Management Framework in the Scale Based Regulations.

Certain additional corporate governance requirements applicable to all NBFC-MLs pursuant to the Scale Based Regulations include:

- Key managerial personnel of such NBFCs are prohibited from holding office in any other NBFC-ML or NBFC-UL. However, such key managerial personnel can continue as a director on the board of directors of a subsidiary of such NBFC.

- Independent directors on board of such NBFCs are prohibited from being appointed on the board of directors of more than three NBFCs (NBFC-ML or NBFC-ULs) at the same time.

- Such NBFCs are required to adopt a board approved compensation policy which is required to provide for, at minimum, formation of a remuneration committee, principles for fixed and variable pay structures and claw back provisions.

Further, all NBFCs are required to have at least one director that has work experience in a bank or an NBFC.

Fit and proper criteria: NBFCs are, *inter alia*, required to (a) maintain a policy approved by the board of directors for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis, in line with the guidelines prescribed under the Scale Based Regulations; (b) obtain a declaration and undertaking from directors giving additional information on the directors, in the format prescribed under the Scale Based Regulations; (c) obtain a deed of covenant signed by directors, in the format prescribed under the Scale Based Regulations; and (d) furnish to the RBI a quarterly statement on change of directors and a certificate from the managing director of the NBFCs that fit and proper criteria in selection of the directors has been followed. The RBI reserves the right to examine the 'fit and proper' criteria of directors of any NBFC-ML irrespective of the asset size of such NBFC-MLs.

Disclosure and Transparency: NBFCs are required to place before the board of directors, at regular intervals, as may be prescribed by their respective boards of directors, the following: (i) progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the concerned NBFC; and (ii) conformity with corporate governance standards including composition of committees, their roles and functions, periodicity of the meetings and compliance with coverage and review functions and so on.

NBFC-ML are required to disclose *inter alia* the following in their annual financial statements:

(i) registration/licence/authorisation obtained from other financial sector regulators;

(ii) ratings assigned by credit rating agencies and migration of ratings during the year;

(iii) penalties, if any, levied by any regulator;

(iv) information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries; and

(v) asset-liability profile, extent of financing of parent company products, non-performing assets and movement of non-performing assets, details of all off-balance sheet exposures, structured products issued by them as also securitization/ assignment transactions and other disclosures, as prescribed under the Scale Based Regulations.

NBFCs are also required to disclose their Capital to Risk Assets Ratio Exposure to real estate sector (direct and indirect) and maturity pattern of assets and liabilities in their balance sheet. Further, NBFCs shall frame their internal guidelines on corporate governance with the approval of the board of directors which shall be published on their respective websites.

Acquisition or Transfer of Control

NBFCs are required to obtain prior written permission of RBI for (a) any takeover or acquisition of control, which may or may not result in change in management, (b) any change in the shareholding, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid-up equity capital (no prior approval is required if the shareholding going beyond 26% is due to buy-back of shares or reduction in capital where it has approval of a competent court but must be reported to the RBI within one month of the occurrence), and (c) any change in the management of the NBFCs, which results in change in more than 30% of the directors, excluding independent directors, provided that no prior approval shall be required in case of directors who get re-elected on retirement by rotation. NBFCs are required to continue informing the RBI regarding any change in their directors or management.

Prudential Norms

All NBFCs are required to maintain capital adequacy ratio consisting of Tier – I and Tier – II capital which shall not be less than 15% of the NBFC's aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. The Tier – I capital in respect of NBFCs, at any point of time, shall not be less than 10%.

NBFCs risk exposure to a single counterparty or a group of connected counterparties is also kept under control through ceiling limits on NBFCs investment and lending capacity to single counterparty or a group of connected counterparties. NBFCs are not to invest more than 25% of their tier 1 capital to a single party and more than 40% of their tier 1 capital to a single group of parties. The NBFCs are also mandated to formulate a policy for managing the exposure risk to single party/ single group of parties.

Prudential floor for expected credit loss

In accordance with the Scale Based Regulations and RBI circular on 'Implementation of Accounting Standards' dated March 13, 2020, NBFC-MLs are required to hold impairment allowances as required under Ind AS. In parallel, NBFC-MLs are required to maintain the asset classification and compute provisions in accordance with the prudential norms on 'Income Recognition, Asset Classification and Provisioning (IRACP)' including borrower / beneficiary wise classification, provisioning for standard as well as restructured assets, non-performing assets ageing etc.

Liquidity Risk Management Framework and Liquidity Coverage Ratio

<u>Liquidity Risk Management Framework</u>

Non-deposit taking NBFCs with an asset size of ₹ 1,000 million and above and all deposit taking NBFCs are required to adhere to the liquidity risk management framework prescribed under the Scale Based Regulations. The guidelines, inter alia, require the board of directors of the NBFC to formulate a liquidity risk management framework, which ensures that it maintains sufficient liquidity, detailing entity-level liquidity risk tolerance, funding strategies, prudential limits, system for measuring, assessing and reporting/reviewing liquidity, framework for stress testing, liquidity planning under alternative scenarios/formal contingent funding plan, nature and frequency of management reporting, and periodical review of assumptions used in liquidity projections.

<u>Liquidity Coverage Ratio</u>

All non-deposit taking NBFCs with asset size of ₹ 100 billion and above, and all deposit taking NBFCs irrespective of their asset size, are required to maintain a liquidity buffer in terms of liquidity coverage ratio which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient high quality liquid asset to survive any acute liquidity stress scenario lasting for 30 days. The stock of high-quality liquid asset to be maintained by the NBFCs is required to be a minimum of 100% of total net cash outflows over the next 30 calendar days. The liquidity coverage ratio requirement is binding on NBFCs from December 1, 2020 with the minimum high quality liquid assets to be held being 50% of the liquidity coverage ratio, progressively reaching up to the required level of 100% by December 1, 2024, in accordance with the timeline prescribed below:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum Liquidity Coverage Ratio	50%	60%	70%	85%	100%

Asset Classification and Provisioning Norms

All NBFCs are required to adopt the asset classification and provisioning norms as set forth below:

Asset Classification

(i) a “standard asset” means the asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

(ii) a “sub-standard asset” means (a) an asset which has been classified as non-performing asset for a period not exceeding 12 months; (b) an asset where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms. However, the classification of infrastructure loans as sub-standard assets is subject to the conditions stipulated in the Scale Based Direction.

(iii) a “doubtful asset” means (a) a term loan, or (b) a lease asset, or (c) a hire purchase asset, or (d) any other asset, which remains a sub-standard asset for a period exceeding 12 months.

(iv) a “loss asset” means (a) an asset which has been identified as loss asset by an NBFC or its internal or external auditor or by the RBI during the inspection of the NBFC, to the extent it is not written off by the NBFC; and (b) an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

(v) a “non-performing asset” means: (a) an asset for which interest has remained overdue for a period of more than 90 days; (b) a term loan inclusive of unpaid interest, when the instalment is overdue for a period of more than 90 days or on which interest amount remained overdue for a period of more than 90 days; (c) a demand or call loan, which remained overdue for a period of three months or more from the date of demand or call or on which interest amount remained overdue for a period of more than 90 days; (d) a bill which remains overdue for a period of 90 days or more; (e) the interest in respect of a debt or the income on receivables under the head ‘other current assets’ in the nature of short term loans/advances, which facility remained overdue for a period of more than 90 days; (f) any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of more than 90 days; (g) the lease rental and hire purchase instalment, which has become overdue for a period of more than 90 days; (h) in respect of loans, advances and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower/beneficiary when any of the above credit facilities becomes non-performing asset. Provided that in the case of lease and hire purchase transactions, an NBFC is required to classify each such account on the basis of its record of recovery.

Standard Asset Provisioning

NBFC-MLs are required to make provisions for standard assets of 0.40% of the outstanding, which shall not be reckoned for arriving at the net NPAs. The provision towards standard assets shall not be netted from gross advances but are required to be shown separately as ‘Contingent Provisions against Standard Assets’ in the balance sheet of the NBFCs.

Regulation of Excessive Interest Charged by NBFCs

(i) The board of directors of each NBFC is required to adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest, the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers are required to be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.

(ii) The rates of interest and the approach for gradation of risks are also required to be made available on the website of the NBFCs or published in the relevant newspapers. The information published in the website or otherwise published is required to be updated whenever there is a change in the rates of interest.

(iii) The rate of interest must be annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Although rates of interest charged by NBFCs are not regulated by the RBI, rates of interest beyond a certain level may be seen to be excessive. Board of directors of NBFCs shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges. In this regard, the guidelines indicated in the Fair Practices Code about transparency in respect of terms and conditions of the loans are to be kept in view.

Accounting Standards

Accounting Standards and guidance notes issued by the Institute of Chartered Accountants of India are required to be followed by NBFCs insofar as they are not inconsistent with any of the provisions of the Scale Based Regulations. NBFCs that are required to implement Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 shall prepare their financial statements in accordance with Ind AS notified by the Government of India and shall comply with the regulatory guidance specified in Annex II of these Directions. Disclosure requirements for notes to accounts specified in scale based directions shall continue to apply.

Fair Practices Code

All NBFCs having customer interface are required to adopt a fair practices code in line with the guidelines prescribed under the Scale Based Regulations. The Scale Based Regulations stipulate that such fair practices code should cover, inter alia, the form and manner of processing of loan applications; loan appraisal and terms and conditions thereof; and disbursement of loans and changes in terms and conditions of loans. The Scale Based Regulations also prescribe general conditions to be observed by NBFCs in respect of loans and requires the board of directors of NBFCs to lay down a grievance redressal mechanism. Such fair practices code should preferably be in vernacular language or language understood by borrowers of the NBFCs.

Penal Charges in Loan Accounts

Penalties for non-compliance with material terms and conditions of a loan contract by a borrower shall be treated as 'penal charges' and shall not be levied as a 'penal interest' that is added to the rate of interest charged on advances. No further interest shall be computed on such penal charges. The Scale Based Regulations prohibit regulated entities, which include NBFCs, from introducing any additional component to the rate of interest and stipulate that all NBFCs shall formulate a Board approved policy on penal charges or similar charges on loans. The quantum of penal charges shall be reasonable without being discriminatory within a particular loan or product category. In addition to being displayed on the NBFCs' website, the reasons for penal charges shall be clearly disclosed by the NBFCs to the customers in the loan agreement and the key fact statement.

Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans

At the time of sanction of EMI based floating rate personal loans, regulated entities (including NBFCs) are required to take into account the repayment capacity of borrowers to ensure that adequate headroom is available for elongating the tenor or increasing the EMI. In order to address consumer grievances related to elongation of loan tenor or increases in the EMI amount, the notification requires NBFCs to put in place appropriate policy frameworks to meet the following requirements:

(i) at the time of sanction, clearly communicating to the borrowers about the possible impact of change in interest rate on the loan that can lead to changes in the EMI and/or the tenor. Subsequently, any increase in the EMI / tenor or both on account of the above shall be communicated to the borrower immediately through appropriate channels.;

(ii) at the time of the reset of interest rates, providing the option to the borrowers to switch over to a fixed rate as per their Board approved policy;

(iii) all applicable charges for switching of loan from floating to fixed rate and any other service charges or administrative costs shall be transparently disclosed in the sanction letter;

(iv) ensuring that the elongation of tenor for floating rate loans do not result in negative amortization;

(v) sharing a statement at the end of each quarter that enumerates the principal and interest recovered till date, the EMI amount, the number of EMIs left and the annualized rate of interest/ Annual Percentage Rate for the entire tenor of the loan. The notification requires the instructions enumerated therein to be extended to existing and new loans suitably by December 31, 2023, and for existing borrowers to be sent a communication through appropriate channels, intimating the options available to them.

Credit Concentration Norms

NBFCs are required to review extant sectoral exposure limits approved by the board of directors with respect to sub-segments under consumer credit, in particular for all unsecured consumer credit exposures. The risk management committee on an ongoing basis is required to monitor and ensure strict adherence to the limits so fixed.

To reduce regulatory concerns of NBFCs making investments in units of Alternate Investment Funds (AIFs), it has been advised as under:

(i) NBFCs shall not make investments in any scheme of AIFs which have downstream investments either directly or indirectly in their debtor company where debtor company shall mean any company to which NBFCs currently have or previously had loans or investment exposure.

(ii) If NBFCs are already investors in AIF schemes, they shall liquidate their investments in the scheme within 30 days of such downstream investment by the AIFs.

(iii) In case NBFCs are not able to liquidate their investments within the prescribed 30-day time limit, they shall make 100 percent provision on such investments.

(iv) Any investments by an NBFC in the subordinated units of any AIF scheme with a priority distribution model shall be subject to full deduction from capital funds of the NBFC.

Declaration of Dividend

The Scale Based Regulations intend to infuse greater transparency and uniformity in practice of distribution of dividends by setting eligibility criteria and disclosure requirements for NBFCs for distribution of dividends. According to the Scale Based Regulations, NBFCs must comply with four minimum prudential criteria to be considered eligible to declare dividends: (i) prescribed levels of capital adequacy; (ii) prescribed levels of Net NPA; (iii) compliance with provisions of Section 45IC of the RBI Act; and (iv) continuous general compliance with RBI regulations and guidelines concerning NBFCs. The Scale Based Regulations also prescribe to the board of directors of the NBFCs to consider the decision to roll out dividends in light of certain definite factors, such as, (i) supervisory findings of the RBI on divergence in classification and provisioning of NPAs, (ii) qualifications in the auditors report to the financial statements and (iii) long term growth plans of the NBFC. NBFCs, other than NBFC-BL, that declare dividend have to report dividend declared during the financial year in the format prescribed under the Scale Based Regulations.

Instructions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs

The Scale Based Regulations specify the activities that cannot be outsourced and also provide the basis for deciding materiality of outsourcing. It mandates the regulatory and supervisory requirements and risk management practices to be complied with by every NBFC before outsourcing its activities. Further, an NBFC intending to outsource any of the permitted activities under the Scale Based Regulations is required to formulate an outsourcing policy which is to be approved by its board of directors.

Master Circular – Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 dated July 1, 2015 (the "Corporate Governance Directions")

The RBI through the Corporate Governance Directions seeks to consolidate previously issued directions on corporate governance of NBFCs, including NBFC-ND-SIs with an asset size of ₹ 5000 million and all NBFC-Ds. The Corporate Governance Directions provide guidelines on composition of committees of the board of directors, disclosure and transparency requirements to the board of directors and in annual financial statements, fit and proper criteria of the directors, rotation of partners of the statutory auditors audit firm appointed by the NBFC, and framing of internal guidelines on corporate governance.

Master Direction – Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 ("Internal Ombudsman Directions") dated December 29, 2023

The RBI through the Internal Ombudsman Directions integrated existing mechanisms provided in various instructions and guidelines, aiming to consolidate instructions applicable to various regulated entities on appointment and functioning of the Internal Ombudsman. The Directions were introduced with the object of strengthening the internal grievance redress system of the regulated entities bringing uniformity in matters such as escalation of complaints to the Internal Ombudsman, qualifications for appointing the Internal Ombudsman, and the complaint redressal mechanism. Regulated entities are required to put in place a mechanism for periodic reporting of information to the Consumer Education and Protection Department, Central Office, RBI on a quarterly and annual basis in accordance with the formats provided in the Internal Ombudsman Directions. The Internal Ombudsman Directions applies to:

(i) All Banks as defined under the Internal Ombudsman Directions, having 10 or more banking outlets in India;

(ii) NBFCs as defined under the Internal Ombudsman Directions, and fulfilling the following criteria:

a. Deposit-taking NBFCs with 10 or more branches;

b. Non-deposit taking NBFCs having an asset size of ₹5,000 crore or above and having public customer interface.

(iii) All NBSPs as defined under the Internal Ombudsman Directions with more than one crore pre-paid payment instruments outstanding as on March 31, 2023.

(iv) All Credit Information Companies as defined under the Internal Ombudsman Directions.

(v) Any other regulated entity reaching the threshold as prescribed under the Internal Ombudsman Directions.

The Internal Ombudsman Directions require regulated entities to appoint one Internal Ombudsman, and may further appoint one or more deputy Internal Ombudsman, depending on the volume of complaints received by them. The Internal Ombudsman Directions specifies the prerequisites for appointment of the ombudsman, the role and responsibilities of the ombudsman and the procedure for complaint redressal by the ombudsman.

Master Direction - Know Your Customer (KYC) Direction, 2016 (updated as on January 4, 2024) as amended ("RBI KYC Directions")

The RBI had issued the Master Directions Know Your Customer Directions dated February 25, 2016 (amended as on October 17, 2023) requiring regulated entities to follow certain customer identification procedure in accordance with provisions of KYC Directions including video-based customer identification process (V-CIP) while undertaking a transaction. The RBI KYC Directions are applicable to every entity regulated by the RBI specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others.

In terms of the RBI KYC Directions, every entity regulated thereunder shall duly adopt a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, namely, customer acceptance policy; risk management policy; customer identification procedures; and monitoring of transactions. All NBFCs are required to ensure compliance with the KYC policy through specification of who constitutes 'senior management' for the purpose of KYC compliance; allocation of responsibility for effective implementation of policies and procedures; independent evaluation of the compliance of KYC and anti-money laundering policies and procedures; concurrent/internal audit system to verify the compliance with KYC and anti-money policies and procedures; and submission of quarterly audit and compliance to the audit committee. The RBI KYC Directions further require that such programmes shall include adequate safeguards on the confidentiality and use of information exchanged, including safeguards to prevent tipping-off. Regulated entities shall apply a risk-based approach for mitigation and management of the risks and shall have board approved policies, controls and procedures in this regard. Further, regulated entities shall implement a customer due diligence programme, having regard to identified risks and size of business, and regulated entities should monitor implementation of controls and enhance them if necessary.

The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by NBFCs, amongst others. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards and ensure compliance with requirements/obligations as per applicable provisions of the Unlawful Activities Prevention ("**UAPA**") Act, 1967. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The RBI KYC Directions were further amended to (i) enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002, and the rules made thereunder; (ii) accommodate authentication as per the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016; and (iii) use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement. The RBI KYC Directions were further updated with a view to leveraging the digital channels for customer identification process by regulated entities, whereby the RBI has decided to permit video-based customer identification process as a consent based alternate method of establishing the customer's identity, for customer onboarding. In the accounts opening procedure by NBFCs, in case a person who desires to open an account is not able to produce documents, NBFCs may at their discretion open accounts subject to certain conditions, including monitoring of the account. For opening accounts of a trust, regulated entities are required to ensure that the trustees disclose their status at the time of commencement of an account-based relationship or when carrying out transactions as specified in the RBI KYC Directions.

The RBI KYC Directions have been updated pursuant to the notification dated April 28, 2023 to require regulated entities to undertake enhanced due diligence measures for non-face-to-face onboarding of customers, without meeting the customer physically or through V-CIP, through use of digital channels such as CKYCR, DigiLocker, equivalent e-document, etc., and non-digital modes such as obtaining copy of officially valid documents certified by additional certifying authorities as allowed for NRIs and PIOs. Additionally, the amendments incorporate instructions on ensuring meticulous compliance with Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005. The amendments also incorporate the recent amendments to the PMLA and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005. The RBI KYC Directions were further amended pursuant to notifications dated May 4, 2023 and January 4, 2024, to update the instructions in relation to wire transfers (including (i) information requirements for wire transfers, and (ii) responsibilities of regulated entities effecting wire transfers), and to align the guidelines contained in the RBI KYC Directions with the relevant recommendations by the Financial Action Task Force.

Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016, as amended ("Monitoring of Frauds - Master Directions")

The Monitoring of Frauds - Master Directions is applicable to all deposit taking NBFCs and NBFC-ND-SIs and requires them to put in place a reporting system for recording of frauds. All frauds are required to be reported to the Frauds Monitoring Group and/or Regional Offices of the Department of Supervision of the RBI in the manner prescribed under Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016. Fraud reports are required to be submitted in all cases of fraud of ₹ 1 lakh and above perpetrated through misrepresentation, breach of trust, manipulation of books of account, fraudulent encashment of FDRs, unauthorised handling of securities charged to the NBFC, misfeasance, embezzlement, misappropriation of funds, conversion of property, cheating, shortages, irregularities, etc.

Fraud reports are also required to be submitted in cases where central investigating agencies have initiated criminal proceedings *suo moto* and/or where the RBI has directed that they be reported as frauds. Fraud reports are required to be submitted to the Central Fraud Monitoring Cell of the RBI within three weeks from the date of detection of the fraud in case amount of fraud ₹ 10 million and above. In cases where the amount of fraud is less than ₹ 10 million, reports shall be sent to the regional office of the Department of Supervision of the RBI, under whose jurisdiction the registered office of the related entity falls within three weeks from the date of detection of the fraud. The amounts involved in frauds reported by the entity shall be disclosed in its balance sheet for the year of such reporting. All applicable NBFCs are advised to submit FUA (Fraud Update Return) on as and when basis, instead of quarterly submission of consolidated FMR 3 return. A separate FMR 4 relating to security incidences i.e. theft, burglary, dacoity and robbery may be submitted within 15 days of the end of the quarter to which it relates.

Master Direction – Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016, dated September 29, 2016, as amended

The direction lists down detailed instructions in relation to submission of returns, including their periodicity, reporting time, due date, purpose, and the requirement of filing such returns by various categories of NBFCs.

Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 dated September 29, 2016 ("Auditor's Report Directions")

The Auditor's Report Directions set out disclosures that are to be included in every auditor's report on the accounts of an NBFC such as: (i) compliance with requirement to obtain certificate of registration from the RBI; (ii) the validity of such NBFC's certificate of registration and whether the NBFC is entitled to continue to hold such certificate of registration in terms of its principal business criteria as of March 31 of the applicable year; and (iii) compliance with net owned fund requirements as laid down in the Master Directions.

Additionally, every auditor of a non-banking financial company not accepting public deposits is required include a statement in accounts of the NBFC on following matters: (i) whether the board has passed a resolution for non-acceptance of any public deposits; (ii) whether the NBFC has accepted any public deposits during the relevant period/year; (iii) whether the NBFC has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the NBFC-ND-SI Directions; (iv) in case of NBFC-ND-SI: (a) whether the capital adequacy ratio as disclosed in the return submitted to the RBI by the NBFC, has been correctly arrived at and whether such ratio is in compliance with the minimum Capital to Risk (Weighted) Assets Ratio prescribed by the RBI; (b) whether the NBFC has furnished to the RBI the annual statement of capital funds, risk assets/exposures and risk asset ratio within the stipulated period; and (v) whether the non-banking financial company has been correctly classified as NBFC-MFI as defined in the NBFC-ND-SI Directions.

Master Direction – Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023 dated April 10, 2023 ("IT Outsourcing Directions")

The master direction by the RBI provides guidelines for outsourcing information technology services by financial institutions, including banks, NBFCs, and payment system operators. The directions recognise the extensive usage of information technology and information technology enabled services to support the business models, products and services offered by regulated entities to their customers. The aim of the IT Outsourcing Directions is to ensure that outsourcing arrangements neither diminish REs ability to fulfil its obligations to customers nor impede effective supervision by the RBI. As per the directions, a regulated entity shall take steps to ensure that the service provider employs the same high standard of care in performing the services as would have been employed by the regulated entity itself, had the same activity not been outsourced. The regulated entities need to ask their service providers to develop and establish a robust framework for documenting, maintaining, and testing business continuity plan and disaster recovery plan.

A regulated entity can also outsource any IT activity/IT enabled service within its business group/conglomerate, subject to conditions specified in the directions. Regulated entities intending to outsource any of its IT activities are required put in place a comprehensive Board approved IT outsourcing policy which shall incorporate, *inter alia*, the roles and responsibilities of the Board, committees of the Board (if any) and Senior Management, IT function, business function as well as oversight and assurance functions in respect of outsourcing of IT services. The IT Outsourcing Directions also require regulated entities to immediately notify the RBI in the event of breach of security and leakage of confidential customer related information. The RBI has the power to impose penalties for violations of the directions. These directions shall come into effect from October 1, 2023.

Master Directions – Information Technology Governance, Risk, Control and Assurance Practices, dated November 7, 2023 ("IT Governance Directions")

The RBI notified the IT Governance Directions to consolidate and update regulations pertaining to the governance of information technology and the risks, assurance practices, control mechanisms and disaster management associated with IT and cyber security. The IT Governance Directions apply to all NBFCs, including all NBFC-BL, NBFC-ML and NBFC-TL with effect from April 1, 2024, but excludes NBFC-Core Investment Companies. With the coming into effect of these regulations, the information technology framework directions for the NBFC sector will stand repealed, but only to the extent as applicable to NBFC-TL, NBFC-ML and NBFC-UL.

The key requirements are as follows:

IT Governance

The IT Governance Directions lays down a framework for information technology ("**IT Governance Framework**") that focuses on strategic alignment, risk management, resource management, performance management and disaster recovery management. NBFCs are obligated to set up an IT Governance Framework that specifies the governance structure adhering to the business objectives of the respective NBFC, that specifies the roles of the board of directors and includes adequate oversight mechanisms to mitigate risks associated with cyber and information security. Under the IT Governance Framework, an IT Strategy Committee ("**ITSC**") must be established that shall, *inter alia*, ensure that the NBFC has an effective IT strategic planning process and the NBFC's IT governance provides for accountability. The risk management policy, which shall include IT related risks and cyber security related risks, shall be reviewed periodically by the risk management committee of the board, in consultation with the ITSC.

IT Infrastructure and Services Management

The IT Governance Directions also mandates NBFCs to have a framework that supports their information systems and infrastructure to ensure operational resilience. In the event there are third-parties handling the NBFC's information technology or cyber security, the NBFC is required to put in place appropriate vendor risk assessment processes to, *inter alia*, mitigate risk and to eliminate and address any conflict of interests.

IT Information and Security Risk Management

Under the IT Governance Directions, NBFCs are mandated to set up a framework that, *inter alia*, contains internal control and processes to mitigate and manage risks, identifies critical information systems and provides for the fortification of the same and contains procedures and controls to ensure a secure transmission/ storage/ processing of data and information.

Business Continuity Plan and Disaster Recovery Policy

The IT Governance Directions prescribe a business continuity plan and disaster recovery policy in order to reduce the likelihood and impact of disruptive incident and to ensure the continuity of business. Disaster recovery drills in relation to critical information are required to be done at least on a half-yearly basis and for other information systems, as per the risk assessment of the NBFC.

*Information System ("**IS**") Audit*

The IT Governance Directions states that the audit committee of the board shall overlook the functioning of the IS Audit. All entities are required to have an IS audit policy that shall describe the mandate, scope and purpose of the audit. The audit committee, under the IT Governance Directions, has to review the critical issues related to IT, information security and cyber security and thereafter, provide guidance to the management regarding the same.

Guidelines on Digital Lending dated September 2, 2022 (the "Digital Lending Guidelines")

Pursuant to the Digital Lending Guidelines issued by RBI, outsourcing arrangements entered into by a regulated entity, shall not diminish its obligations and it shall continue to conform to the extant guidelines on outsourcing. A regulated entity is required to ensure that activities including loan servicing, repayment, etc., shall be executed by the borrower directly in the regulated entity's bank account without any pass-through account/ pool account of a third party. Further, a regulated entity is required to ensure that any fees or charges payable to the lending service provider (for carrying out functions like customer acquisition, underwriting support, pricing support, servicing monitoring, recovery of specific loan or loan portfolio on behalf of a regulated entity) shall be paid directly by the regulated entity and not charged to the borrower. A regulated entity shall provide a key fact statement to the borrower before the execution of the contract in a standardized format for all digital lending products. Additionally, any fees, charges, etc., which are not mentioned in the key fact statement cannot be charged by a regulated entity to the borrower at any stage during the term of the loan. A regulated entity shall also ensure that lending service providers and digital lending apps/ platforms do not store personal information of borrowers except some basic minimal data that may be required to carry out their operation.

Guidelines on Default Loss Guarantee (DLG) in Digital Lending dated June 8, 2023 (the "DLG Guidelines")

The DLG Guidelines, inter alia, set out requirements in relation to default loss guarantee ("DLG") arrangements including the structure of DLF arrangements, eligibility of the DLG provider, disclosure requirements and also sets out an upper limit on the DLG provided. The DLG is required to be invoked within a maximum overdue period of 120 days, unless made good by the borrower before that. Further, the period for which the DLG agreement will remain in force should not be less than the longest tenor of the loan in the underlying loan portfolio.

The regulated entity is responsible for recognising individual loan assets in the portfolio as NPA and consequent provisioning.

The DLG Guidelines also prescribe due diligence requirements of NBFCs prior to entering into or renewal of a DLF arrangement. NBFCs are required to obtain sufficient information to satisfy themselves that the entity extending the DLG would be able to honour it.

Registration of Factors (Reserve Bank) Regulations, 2022

The RBI on January 14, 2022 under section 3 read with section 31A of the Factoring Regulations, 2011 put in place a regulatory framework pertaining to the manner of granting certificate of registration to the companies which propose to do factoring business. Registration of Factors (Reserve Bank) Regulations, 2022 define a Non-Banking Financial Company – Investment and Credit Company (NBFC-ICC) as any company which is a financial institution carrying on as its principal business of asset finance, which is the providing of finance whether by making loans or advances or otherwise for any activity other than its own and the acquisition of securities, and granted a certificate of registration under Section 45IA of the Reserve Bank of India Act, 1934 (2 of 1934) and is not any other category of NBFCs as defined by the Reserve Bank in any of its Master Directions.

Guidelines on Risk-based Internal Audit ("RBIA") System for Select NBFCs and Urban Co-operative Banks dated February 3, 2021, as amended (the "RBIA Guidelines")

In terms of the RBIA Guidelines, the non-deposit taking NBFCs with an asset size of ₹ 5,000 crore and above are required to implement the RBIA framework in accordance with RBIA Guidelines. The RBIA Guidelines, inter alia, are intended to enhance the efficacy of internal audit systems and contribute to the overall improvement of governance, risk management and control processes followed by the NBFCs. Under the RBIA Guidelines, the board of directors of the NBFC must approve a policy clearly documenting the purpose, authority, and responsibility of the internal audit activity, with a clear demarcation of the role and expectations from risk management function and the RBIA function. It is also mandated that the policy be reviewed periodically, and that the internal audit function is not outsourced. Further, the RBIA Guidelines also require that the risk assessment of business and other functions of NBFCs should be conducted at least on an annual basis.

Scale Based regulation ("SBR")- Revised Regulatory Framework for NBFCs by the RBI, 2021, dated October 22, 2021, as amended ("SBR Framework") read with RBI notification - Compliance Function and Role of Chief Compliance Officer (CCO) - NBFCs dated April 11, 2022, as amended

The SBR Framework, which comes into effect on October 1, 2022, reflects the RBI's attempt to premise the regulatory framework for NBFCs on the scale, size, leverage, risk, and complexity of its operations. In this respect, the regulations place the NBFCs are into following four brackets and prescribe a customised regulatory framework for each:

(i) **NBFC-BL**: This category is to consist of (a) non-deposit taking NBFCs below the asset size of ₹ 10 billion and (b) NBFCs undertaking the following activities - (i) NBFC-Peer to Peer Lending Platform ("**NBFC-P2P**"), (ii) NBFC-Account Aggregator ("**NBFC-AA**"), (iii) Non-Operative Financial Holding Company ("**NOFHC**"), and (iv) NBFCs not availing public funds and not having any customer interface. NBFC-BLs shall largely continue to be subject to regulations currently applicable to non-deposit taking NBFCs except the net owned fund requirement, NPA classification, experience of the board, ceiling on IPO funding requirement, capital guidelines, prudential guidelines and governance guidelines more particularly set out in the SBR Framework. NBFC-P2P, NBFC-AA, and NOFHC shall be subject to extant regulations governing them. The SBR Framework also introduces a few changes for better governance of NBFC-BLs viz. requirement for Board policy on loans to directors, senior officers, and relatives; constitution of a Risk Management Committee; and disclosure of types of exposure, related party transactions, loans to Directors/ Senior Officers and customer complaints.

(ii) **NBFC-ML**: This category is to consist of (a) all deposit taking NBFCs, irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 10 billion and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers ("**SPDs**"), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies ("**IDF-NBFCs**"), (iii) Core Investment Companies ("**CICs**"), (iv) Housing Finance Companies ("**HFCs**") and (v) Infrastructure Finance Companies ("**NBFC-IFCs**").

NBFC-MLs shall largely continue to be subject to regulations currently applicable to NBFC-ND-SIs and deposit-taking NBFCs, as well as regulations applicable to NBFC-BLs.

(iii) **NBFC-UL**: This category to consist of only those NBFCs which are specifically identified as systemically significant among NBFCs, based on specified parameters. The top 10 NBFCs by asset size would be included in this layer, and the applicable threshold for classification would be determined pursuant to parametric analysis. NBFC-ULs would be subject to regulations applicable to NBFC-MLs as well certain additional capital, and governance requirements more particularly set out in the SBR Framework.

(iv) **NBFC-TL**: This category is to consist of NBFCs judged to be extreme in supervisory risk perception by the RBI. NBFCs in this layer will be subject to higher capital charge, including enhanced and more intensive supervisory engagement with such NBFCs.

The NBFC-UL and NBFC-ML shall have an independent Compliance Function and a Chief Compliance Officer (CCO) latest by April 1, 2023, and October 1, 2023, respectively. The Board/Audit Committee (Board committee) shall ensure that an appropriate Compliance Policy is put in place and implemented. The Senior Management shall carry out an exercise, at least once a year, to identify and assess the major compliance risk facing the NBFC and formulate plans to manage it.

Implementation of 'Core Financial Services Solution' (CFSS) by Non-Banking Financial Companies (NBFCs) dated February 23, 2022, as amended

Pursuant to this circular, an NBFC-ML with 10 and more 'fixed point service delivery units' is mandated to adopt 'Core Financial Services Solution' ("**CFSS**"), akin to the Core Banking Solution adopted by banks on or before September 30, 2025. The CFSS shall provide for (i) seamless customer interface in digital offerings and transactions relating to products and services with anywhere / anytime facility, (ii) enable integration of NBFCs' functions, (iii) provide centralised database and accounting records, and be able to generate suitable MIS, both for internal purposes and regulatory reporting. It also requires the relevant NBFCs to furnish a quarterly progress report on implementation of the Core Financial Services Solution, along with various milestones as approved by the board of directors/committee of the board of directors, to the Senior Supervisory Manager Office of the RBI starting from quarter ending March 31, 2023.

RBI Clarifications - Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances dated November 12, 2021, and February 15, 2022

Specification of due date/repayment date

The exact due dates for repayment of loan, frequency of repayment, breakup between principal and interest, examples of SMA/NPA classification dates, etc. shall be clearly specified in the loan agreement and the borrower shall be apprised of the same at the time of loan sanction and at the time of subsequent changes, if any, to the sanction terms/loan agreement till full repayment of the loan. In cases of loan facilities with moratorium on payment of principal and/or interest, the exact date of commencement of repayment shall also be specified in the loan agreements.

Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)

The borrower accounts shall be flagged as overdue by the lending institutions as part of their day-end processes for the due date, irrespective of the time of running processes. Similarly, classification of borrower accounts as SMA as well as NPA shall be done as part of day-end process for the relevant date and the SMA or NPA classification date shall be the calendar date for which the day end process is run. In case of borrowers having more than one credit facility from a lending institution, loan accounts shall be upgraded from NPA to standard asset category only upon repayment of entire arrears of interest and principal pertaining to all the credit facilities.

NPA classification in case of interest payments

In case of interest payments in respect of term loans, an account will be classified as NPA if the interest applied at specified rests remains overdue for more than 90 days.

Upgradation of accounts classified as NPAs

Loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower. With regard to upgradation of accounts classified as NPA due to restructuring, non-achievement of date of commencement of commercial operations, etc., the instructions as specified for such cases shall continue to be applicable.

Statement on Development and Regulatory Policies dated August 6, 2020 ("Statement on DRP Policies")

The Statement on DRP Policies facilitated revival of real sector activities and mitigate the impact on the ultimate borrowers, provided a window under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 ("**Prudential Framework**") to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard (as set out under the Prudential Framework) subject to specified conditions. Moreover, in order to ameliorate the stress being faced by smaller non-bank finance companies (NBFCs) and micro-finance institutions (MFIs) in obtaining access to liquidity, the RBI decided to provide an additional special liquidity facility (ASLF) of ₹ 50 billion to NABARD for a period of one year at the RBI's policy repo rate for refinancing NBFC-MFIs and other smaller NBFCs of asset size of ₹ 5000 million and less to support agriculture and allied activities and the rural non-farm sector.

Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021

The RBI had issued the guidelines which are applicable to all Commercial Banks (excluding RRBs), Primary (Urban) Co-operative Banks (UCBs), and Non-Banking Finance Companies (NBFCs) (including Housing Finance Companies but excluding non-deposit taking NBFCs with asset size below ₹ 10 billion). Pursuant to these RBI guidelines, there are certain eligibility criteria and procedures to be adhered by the aforementioned entities for appointment/reappointment of Statutory Central Auditors/Statutory Auditors. Further, NBFCs do not have to take prior approval of RBI for appointment of Statutory Central Auditors/Statutory Auditors, but all NBFCs need to inform the RBI about the appointment or removal of Statutory Central Auditors/Statutory Auditors for each year, within one month of such appointment and/or decision taken in relation of removal, as the case may be.

Prevention of Money Laundering Act, 2002 ("PMLA")

The PMLA was enacted to prevent money laundering and to provide for confiscation of property derived from, or involved, in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA inter alia casts certain obligations on reporting entities (*as defined under the PMLA*) in relation to preservation of records and reporting of transactions.

Loans and Advances – Regulatory Restrictions - NBFCs, dated April 19, 2022, as amended

The RBI introduced certain regulatory restrictions on lending in respect of NBFCs placed in different layers. The circular states that unless sanctioned by the Board of Directors/Committee of Directors, NBFCs shall not grant loans and advances aggregating ₹ 50 million and above to: (a) their directors (including the Chairman/ Managing Director) or relatives of directors, (b) any firm in which any of their directors or their relatives is interested as a partner, manager, employee or guarantor, and (c) any company in which any of their directors, or their relatives is interested as a major shareholder, director, manager, employee or guarantor. The circular also provides guidelines in relation to (i) loans and advances to senior officers of the NBFCs and (ii) loans and advances to the real estate sector. Further, all the NBFC-BLs are required to have a policy approved by board of directors on grant of loans to directors, senior officers, and relatives of directors and to entities where directors or their relatives have major shareholding.

Aadhaar (Targeted Delivery of Financial and other Subsidies, Benefits and Services) Act (the "Aadhaar Act"), 2016 and the rules and regulations made thereunder, and the rules and regulations made thereunder

The Aadhaar Act aims to provide for, as good governance, efficient, transparent and targeted delivery of subsidies, benefits and services, the expenditure for which is incurred from the Consolidated Fund of India or the Consolidated Fund to the State to individuals residing in India, through assigning of unique identity numbers to such individuals and for matters connected therewith or incidental thereto. The Aadhar Act establishes Unique Identification Authority of India ("**UIDAI**"), which is responsible for authentication and enrolment of individuals under the Aadhaar programme. The Aadhar Act also provides for the appointment of Enrolling Agency, which would be responsible for the enrolment of individuals. The Aadhar Act, to authenticate the Aadhar Numbers, appoints a requesting entity, that would submit the Aadhar Number along with demographic information or biometric information to the Central Identities Data Repository. Lastly, the Aadhar Act also provides for the protection and confidentiality of identity information and authentication records of individuals.

The Digital Personal Data Protection Act, 2023 ("DPDP Act")

The DPDP Act received the assent of the President on August 11, 2023. The DPDP Act, has replaced the existing data protection provision, as contained in Section 43A of the IT Act. The DPDP Act provides for the processing of digital personal data in a manner that recognises both the rights of individuals to protect their personal data with the need to process such personal data for lawful and other incidental purposes. The DPDP Act provides that personal data may be processed only in accordance with the provisions of this act and only for a lawful purpose after obtaining the consent of the individual. A notice must be given before or along request for seeking consent. The Consent obtain shall be free, specific, informed, unconditional and unambiguous with a clear affirmative action, and shall signify an agreement to the processing of her personal data for the specified purpose and be limited to such personal data as is necessary for such specified purpose. It further imposes certain obligations on data fiduciaries including (i) ensure the accuracy, consistency and completeness of data, (ii) build reasonable security safeguards to prevent personal data breach, (iii) inform the Data Protection Board of India (the "**DPB**") and affected persons in the event of a personal data breach, and (iv) erase personal data as soon as the data principal has withdrawn her consent or as soon as its reasonable to assume that the purpose has been met and retention is not necessary for legal purposes (storage limitation), whichever is earlier. In case of government entities, storage limitation and the right of the data principal to erasure will not apply.

The Central Government will establish the DPB. Key functions of the DPB, inter alia, include: (i) on receipt of an intimation of personal data breach, to direct any urgent remedial or mitigation measures in the event of a personal data breach, and to inquire into such personal data breach and impose penalty; (ii) on a complaint received in respect of a personal data breach or a breach in observance by a data fiduciary of its obligations in relation to her personal data or the exercise of her rights, or on a reference made to it by the central government or a state government, or in compliance of the directions of any court, to inquire into such breach and impose penalty, and (iii)The Board may, on a representation made to it by a person affected by a direction, or on a reference made by the Central Government, modify, suspend, withdraw or cancel such direction and, while doing so, impose such conditions as it may deem fit. The DPB members will be appointed for two years and will be eligible for re-appointment. The Central Government will prescribe details such as the number of members of the DPB and the selection process.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended ("SARFAESI Act")

The SARFAESI Act governs securitization of financial assets in India. The SARFAESI Act provides that any securitization or reconstruction company may acquire the financial assets of a bank or financial institution by either entering into an agreement with such bank or financial institution for the transfer of such assets to the company or by issuing a debenture or bond or any other security in the nature of the debenture, for consideration, as per such terms and conditions as may be mutually agreed between them. The SARFAESI Act further provides that if the bank or financial institution is a lender in relation to any financial assets acquired by the securitization/reconstruction company as stated above, then such company shall be deemed to be the lender in relation to those financial assets. Further, upon such acquisition, all material contracts entered into by the bank or financial institution, in relation to the financial assets, shall also get transferred in favour of the securitization/reconstruction company. The SARFAESI Act also enables banks and notified financial institutions to enforce the underlying security of an NPA without court intervention. Pursuant to an asset being classified as an NPA, the security interest can be enforced as per the procedure laid down in the Security Interest Enforcement Rules, 2002.

3. Foreign Exchange Laws

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999, as amended, along with the rules, regulations and notifications made by the RBI thereunder, and the consolidated FDI Policy Circular of 2020 (No. 5(2)/2020) dated October 15, 2020, as amended, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.

As per the sector specific guidelines of the Government of India, up to 100% foreign investment is allowed under the automatic route in certain NBFC activities subject to compliance with guidelines under the Foreign Exchange Management Act, 1999 and applicable rules and regulations in this regard.

4. Laws Relating to Taxation

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

(i) Central Goods and Service Tax Act, 2017 and various state-wise legislations made thereunder;

(ii) Integrated Goods and Services Tax Act, 2017;

(iii) Income Tax Act 1961, as amended by the Finance Act in respective years; and

(iv) State-wise legislations in relation to professional tax.

5. Other Regulations

In addition to the above, our Company is required to comply with the provisions of the Companies Act, FEMA, the RBI guidelines on securitisation of standard assets, labour laws, various tax related legislations and other applicable statutes for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Ess Kay Auto Finance Private Limited' at Jaipur, Rajasthan as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 21, 1994, issued by the RoC. Thereafter, our Company was converted to a public limited company and the name of our Company was changed to 'Ess Kay Auto Finance Limited', pursuant to a resolution passed by our Shareholders dated September 30, 1996 and a fresh certificate of incorporation issued by the RoC on October 18, 1996. Subsequently, our Company was converted to a private limited company and the name of our Company was changed to 'Ess Kay Auto Finance Private Limited', pursuant to a resolution passed by our Shareholders dated March 11, 1998 and a fresh certificate of incorporation issued by the RoC on March 20, 1998. The RBI had granted a certificate of registration dated October 16, 1998, allotting registration number 10.00080, pursuant to which our Company (under its erstwhile name, '*Ess Kay Auto Finance Private Limited*') was registered as an NBFC under Section 45-IA of the RBI Act. The name of our Company was further changed to 'Ess Kay Fincorp Private Limited' to align it with our business activities pursuant to a resolution passed by our Shareholders dated September 21, 2016 and a fresh certificate of incorporation issued by the RoC on October 7, 2016. The RBI had granted a certificate of registration dated October 26, 2016 to our Company (under its erstwhile name, '*Ess Kay Fincorp Private Limited'*), designated our Company as a NBFC-ND-AFC and allotted registration number bearing B-10.00080. Thereafter, our Company was converted to a public limited company and the name of our Company was changed to 'Ess Kay Fincorp Limited' pursuant to a resolution passed by our Shareholders dated December 8, 2016 and a fresh certificate of incorporation issued by the RoC on September 4, 2017. As on June 30, 2017, our Company (under its erstwhile name, '*Ess Kay Fincorp Private Limited*') was designated as a NBFC-ND-SI by the RBI. The RBI had granted a certificate of registration dated September 25, 2017 to our Company (under its erstwhile name, '*Ess Kay Fincorp Limited*') and designated our Company as a NBFC-ND-AFC. Subsequently, the name of our Company was changed to 'SK Finance Limited' to align it with the registered trademark of our Company pursuant to a resolution passed by our Shareholders dated August 18, 2021 and a fresh certificate of incorporation was issued by the RoC on September 7, 2021. The RBI had granted a certificate of registration dated September 14, 2021 to our Company (under our current name) and designated our Company as a NBFC-ICC. Further, we have been categorised as NBFC-Middle Layer as per the Scale Based Regulations.

Changes in our Registered Office

There have been no changes in the Registered Office of our Company since the date of its incorporation.

Main objects of our Company

The main objects in our Memorandum of Association are set forth below:

"1. To carry on and undertake the business of hire- purchase, leasing, purchasing, selling, hiring or letting on hire all kinds of vehicle, auto parts, auto mobile goods and to assist in financing of all and of every kind and description of hire purchases or deferred payment or similar transaction of the concerns firm and individuals having any type of financial assistance from the company and Maintenance of vehicles including resale thereof maintenance of vehicles including resale thereof.

2. To carry on the business of financiers, merchant bankers, financing agents, financial brokers, recovery agents, bill discounters and to undertake carry on and execute all kinds of financial operation and provide finance for houses, business complexes shops and io carry on the business of money lending (Subject to the provision of law) including hire purchase, leasing, financing of movable and immovable properties, machineries and commodities of all kinds either by way of pledge, mortgage, hypothecation, charges or without any securities to any person, individual, body corporate firm, organization, authority and subject to the provision of Section 73 of the Companies Act, 2013 and the rules framed there under and the directions issued by the RBI from time to time as may be applicable and defined as under the Banking Regulations Act, 1949.

Provided that the company shall not carry on any Banking Business-within the meaning of the Banking Regulation Act, 1949.

3. To Carry on the business of investment and to underwrite, sub-underwrite, merchant bankers, to invest in and acquire and hold, sell, buy or otherwise deal in shares, debentures, debenture stock, bonds, unites, exim scrips, obligation portfolio management and securities issued or guaranteed by Indian or foreign governments, state, domination, sovereigns, municipalities of public authorities or bodies and share, debentures, stock, debenture-stocks, bonds and securities issued or guaranteed by company, corporation, firms or person, whether incorporated or established in India or elsewhere and also to manage investment pools, syndicated on shares, stock and securities and to render services of shares registrar, transfer agents and to invest in other businesses for sharing profits and losses, subject to any approval/consent or incident required io be obtains under SEBI Act.

4. To acquire and give on lease, let out on hire, sub-let mortgage, pledge, hypothecate, in whole or any part of house, buildings, machineries, plants, accessories, equipment, gadgets, computers electrical equipments, all domestic goods, computer program software, office equipments of all kinds, security system, motor vehicles, boats, spare parts, tools, instruments, tabulation, excavates, agriculture equipments, cranes and other capital goods to industrial undertakings, agriculture traders, animal and fishery farms of manufactures, users, mine holders and to receive, earn rentals, lease money, installments thereof in any part of India or abroad.

5. Subject to the provisions of the Insurance Regulatory and Development Authority Act, 1999 and other enactments, as amended from time to time and the rules and regulations framed thereunder, to undertake, carry on and transact the business of soliciting or as an insurance agent and/ or to act as on insurance intermediary or broker in respect of general insurance, life insurance or reinsurance business or to act as a composite broker and/or to carry on the business of distribution of insurance products and/or to act as an insurance consultant and/or to act as surveyors and loss assessors and to undertake such other activities ancillary/ incidental thereto."

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

Amendments to our Memorandum of Association

The following table sets forth details of the amendments to our Memorandum of Association, in the last 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution/ effective date	Details of the amendments
March 11, 2024	The objects clause (clause III (A)) of the Memorandum of Association of our Company was amended to reflect the following insertion as clause III (A) (5): *Subject to the provisions of the Insurance Regulatory and Development Authority Act, 1999 and other enactments, as amended from time to time and the rules and regulations framed thereunder, to undertake, carry on and transact the business of soliciting or procuring insurance business as an insurance agent and/ or to act as on insurance intermediary or broker in respect of general insurance, life insurance or reinsurance business or to act as a composite broker and/or to carry on the business of distribution of insurance products and/or to act as an insurance consultant and/or to act as surveyors and loss assessors and to undertake such other activities ancillary/ incidental thereto."*
March 11, 2024	Clause V of the Memorandum of Association of our Company was amended to reflect the alteration in the authorised share capital of our Company pursuant to the reclassification of 150,000,000 (one hundred fifty million) equity shares of face value of ₹ 2 each aggregating to authorised share capital of ₹ 300,000,000 (Rupees three hundred million only) resulting into 300,000,000 (three hundred million) Equity Shares of face value of ₹ 1 each aggregating to authorised share capital of ₹ 300,000,000 (Rupees three hundred million only)
September 22, 2021	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised share capital of our Company from ₹ 75,000,000 (Rupees seventy five million only) divided into 37,500,000 (thirty seven million five hundred thousand) equity shares of face value of ₹ 2 each to ₹ 300,000,000 (Rupees three hundred million) divided into 150,000,000 (one hundred fifty million) equity shares of face value of ₹ 2 each.
August 18, 2021	The Memorandum of Association of our Company was amended to reflect the change in name from "Ess Kay Fincorp Limited" to "SK Finance Limited"
	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in the authorised share capital of our Company from ₹ 57,500,000 (Rupees fifty seven million five hundred thousand only) divided into 28,750,000 (twenty eight million seven hundred fifty thousand) equity shares of face value of ₹ 2 each to ₹ 75,000,000 (Rupees seventy five million only) divided into 37,500,000 (thirty seven million five hundred thousand) equity shares of face value of ₹ 2 each.
September 11, 2018	Clause V of the Memorandum of Association of our Company was amended to reflect the alteration in the share capital of our Company pursuant to the sub-division of each equity share of our company having face value of ₹ 100 to 50 equity shares with face value of ₹ 2 each aggregating to an authorised share capital of ₹ 57,500,000 (Rupees fifty seven million five hundred thousand only) divided into 28,750,000 (twenty eight million seven hundred fifty thousand) equity shares of face value of ₹ 2 each.
December 5, 2017	Clause V of the Memorandum of Association of our Company was amended to reflect the alteration in the in authorised share capital of our Company pursuant to the reclassification of 125,000 (one hundred twenty five thousand) compulsorily convertible preference shares of face value of ₹ 100 each into 125,000 (one hundred twenty five thousand) equity shares of face value of ₹ 100 each ranking pari passu with existing equity shares resulting into 575,000 (five hundred seventy five thousand) equity shares of face value of ₹ 100 each aggregating to authorised share capital of ₹ 57,500,000 (Rupees fifty seven million five hundred thousand only).
December 8, 2016	The Memorandum of Association of our Company was amended to reflect the change in its status from a private limited company to a public limited company.
	Clause III B and Clause III C of our Memorandum of Association was amended to reflect certain changes to the objects clause of our Memorandum of Association.
	Clause IV of Memorandum of Association of our Company was amended to reflect the following alteration: *"The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them"*.
September 21, 2016	The Memorandum of Association of our Company was amended to reflect the change in its name from "Ess Kay Auto Finance Private Limited" to "Ess Kay Fincorp Private Limited".

Major events and milestones of our Company

The table below sets forth the key events and milestones in the history of our Company:

Calendar Year	Milestone
1994	Incorporated as Ess Kay Auto Finance Private Limited
1998	Company obtained the Certificate of Registration as NBFC from RBI
2012	Opened our first branch outside Rajasthan i.e., in Gujarat
	Raised our first private equity funds from Banyan Tree Growth LLC.
2016	Converted to a public limited company and name changed to Ess Kay Fincorp Limited.
	Designated by RBI as a NBFC-ND-AFC.
	Opened our first branches in Madhya Pradesh and Punjab.
	Crossed the AUM of ₹ 5,000.00 million.
2017	Opened our first branches in Maharashtra and Haryana.
	Designated as a NBFC-ND-SI by the RBI.
	Designated as a NBFC-ND-AFC by RBI.
	Raised private equity funds from Norwest, Karma Holdings Mauritius Limited, Baring Private Equity India AIF and Evolvence India Fund II Ltd.
2018	Raised private equity funds from TPG, Norwest and Evolvence Coinvest I.
	Crossed the AUM of ₹ 10,000.00 million.
2019	Raised the private equity funds from TPG, Evolvence India Fund III Ltd. and Norwest.
2020	Opened our first branch in Chhattisgarh.
2021	Designated as a NBFC-ICC by RBI.
	Opened our first branches in Delhi NCR, Himachal Pradesh and Uttarakhand.
	Crossed 5,000 employees.
	Raised private equity funds from certain existing investors and IIFL Special Opportunities Fund – Series 9, Massachusetts Institute of Technology and 238 Plan Associates LLC.
2022	Crossed the AUM of ₹ 50,000.00 million
2023	Categorised as NBFC-Middle Layer.
	Opened our first branches in Uttar Pradesh and Karnataka.
	Raised private equity funds from certain existing investors and DC Ikka Ltd, DC Uno Ltd, Axis Growth Avenues AIF – I and Mirae Asset Late Stage Opportunities Fund
	Crossed 500 branches.
2024	Raised private equity funding from certain existing investors and India Business Excellence Fund IV.

Awards and accreditations

Details of key awards received by our Company are set out below:

Calendar Year	Name of the award
2022	Awarded as one of the "Best Brands 2022" by The Economic Times
2023	Awarded as one of the "Best Brands 2023" by The Economic Times
2023	Awarded as the "Fastest Growing Tractor Financers" by Indian Tractor of the Year
2023	Awarded as the "Best Technology Adaption – Cash Management Services" by HDFC Bank
	Awarded as the "Best Corporate – Cash Management Services" by HDFC Bank

Time and cost overruns

As on the date of this Draft Red Herring Prospectus our Company has not experienced time and cost overruns pertaining to our business operations.

Defaults or re-scheduling/ restructuring of borrowings

As on the date of this Draft Red Herring Prospectus, there have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings.

Significant financial and strategic partners

Except as disclosed in the "*Capital Structure - Details of equity shareholding of the major Shareholders of our Company* " section on page 101, our Company does not have any significant financial or strategic partners as on the date of this Draft Red Herring Prospectus.

Capacity/facility creation, location of branches

For details regarding locations of our branches, see "*Our Business*" on page 201.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" and "*-Major events and milestones our Company*" on pages 201 and 240 respectively.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc., in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Our Holding Company

Our Company does not have a holding company.

Our Subsidiaries and Joint Ventures

Our Company does not have any subsidiaries or joint ventures.

Shareholders' agreements and other agreements

Except as set forth below, there are no other arrangements or agreements, deeds of assignment, acquisition agreements, shareholders' agreements, inter-se agreements, or any other agreements between our Company, our Promoters and Shareholders, or agreements of like nature or agreements comprising any clauses/covenants which are material to our Company. Further, there are no other clauses/covenants that are adverse or prejudicial to the interest of the minority/public Shareholders of our Company.

Amended and restated shareholders' agreement dated November 3, 2023 (including the deeds of accession and deeds of adherence executed in its terms thereof) entered into by and among our Company, Norwest, Karma Holdings Mauritius Limited, Baring Private Equity India AIF 2, Evolvence Coinvest I, TPG, Evolvence India Fund III Ltd., 360 One Special Opportunities Fund– Series 9, Massachusetts Institute Of Technology, 238 Plan Associates LLC, 360 One Special Opportunities Fund – Series 10, Baring Private Equity India AIF 2 Co-Invest, DC Ikka Ltd., DC Uno Ltd., Axis Growth Avenues AIF – I, Ananta Capital Ventures Fund – 1, Mirae Asset Late Stage Opportunities Fund, India Business Excellence Fund IV ("Investors") and Rajendra Kumar Setia ("Shareholders' Agreement" or "SHA"), as amended pursuant to the amendment agreement to the SHA dated April 24, 2024 ("Amendment Agreement") 4

The Shareholders' Agreement sets out the terms and conditions based on which the parties to the Shareholders' Agreement will participate in the business of our Company and the terms governing their relationship in respect of the management and governance of our Company.

Under the Shareholders' Agreement, one of our Individual Promoter, Rajendra Kumar Setia has the right to nominate two Directors, Norwest has a right to nominate one Director, so long as it holds at least 7.5 % of the paid-up share capital of our Company (on a fully diluted basis) and TPG has the right to nominate for appointment of one nominee director, so long as it holds at least 7.5% of the paid-up share capital of our Company (on a fully diluted basis). In addition to this, the right to appoint observers ("**Investor Observers**") to the Board corresponding to the requisite shareholding thresholds have been set out below:

Name of the Party	Requisite Threshold (% of paid-up share capital on a fully diluted basis)
Norwest	Between 5% - 7.5%
Evolvence Coinvest I and Evolvence India Fund III Ltd. ("**Evolvence Investors**")	5%[1]
TPG	Between 5% - 7.5%
Karma Holdings Mauritius Limited, Baring Private Equity India AIF 2 Baring Private Equity India AIF 2 Co-Invest and/ or their respective affiliates that acquire the Equity Shares ("**Baring Investors**")	Between 5% - 7.5%[2]
360 One Special Opportunities Fund – Series 09; Massachusetts Institute of Technology; 238 Plan Associates LLC and 360 One Special Opportunities Fund – Series 10 ("**360 Investors**")	Between 5% - 7.5%
India Business Excellence Fund IV	Between 5% - 7.5%

[1] *Evolvence Investors has the right to appoint an observer on the Board so long as they individually or collectively with the Baring Investors hold 5% of the paid-up share capital of our Company (on a fully diluted basis).*

[2] *Baring Investors have the right to appoint an observer in accordance with the requisite threshold post the exit by Evolvence Investors.*

Further, from the date of consummation of the Offer, in the event Norwest (together with its affiliates, the "**NVP Group**"), holds 5% or more of the Equity Share capital of our Company, Norwest's voting rights will get limited to 4.99999% of any class of shares of our Company, on account of applicable regulatory restrictions under the US Bank Holding Company Act of 1956. Such voting restriction will not apply to the NVP Group and it shall be able to exercise voting rights commensurate to its shareholding in connection with any matter that (a) materially and adversely alters or changes the rights of the shares held by NVP Group; (b) increases the authorized number of shares or securities senior to the shares held by NVP Group; (c) results in the buyback or repurchase of the shares held by NVP Group; (d) results in any liquidation, dissolution or winding up of our Company, (e) amends or waives any provision of the charter documents in a manner that materially or adversely affects the rights of the shares held by NVP Group; or (f) involves the declaration of any dividend on the shares where dividends are accrued but unpaid in respect of the shares held by NVP Group.

In terms of the Shareholders' Agreement and the Amendment Agreement, the right of one of our Individual Promoters, Rajendra Kumar Setia, Norwest and TPG to appoint directors on the Board shall survive upon consummation of the Offer, subject to receipt of Shareholders' approval by way of a special resolution subsequent to the listing of the Equity Shares pursuant to the Offer. The parties to the Shareholders' Agreement have severally agreed to take all necessary steps and perform all necessary actions as may be required from each of them for effecting the amendment to the Articles of Association to include and incorporate such Director nomination rights.

The Investors, acting through their respective nominee directors have affirmative voting rights on certain matters, including for appointment/ removal of Investor nominee directors from the Board, change in the Registered Office of the Company, any related party transactions, any fresh issue of securities at a valuation lower than the post money equity valuation agreed under the Shareholders' Agreement, other than issuance of securities under the ESOP Scheme and sale of shares by our Individual Promoter, Rajendra Kumar Setia except as permitted under the Shareholders' Agreement. Further, prior consent of the Investors will be required for certain actions including, but not limited to any merger/ restructuring/ creation of a new subsidiary in reference to the Company, entering into a new line of business and change in the Company's constitutional documents. The Investors and our Promoter, Rajendra Kumar Setia also have pre-emptive, anti-dilution rights and certain transfer restrictions, including drag along and tag along rights in relation to fresh issuance of securities as well as securities being transferred by way of sale of all or part of the securities held in our Company.

In terms of the Amendment Agreement, certain rights of the parties to the Shareholders Agreement in relation to affirmative voting, transfer restrictions and exit options have been waived until the date of consummation or the IPO Long Stop Date (*as defined below*).

The Amendment Agreement will stand automatically terminated on the earlier of: IPO Long Stop Date, i.e., (i) March 31, 2025, or such other date as may be agreed in writing by the parties to the Amendment Agreement, in the event the Equity Shares are not listed on the Stock Exchanges on or prior to such date; and/or (ii) the date on which the IPO Committee decides not to undertake the Offer and/or to withdraw any offer document filed with any regulatory authority in respect of the Offer, including any draft offer document filed with SEBI; and/or (iii) 12 months post receipt of final SEBI observations on the DRHP. On or from the filing of the Red Herring Prospectus with the RoC or such earlier date as prescribed by SEBI, Part B of our Articles of Association shall stand terminated without any further action from and by the parties to the Amendment Agreement such that the provisions of Part A come in effect and be in force.

Letter Agreement dated January 17, 2024 entered into between Karma Holdings Mauritius Limited, Baring Private Equity India AIF 2, Baring Private Equity India AIF 2 Co-Invest (Karma Holdings Mauritius Limited, Baring Private Equity India AIF 2, Baring Private Equity India AIF 2 Co-Invest, together referred to as "Baring Investors"), Evolvence Coinvest I and Evolvence India Fund III Ltd (Evolvence Coinvest I and Evolvence India Fund III Ltd., together referred to as "Evolvence Investors")

Karma Holdings Mauritius Limited, Baring Private Equity India AIF 2, Baring Private Equity India AIF 2 Co-Invest, Evolvence Coinvest I and Evolvence India Fund III Ltd have entered into a letter agreement dated January 17, 2024 in relation to the SHA to record their inter-se understanding in respect of certain rights of the Baring Investors and the Evolvence Investors. The Evolvence Investors have acknowledged that the Evolvence Investors' observer, in accordance with the SHA, will have a right to receive all such material as are made available to the Investor nominee directors under the SHA. The Baring Investors and the Evolvence Investors have also, *inter alia*, agreed that if (i) the collective shareholding of the Evolvence Investors and the collective shareholding of the Baring Investors; or (ii) the collective shareholding of either the Evolvence Investors or the Baring Investors, falls below 5% but collectively the parties hereto hold more than 5% of the fully diluted share capital of our Company, then the Baring Investors and the Evolvence Investors will have the ability to exercise consent rights on qualified investor vote matters acting jointly in the manner set out in the SHA.

Other material agreements

Our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business.

Details of guarantees given to third parties by our Promoter Selling Shareholders who are participating in the Offer for Sale

Except as disclosed below, our Promoter Selling Shareholders have not provided any guarantees on behalf of our Company:

1. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of RBL Bank Limited for guaranteeing the obligations of our Company under the Supplemental Agreement of Guarantee dated September 29, 2015 for a cash credit facility of ₹ 25.00 million obtained from RBL Bank Limited;

2. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of RBL Bank Limited for guaranteeing the obligations of our Company under the Supplemental Agreement of Guarantee dated March 30, 2021 for the term loan of ₹ 750.00 million obtained from RBL Bank Limited;

3. Personal guarantee issued by our Promoter Selling Shareholder, Rajendra Kumar Setia, in favour of IndusInd Bank Limited for guaranteeing the obligations of our Company under the Letter of Continuing Guarantee dated February 11, 2020 for a cash credit/ working capital demand loan facility of ₹ 100.00 million obtained from IndusInd Bank Limited;

4. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of IndusInd Bank Limited for guaranteeing the obligations of our Company under the Letter of Guarantee dated September 29, 2021 for the term loan of ₹ 300.00 million obtained from IndusInd Bank Limited;

5. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of IndusInd Bank

Limited for guaranteeing the obligations of our Company under the Letter of Guarantee dated February 11, 2020 for the term loan of ₹ 350.00 million obtained from IndusInd Bank Limited;

6. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of CSB Bank Limited for guaranteeing the obligations of our Company under the Guarantee Agreement dated October 27, 2021 for the term loan of ₹ 300.00 million obtained from CSB Bank Limited;

7. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of Bank of Baroda for guaranteeing the obligations of our Company under the General Form of Guarantee dated March 14, 2022 for the term loan of ₹ 750.00 million obtained from Bank of Baroda;

8. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of Bank of Baroda for guaranteeing the obligations of our Company under the General Form of Guarantee dated October 14, 2020 for the term loan of ₹ 250.00 million obtained from Bank of Baroda;

9. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of Axis Bank Limited for guaranteeing the obligations of our Company under the Deed of Guarantee dated September 23, 2021 for the term loan of ₹ 750.00 million and working capital facility of ₹ 100.00 million obtained from Axis Bank Limited;

10. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of Axis Bank Limited for guaranteeing the obligations of our Company under the Deed of Guarantee dated December 28, 2020 for the term loan of ₹ 100.00 million obtained from Axis Bank Limited;

11. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of Yes Bank Limited for guaranteeing the obligations of our Company under the Deed of Guarantee dated March 16, 2021 for the term loan of ₹ 500.00 million obtained from Yes Bank Limited;

12. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of Indian Bank for guaranteeing the obligations of our Company under the Agreement of Guarantee dated March 18, 2021 for the term loan of ₹ 250.00 million obtained from Indian Bank;

13. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of DBS Bank India Limited for guaranteeing the obligations of our Company under the Deed of Guarantee dated March 9, 2021 for the term loan of ₹ 300.00 million obtained from DBS Bank India Limited;

14. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of Canara Bank for guaranteeing the obligations of our Company under the Guarantee Agreement dated November 28, 2023 for the term loan of ₹ 1,000.00 million obtained from Canara Bank;

15. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of Canara Bank for guaranteeing the obligations of our Company under the Guarantee Agreement dated May 11, 2023 for the term loan of ₹ 500.00 million obtained from Canara Bank;

16. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of Canara Bank for guaranteeing the obligations of our Company under the Guarantee Agreement dated March 30, 2022 for the term loan of ₹ 450.00 million obtained from Canara Bank;

17. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of Canara Bank for guaranteeing the obligations of our Company under the Guarantee Agreement dated November 26, 2021 for the term loan of ₹ 500.00 million obtained from Canara Bank;

18. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of State Bank of India for guaranteeing the obligations of our Company under the Deed of Guarantee dated February 26, 2022 for the term loan of ₹ 1,500.00 million obtained from State Bank of India;

19. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of State Bank of India for guaranteeing the obligations of our Company under the Deed of Guarantee dated September 28, 2022 for the term loan of ₹ 2,000.00 million obtained from State Bank of India;

20. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of State Bank of India for guaranteeing the obligations of our Company under the Deed of Guarantee dated October 30, 2023 for the term loan of ₹ 2,000.00 million obtained from State Bank of India;

21. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of Bank of Maharashtra for guaranteeing the obligations of our Company under the Guarantee Agreement dated September 28, 2022, for the term loan of ₹ 1,000.00 million obtained from Bank of Maharashtra;

22. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of Micro Units Development and Refinance Agency Limited for guaranteeing the obligations of our Company under the Deed of Guarantee dated November 26, 2021, for the term loan of ₹ 1,000.00 million obtained from Micro Units Development and Refinance Agency Limited;

23. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of Nabkisan Finance Limited for guaranteeing the obligations of our Company under the Guarantee Letter dated January 23, 2019, for the term loan of ₹ 77.50 million obtained from Nabkisan Finance Limited;

24. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of Aditya Birla Finance Limited for guaranteeing the obligations of our Company under the Deed of Guarantee dated March 26, 2021, for the term loan of ₹ 250.00 million obtained from Aditya Birla Finance Limited;

25. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of Tata Capital Finance Service Limited for guaranteeing the obligations of our Company under the Agreement for Term Loan dated May 21, 2021, for the term loan of ₹ 300.00 million obtained from Tata Capital Finance Service Limited; and

26. Personal guarantee issued by one of our Promoter Selling Shareholders, Rajendra Kumar Setia, in favour of Kotak Mahindra Bank Limited for guaranteeing the obligations of our Company under the Guarantee dated August 17, 2021 for the term loan and cash credit/ working capital demand loan facility of ₹ 550.00 million obtained from Kotak Mahindra Bank Limited.

Agreements with Key Managerial Personnel, Senior Management Personnel, Directors, Promoters, or any other employee

None of our Key Managerial Personnel, Senior Management Personnel, Directors, Promoters, or any other employees have entered into any agreement with any Shareholder or any third party with regard to compensation or profit-sharing in connection with dealings in the securities of our Company.

OUR MANAGEMENT

In terms of the Companies Act and the Articles of Association, our Company is authorised to have a minimum of three directors and up to 15 directors. As on the date of this Draft Red Herring Prospectus, our Board has eight Directors comprising our Managing Director and Chief Executive Officer, one Whole-time Director and six Non-Executive Directors including four Non-Executive Independent Directors. Our Board has one woman Independent Director and one woman Non-Executive Director.

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth, DIN and age	Directorships in other companies
1.	**Amar Lal Daultani** **Designation:** Chairperson and Non-Executive Independent Director **Period of Directorship:** Director since April 1, 2016 **Term:** With effect from April 1, 2021 for a period of five years and not liable to retire by rotation **Address:** Flat No. H602, Marvel Zephyr, Kharadi South Main Road, Vithal Nagar, Kharadi, Pune 411 014, Maharashtra, India **Occupation:** Retired banker **Date of Birth:** March 13, 1955 **DIN:** 05228156 **Age:** 69 years	*Indian companies:* • Ativir Financial Services Private Limited • Raghav Productivity Enhancers Limited *Foreign companies:* Nil
2.	**Rajendra Kumar Setia** **Designation:** Managing Director and Chief Executive Officer **Period of Directorship:** Director since November 21, 1994 **Term:** With effect from May 19, 2022 for a period of five years and liable to retire by rotation **Address:** 2 CHA 12, Jawahar Nagar, Jaipur 302 004, Rajasthan, India **Occupation:** Business **Date of Birth:** July 1, 1969 **DIN:** 00957374 **Age:** 54 years	*Indian companies:* Nil *Foreign companies:* Nil
3.	**Yash Setia** **Designation:** Whole-time Director **Period of Directorship:** Director since January 30, 2023 **Term:** With effect from January 30, 2023 for a period of five years and liable to retire by rotation **Address:** 2 CHA 12, Jawahar Nagar, Jaipur 302 004, Rajasthan, India **Occupation:** Business **Date of Birth:** December 4, 1995 **DIN:** 09831391 **Age:** 28 years	*Indian companies:* Nil *Foreign companies:* Nil
4.	**Anand Raghavan**	*Indian companies:*

<table>
<tr><th>S. No.</th><th>Name, designation, period of directorship, term, address, occupation, date of birth, DIN and age</th><th>Directorships in other companies</th></tr>
<tr><td></td><td>Designation: Non–Executive Independent Director

Period of Directorship: Director since April 7, 2018

Term: With effect from April 7, 2023 for a period of five years and not liable to retire by rotation

Address: 22/1, Warren Road, Mylapore, Chennai 600 004, Tamil Nadu, India

Occupation: Professional

Date of Birth: June 4, 1961

DIN: 00243485

Age: 62 years</td><td>• Chennai International Centre
• Five-Star Business Finance Limited
• Jasmine Concrete Exports Private Limited
• Nani Palkhivala Arbitration Centre
• Muthoot Microfin Limited
• Shriram Life Insurance Company Limited
• TVS Infrastructure Investment Manager Private Limited

Foreign companies:

Nil</td></tr>
<tr><td>5.</td><td>Nanda Sameer Dave

Designation: Non-Executive Independent Director

Period of Directorship: Director since March 14, 2024

Term: With effect from March 14, 2024 for a period for five years and not liable to retire by rotation

Address: B1101-02, Paras Emperor, Bawadia Kalan, Huzur, Bhopal 462 039, Madhya Pradesh, India

Occupation: Professional

Date of Birth: August 31, 1960

DIN: 08673208

Age: 63 years</td><td>Indian companies:

• Kisetsu Saison Finance (India) Private Limited

Foreign companies:

Nil</td></tr>
<tr><td>6.</td><td>Mukul Mathur

Designation: Non-Executive Independent Director

Period of Directorship: Director since March 29, 2024

Term: With effect from March 29, 2024 for a period for five years and not liable to retire by rotation

Address: E-103, Jacaranda Block, Brigade Millennium, JP Nagar, 7th Phase, Bangalore 560 078, South JP Nagar, Karnataka

Occupation: Professional

Date of Birth: June 17, 1967

DIN: 10025806

Age: 56 years</td><td>Indian companies:

Tanmatra Foundation

Foreign companies:

Nil</td></tr>
<tr><td>7.</td><td>Simit Batra

Designation: Non-Executive Director[(1)]

Period of Directorship: Director since June 13, 2023

Term: With effect from June 13, 2023 and not liable to retire by rotation

Address: 1601, Wing F, Rustomjee Seasons, Madhusudan Kalelkar Road, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Suburban</td><td>Indian companies:

• Big Tree Entertainment Private Limited
• Busybees Logistics Solutions Private Limited
• Landmark Insurance Brokers Private Limited
• Social Worth Technologies Private Limited</td></tr>
</table>

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth, DIN and age	Directorships in other companies
	Maharashtra, India **Occupation:** Service **Date of Birth:** August 11, 1987 **DIN:** 09739615 **Age:** 36 years	*Foreign companies:* Livspace Pte. Limited
8.	**Debanshi Basu** **Designation:** Non-Executive Director[(2)] **Period of Directorship:** Director since November 9, 2020 **Term:** With effect from November 9, 2020, and liable to retire by rotation **Address:** 603/604, B-Wing, Magnolia-Nahar, Amrit Shakti, Powai, Andheri East, Mumbai 400 072, Maharashtra, India **Occupation:** Professional **Date of Birth:** April 22, 1982 **DIN:** 07135074 **Age:** 42 years	Indian companies: • Infrasoft Technologies Limited • Nehat Tech Solutions Private Limited • Nivara Home Finance Limited *Foreign companies:* Nil

(1) *Nominee of TPG pursuant to the Shareholders' Agreement. For details, see "History and Other Corporate Matters – Shareholders' agreements and other agreements" on page 242.*

(2) *Nominee of Baring Private Equity India AIF pursuant to Sections 161, 149 and any other applicable provision of the Companies Act and the Shareholders' Agreement. For details, see "History and Other Corporate Matters – Shareholders' agreements and other agreements" on page 242.*

Brief Biographies of Directors

Amar Lal Daultani is the Chairperson and one of the Non-Executive Independent Directors on our Board. He holds a bachelor's degree in science from Agra University, Agra, Uttar Pradesh, India. He was previously associated with Allahabad Bank and Corporation Bank. He has over 34 years of experience in the field of credit, forex, treasury, risk management and other banking operations.

Rajendra Kumar Setia is the Managing Director and the Chief Executive Officer of the Company. He holds a bachelor's degree in science from University of Rajasthan, Jaipur, Rajasthan, India. He has over 29 years of experience in the financial services sector with our Company. He was awarded as one of the "ET Business Leaders of Rajasthan 2019" by the Times Group.

Yash Setia is a Whole-time Director on our Board. He holds a bachelor's degree in commerce from H.R. College of Commerce and Economics, the University of Mumbai, Mumbai, Maharashtra, India. He also holds a master's degree in finance from Babson College, Wellesley, Massachusetts, United States. He has over five years of experience in the financial services sector with our Company. He joined our Company as Head Strategy and Sr. Analytics with effect from August 1, 2018.

Anand Raghavan is one of the Non-Executive Independent Directors on our Board. He holds a bachelor's degree in commerce from University of Madras, Chennai, Tamil Nadu, India. He is also a chartered accountant and is certified by the Institute of Chartered Accountants of India. He was previously associated with Ernst & Young as a partner and Sundaram Finance Limited as vice president – corporate affairs. He was a member of the Committee on Functioning of Asset Reconstruction Companies constituted by the RBI and the Committee for Revival of MSMEs in Tamil Nadu. He has over 38 years of experience in the financial sector.

Nanda Sameer Dave is one of the Non-Executive Independent Directors on our Board. She holds a bachelor's degree in science and a master's degree in business administration from University of Lucknow, Lucknow, Uttar Pradesh, India. She has been a member of the Indian Institute of Bankers. She was previously associated with the RBI as an executive director.

Mukul Mathur is one of the Non-Executive Independent Directors on our Board. He holds a bachelor's degree in engineering (electronics and communication) from the University of Delhi, New Delhi, India. He also holds a post graduate diploma in business management from XLRI, Jamshedpur, Jharkhand, India. He was previously associated with IBM India Private Limited as vice president – IBM security, and with Wipro Infotech Limited as a senior engineer. He has over 35 years of experience in the field of IT services. He also holds a post graduate certificate in cybersecurity from Massachusetts Institute of Technology, Massachusetts, United States of America. He has also been a consultant – corporate engagement for the IIT Bombay Development and Relations Foundations team. Currently, he is a partner of ZeroT Plus Technologies LLP and a director with the Tanmatra Foundation.

Simit Batra is a Non-Executive Director on our Board. He holds a bachelor's degree in technology from the Indian Institute of Technology, Delhi, New Delhi, India and holds a master's degree in business administration from the Indian Institute of Management, Ahmedabad, Gujarat, India. He is currently working with TPG Capital – India Private Limited and has previously been associated with Citigroup Global Markets India Private Limited. He has over a decade of experience in the fields of private equity and investment banking**.** He serves as a director on the board of Big Tree Entertainment Private Limited, Busybees Logistics Solutions Private Limited, Social Worth Technologies Private Limited, Landmark Insurance Brokers Private Limited and Livspace Pte. Limited. In the past, he has served as a director on the board of Brainbees Solutions Private Limited, Landmark Cars Private Limited and Interstellar Services Private Limited.

Debanshi Basu is a Non-Executive Director appointed on our Board. She holds a bachelor's degree in commerce from Osmania University, Hyderabad, Telangana, India. She is also a chartered accountant certified by the Institute of Chartered Accountants of India. She has over 21 years of experience in the financial services sector. She was previously associated with Office Tiger Database Systems India Private Limited and Goldman Sachs India Securities Private Limited. She has been working with Baring Private Equity Partners Limited as senior principal since August 11, 2009.

Relationship between our Directors

Except as stated below, none of our Directors are related to each other.

Name of Director	Name of related director	Relationship
Rajendra Kumar Setia	Yash Setia	Father
Yash Setia	Rajendra Kumar Setia	Son

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors have been identified as Wilful Defaulters or Fraudulent Borrower by any bank or financial institution or consortium, in accordance with the applicable guidelines issued by the Reserve Bank of India.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as members by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Terms of appointment of our Directors

Terms of appointment of our Managing Director and Chief Executive Officer

Rajendra Kumar Setia

Rajendra Kumar Setia was initially appointed as the director of our Company on November 21, 1994. Most recently, he was appointed as the Managing Director of our Company for a further term of five years with effect from May 19, 2022, pursuant to the Managing Director agreement dated May 19, 2022 as amended by amendment agreement to the Managing Director agreement dated January 30, 2023 (the "**MD Agreement**"), a Board resolution dated February 9, 2022 and a Shareholders resolution dated March 11, 2022. Subsequently, pursuant to a resolution dated January 30, 2023, passed by our Board Rajendra Kumar Setia was appointed as CEO of our Company.

The details of remuneration of Rajendra Kumar Setia, as approved pursuant to the MD Agreement, resolutions dated May 20, 2022 and May 3, 2023, passed by our Board and a resolution dated August 3, 2022 passed by the Shareholders, are stated below:

Particulars	Annual amount (in ₹ million except otherwise stated)
Gross salary	**56.10**
Fixed salary	26.10
Performance-linked bonus	30.00
Perquisites	As per our Company policies and subject to the Companies Act

During Fiscal 2023, he received a remuneration of ₹ 38.73 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 55.31 million from our Company, which is subject to finalization, in accordance with the terms of his appointment and closure of books of account.

Terms of appointment of our Whole-time Director

Yash Setia

Yash Setia was appointed as the Whole-time Director of our Company on January 30, 2023 for a period of five years, pursuant to the Whole-time Director agreement dated January 30, 2023, a Board resolution dated December 20, 2022 and a Shareholders resolution dated January 30, 2023.

The details of remuneration of Yash Setia, as approved pursuant to the Whole-time Director agreement dated January 30, 2023, resolutions dated January 30, 2023 and May 3, 2023 passed by our Board and a resolution dated January 30, 2023 passed by the Shareholders, are stated below:

Particulars	Annual amount (in ₹ million except otherwise stated)
Gross salary	**16.00**
Fixed salary	10.00
Performance-linked bonus	6.00
Perquisites	As per our Company policies and subject to the Companies Act

During Fiscal 2023, he received a remuneration of ₹ 2.86 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 15.24 million from our Company, which is subject to finalization, in accordance with the terms of his appointment and closure of books of account.

Remuneration to our Non-Executive Directors *(other than our Non-Executive Independent Directors)*

Remuneration to our Non-Executive Directors

Our Non-Executive Directors *(other than our Non-Executive Independent Directors)* are not entitled to any remuneration from our Company. No remuneration was paid to our Non- Executive Directors (*other than our Non-Executive Independent Directors*) in the Financial Year 2024.

Remuneration to our Non-Executive Independent Director

Our Non-Executive Independent Directors are eligible for sitting fees for attending each meeting of the Board or committees thereof. Our Company has, pursuant to a board resolution dated May 3, 2023, fixed ₹75,000 per meeting as the sitting fees payable to our Non-Executive Independent Directors for attending the meetings of our Board. Further, pursuant to a Board resolution dated May 3, 2023, the Board fixed the sitting fees payable to our Independent Directors as ₹45,000 per meeting for attending the meetings of our Committees.

The details of sitting fees paid to our Non-Executive Independent Directors, are as follows:

Amar Lal Daultani

During Fiscal 2023, he received a remuneration of ₹ 1.54 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 2.41 million from our Company, which is subject to finalization, in accordance with the terms of his appointment and closure of books of account.

Anand Raghavan

During Fiscal 2023, he received a remuneration of ₹ 1.49 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 2.37 million from our Company, which is subject to finalization, in accordance with the terms of his appointment and closure of books of account.

There is no contingent or deferred compensation payable to any of our Directors which accrued in Financial Year 2024.

Arrangement or understanding with major Shareholders, customers, suppliers or others for Directors

Other than Simit Batra and Debanshi Basu who are nominated to our Board by TPG and Baring Private Equity India AIF, respectively, under the terms of the Shareholders' Agreement and the Articles of Association, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors have been appointed on the Board. Under the Shareholders' Agreement, our Promoter, Managing Director and Chief Executive Officer, Rajendra Kumar Setia has the right to nominate two Directors, Norwest has a right to nominate one Director, so long as it holds at least 7.5 % of the paid-up share capital of our Company (on a fully diluted basis) and TPG has the right to nominate one nominee director, so long as it holds at least 7.5% of the paid-up share capital of our Company (on a fully diluted basis). For further details in relation to the Shareholders' Agreement, see "*History and Certain Corporate Matters – Details of Shareholders' agreements and agreements*" on page 242.

Service Contracts with Directors

Except as stated below, none of our Directors have entered into a service contract with our Company including any termination/retirement benefits, if any:

The Managing Director Agreement dated May 19, 2022, as amended by amendment agreement to the Managing Director agreement dated January 30, 2023, executed between Rajendra Kumar Setia, who is the Managing Director and Chief Executive Officer and our Company sets out the terms and conditions of the employment of the Managing Director. The Managing Director is entitled to benefits like, *inter alia*, gratuity fund, provident fund, superannuation fund, until the effect date of termination of the term.

The Whole-time Director Agreement dated January 30, 2023, executed between Yash Setia, who is the Whole-time Director of our Company and our Company sets out the terms and conditions of the employment of the Wholetime Director. The Whole-time Director is entitled to benefits like, *inter alia*, gratuity fund, provident fund, superannuation fund, until the effect date of termination of the term.

Bonus or profit-sharing plan for Directors

Except for the performance linked bonus eligible upon achieving a targeted PAT, payable to Rajendra Kumar Setia (Managing Director and Chief Executive Officer), and Yash Setia (Whole-time Director), pursuant to Board resolutions each dated May 3, 2023 and resolutions passed by the Nomination and Remuneration Committee of our Company on May 3, 2023 and the respective terms of their appointment, our Company does not have any bonus or profit-sharing plan for Directors. For details, see *"- Terms of appointment* of our *Directors"* on page 249.

Shareholding of Directors in our Company

For details on shareholding of the Directors in our Company, see "*Capital Structure –Details of Equity Shares held by our Directors, Key Management Personnel and Senior Management Personnel in our Company*" on page 94. As per our Articles of Association, our Directors are not required to hold any qualification shares.

Interests of Directors

Our Directors may be deemed to be interested to the extent of the remuneration (including sitting fees and commission, as applicable) and reimbursement of expenses, payable to them by our Company under our Articles of Association and their terms of appointment, and to the extent of remuneration paid to them for services rendered as Directors of our Company. For details, see "*-Terms of appointment of our Directors"* on page 249.

Except for Rajendra Kumar Setia and Yash Setia, who are the Promoters of our Company, none of our Directors have any interests in the promotion or formation of our Company. For further details, see *"Our Promoters and Promoter Group – Interests of Promoters"* on page 272.

Our Directors may also be interested in the Equity Shares that may be subscribed by or allotted to their relatives and companies, firms and trusts, in which they are interested as directors, proprietors, members, partners, trustees and promoters, pursuant to this Offer.

None of our Directors have any interest in any property acquired during the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired of our Company or by our Company or in any transaction in acquisition of land, construction of building and supply of machinery.

As on the date of this Draft Red Herring Prospectus, no loans have been availed by our Directors from our Company.

Changes in our Board in the last three years

Details of the changes in our Board in the last three years are set forth below*:

Name	Date of Change	Reason for change in Board
Rajendra Kumar Setia	May 19, 2022	Re-appointed as Managing Director of our Company
Shalini Setia	May 19, 2022	Re-appointed as Whole-time Director of our Company
Shalini Setia	January 30, 2023	Resignation from the post of Whole-time Director of our Company under section 168 of the Companies Act
Rajendra Kumar Setia	January 30, 2023	Appointed as Chief Executive Officer of our Company
Yash Setia	January 30, 2023	Appointed as a Whole-time Director of our Company
Amar Lal Daultani	February 23, 2023	Appointed as the Chairperson of the Board
Anand Raghavan	April 7, 2023	Re-appointed as an Independent Director of our Company
Akshay Tanna	June 13, 2023	Resignation from the post of Nominee Director as nomination was withdrawn
Simit Batra	June 13, 2023	Appointed as an Additional Director of our Company
Simit Batra	June 20, 2023	Appointed as a Nominee Director of our Company
Nanda Sameer Dave	March 14, 2024	Appointed as an Additional Director of our Company
Nanda Sameer Dave	March 14, 2024^	Regularised as Non-Executive Independent Director of our Company
Mukul Mathur	March 29, 2024	Appointed as an Additional Director of our Company
Mukul Mathur	March 29, 2024#	Regularised as Non-Executive Independent Director of our Company

* Except in the regular course of appointments.

^ *Pursuant to the resolution dated April 25, 2024 passed by the Shareholders with effective date of the regularisation of Nanda Sameer Dave as Non-Executive Independent Director of our Company being March 14, 2024.*

Pursuant to the resolution dated April 25, 2024 passed by the Shareholders with effective date of the regularisation of Mukul Mathur as Non-Executive Independent Director of our Company being March 29, 2024.

Borrowing powers of the Board

In accordance with the Articles of Association and pursuant to a resolution passed by the Shareholders of our Company on December 1, 2023, our Board is authorised to borrow such sum or sums of money or monies for the purposes of the business of our Company as may be required from time to time, on such terms and conditions and with or without security as our Board may think fit, which together with the monies already borrowed by our Company, provided that the total amount of money/ monies so borrowed by our Board shall not at any time exceed the limit of ₹160,000 million.

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations for equity listed companies will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of corporate governance with respect to composition of Board and constitution of the committees of the Board, including the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee by our Company and formulation and adoption of policies, as prescribed under the SEBI Listing Regulations.

Our Board has been constituted in compliance with the Companies Act, the SEBI Listing Regulations. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, our Board has eight Directors comprising our Managing Director and Chief Executive Officer, one Whole-time Director and six Non-Executive Directors including four Non-Executive Independent Directors. Our Board has one woman Independent Director and one woman Non-Executive Director.

Committees of the Board

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute Committees for various functions.

Details of the Committees as on the date of this Draft Red Herring Prospectus are set forth below.

Audit Committee

The members of the Audit Committee are:

1. Anand Raghavan, Non-Executive Independent Director (Chairperson);

2. Amar Lal Daultani, Chairperson of the Board and Non-Executive Independent Director;

3. Debanshi Basu, Non-Executive Director; and

4. Nanda Sameer Dave, Non-Executive Independent Director.

The Audit Committee was constituted at a meeting of our Board held on May 1, 2012 and was last re-constituted at a meeting of our Board held on April 18, 2024. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated April 18, 2024 passed by our Board are set forth below:

The Audit Committee shall have powers, which should include the following:

(a) to investigate any activity within its terms of reference;

(b) to seek information from any employee of the Company;

(c) to obtain outside legal or other professional advice; and

(d) to secure attendance of outsiders with relevant expertise if it considers necessary.

Role of Audit Committee

The role of the Audit Committee shall, *inter alia*, include the following:

(a) Oversight of the listed entity’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

(c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   i. Matters required to be included in the director’s responsibility statement to be included in the board’s report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

   ii. changes, if any, in accounting policies and practices and reasons for the same;

   iii. major accounting entries involving estimates based on the exercise of judgment by management;

   iv. significant adjustments made in the financial statements arising out of audit findings;

   v. Compliance with listing and other legal requirements relating to financial statements;

   vi. Disclosure of any related party transactions;

   vii. Modified opinion(s) in the draft audit report;

(e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;

(g) Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;

(h) Approval or any subsequent modification of transactions of the listed entity with related parties;

(i) Scrutiny of inter-corporate loans and investments;

(j) Valuation of undertakings or assets of the listed entity, wherever it is necessary;

(k) Evaluation of internal financial controls and risk management systems;

(l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(n) Discussion with internal auditors of any significant findings and follow up there on;

(o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(r) To review the functioning of the whistle blower mechanism;

(s) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(t) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.;

(u) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

(v) Monitoring the end use of funds raised through public offers and related matters;

(w) The audit committee shall mandatorily review the following information:

i. Management discussion and analysis of financial condition and results of operations;

ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;

iii. Internal audit reports relating to internal control weaknesses; and

iv. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

v. Statement of deviations:

- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

(x) To review the functioning of the vigil mechanism;

(y) The Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors;

(z) To oversight governance, compliance, implementation of anti-Bribery and anti-corruption policy and monitor the effectiveness considering its suitability and adequacy;

(aa) To oversee the Implementation of KYC/AML Policy;

(bb) To accord the necessary approvals for selling of individual loans and classification of non-performing asset as prescribed under sale of stressed asset policy;

(cc) To ensure that an information system audit of the internal systems and processes is conducted every year to assess operational risks faced by the Company;

(dd) To oversee and approve any adjustments in the Expected Credit Losses ("**ECL**") model output (i.e. a management overlay);

(ee) Review with Statutory Auditors, any audit problems or difficulties and management's response;

(ff) Resolve any disagreements of the Statutory Auditors with the management regarding financial reporting;

(gg) Review the performance of the Statutory Auditors and submit report to RBI post approval from the Audit Committee.

(hh) Internal Audit:

- To review and approve the risk based internal audit policy & propose the same to the Board.

- Review with internal auditors, any audit problems or difficulties and management's response;

- Approval of the audit plan and its execution, reporting structure, budget, coverage and frequency of internal audit to determine the priorities of the internal audit function based on the level and direction of risk;

- Discuss with internal auditors for status on closure of audit reports;

- Review all pending high and medium risk issues & persisting irregularities along with status of compliance and suggest requisite action on areas in which risk mitigation has not been undertaken despite risk identification.

- To ensure assessment of the internal audit function at least once in a year for adherence to the internal audit policy, objectives and expected outcomes.

- To review the consolidated position of major risks faced by the Company at least annually based on inputs from all forms of audit.

- Approve hiring of experts who can be hired on contractual basis after assuring that such expertise does not exist within audit function.

(ii) Internal Controls

- To put in place and oversee the internal audit function of the Company;
- To put in place a robust system of internal audit of all outsourced activities;
- To approve Risk Based Internal Audit ("**RBIA**") plan to determine the priorities of the internal audit function based on the level and direction of risk, as consistent with the entity's goals and review it on annual basis;
- Review the performance of RBIA and formalize & maintain a quality assurance and improvement program that covers all aspects of the internal audit function;
- Review Management letters / letters of internal control weaknesses issued by internal auditors;
- Review management's report on internal control and Statutory auditor's attestation/observations on management's assertion;
- To formulate and maintain a quality assurance and improvement program that covers all aspects of the internal audit function which shall include assessment of the internal audit function at least once in a year for adherence to the internal audit policy, objectives and expected outcomes;
- To promote the use of new audit tools/ new technologies for reducing the extent of manual monitoring / transaction testing / compliance monitoring, etc.;
- To appoint Internal Audit Head ("**HIA**") for a fixed tenure, as deemed fit;
- To meet the HIA on the quarterly basis without the presence of the senior management, including the Managing Director & Chief Executive Officer.

(jj) Risk Management:

- Discuss with the management, the Company's policies with respect to risk assessment and risk management, including appropriate guidelines to govern the process, as well as the Company's major financial risk exposures including policy for foreign exchange and derivative transactions and the steps management has undertaken to control them.
- Review and approve the risk assessment of business and other functions on an annual basis.

(kk) Related party transactions:

- The committee may grant omnibus approval for related party transactions proposed to be entered into by the Company and shall specify the criteria for making the omnibus approval in compliance of provisions mentioned under SEBI Listing Regulations;

(ll) RBI Compliances:

- To review & monitor all frauds involving an amount of Rs. 1 crore and above.
- To certify the fact that the systems and procedures, identified as the causative factors and plugging of the lacunae has been ensured for all fraud cases to be closed
- To review all individual cases of fraud involving Rs. 25 lakh or more and also review the attempted frauds.
- The Committee shall ensure that all the necessary steps are being taken by the company to comply with the various master directions, notices and circulars issued by RBI from time to time;
- To review audit notes and ensure compliance with KYC norms on quarterly basis;
- To review periodically ageing analysis of entries pending reconciliation with outsourced vendors.
- To approve the classification of the Accounts that are past due beyond 90 days but not treated as impaired, with the rationale for the same clearly documented.
- To oversee the implementation of the compliance policy and reviewing the activities undertaken by the

compliance function on a quarterly basis.

- To review the compliance risk assessment framework on an annual basis
- To ensure detailed annual review of compliances in the organization and review any material compliance failure while ensuring that appropriate remedial or disciplinary action is taken;
- To track the status of compliance of all regulatory guidelines/ prescriptions/ communications and disseminate the same within the organization to the relevant stakeholders and ensure proper compliance.
- To meet the Compliance Officer at quarterly intervals on a one to one basis without the presence of any official from the senior management, including Managing Director & Chief Executive Officer
- To review the performance appraisal of the Compliance Officer.

(mm) Responsibilities under the Code of Conduct for Prevention of Insider Trading:

- Review the compliances of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015(“**Code**”) at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
- Taking on record such reports as may be required from the Compliance Officer under the Code at least once in a year.
- The Audit Committee of a listed company or other analogous body for intermediary or fiduciary shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;
- The compliance officer shall report to the board of directors and in particular, shall provide reports to the chairman of the Audit Committee, if any, or to the chairman of the board of directors at such frequency as may be stipulated by the board of directors, but not less than once in a year
- Deciding penal and disciplinary action in respect of violation of the Code.

(nn) Others:

- Shall have the power to seek information from any employees, obtain legal or professional advice from external sources and have full access to information contained in the records of the Company and secure attendance of outsiders with relevant expertise, if it considers necessary.
- Carrying out such other functions as may be specifically referred to the Audit Committee by the Board and/or other committees of directors of the Company.
- Carrying out any other functions and roles as provided under the Companies Act, the SEBI Listing Regulations, SEBI ICDR Regulations, each as amended and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties;
- Such information as may be prescribed under the Companies Act, and the rules thereunder, SEBI ICDR Regulations, and the SEBI Listing Regulations, each as amended.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Anand Raghavan, Non-Executive Independent Director (Chairperson);
2. Debanshi Basu, Non-Executive Director; and
3. Mukul Mathur, Non-Executive Independent Director.

The Nomination and Remuneration Committee was constituted at a meeting of our Board held on April 13, 2013 and was last re-constituted at a meeting of our Board held on April 18, 2024. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated April 18, 2024 passed by our Board are set forth below:

Nomination:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(b) Formulation of criteria for evaluation of performance of independent directors and the board of directors;

(c) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

i. use the services of an external agencies, if required;

ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and

iii. consider the time commitments of the candidates.

(d) Devising a policy on diversity of board of directors;

(e) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

(f) Make recommendation to the Board on whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(g) Recommend to the board, all remuneration, in whatever form, payable to senior management;

(h) To undertake the process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board and to assess the "fit and proper" criteria of the existing and proposed directors;

(i) To devise a policy on Succession Planning;

(j) To periodically review Succession Plan for senior management and KMPs as may be required;

(k) To ensure 'fit and proper' status of proposed/existing directors and that there is no conflict of interest in appointment of directors on Board of the company, KMPs and senior management;

Remuneration & Compensation Plans:

(l) To recommend to the Board a policy, relating to the remuneration, compensation and commission of the directors, key managerial personnel and other employees;

(m) To oversee the framing, review and implementation of compensation policy of the company which should have the approval of the board;

(n) To formulate the criteria for making payments to Non-Executive Directors;

(o) To recommend to the board, all remuneration, in whatever form, payable to Executive and Non-Executive directors;

(p) To recommend changes in the company's compensation plans, in consultation with management and allot shares when options are exercised by eligible employees;

(q) The compensation of KMPs and senior management needs to be reasonable, recognizing all relevant factors including adherence to statutory requirements and industry practices;

(r) The compensation packages may comprise of fixed and variable pay components aligned effectively with prudent risk taking to ensure that compensation is adjusted for all types of risks, the compensation outcomes are symmetric with risk outcomes, compensation pay-outs are sensitive to the time horizon of the risks, and the mix of cash, equity and other forms of compensation are consistent with risk alignment;

Performance Evaluation:

(s) To specify the criteria for evaluation of performance of the Board, its committees and individual directors including Independent Directors;

(t) To review the implementation and compliance of the performance evaluation;

(u) To specify the criteria for evaluation of performance of the KMPs and senior management with KPIs;

(v) Determination and review of KPIs for the performance evaluation of KMPs and senior management.

ESOP:

The Nomination and Remuneration Committee shall perform such functions as are required to be performed by the committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

(w) Administering and reviewing the implementation of the employee stock option plans of the Company, as may be required;

(x) determining the eligibility of employees to participate under the employee stock option plans of the Company;

(y) granting options to eligible employees and determining the date of grant;

(z) determining the number of options to be granted to an employee;

(aa) determining the exercise price under the employee stock option plans of the Company;

(bb) construing and interpreting the employee stock option plans of the Company and any agreements defining the rights and obligations of the Company and eligible employees under the employee stock option plans of the Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of the Company;

(cc) formulate detailed terms and conditions of the scheme;

(dd) frame suitable policies and procedures to ensure that there is no violation of securities laws by the company and its employees.

Others:

(ee) The Nomination and Remuneration Committee may work in close coordination with Risk Management Committee ("**RMC**") of the company to achieve effective alignment between compensation and risks.

(ff) the Nomination and Remuneration Committee may ensure that compensation levels are supported by the need to retain earnings of the company and the need to maintain adequate capital based on ICAAP

(gg) To oversee the familiarization programmes of the Independent Directors;

(hh) To scrutinize the declarations submitted by the existing / proposed directors.

(ii) To ensure that except for directorship in a subsidiary, KMP shall not hold any office (including directorships) in any other NBFC-Middle Layer or NBFC-Upper Layer;

(jj) carrying out any other activities as may be delegated by the Board and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations, RBI master directions or any other applicable law, as and when amended from time to time.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Amar Lal Daultani, Chairperson of the Board and Non-Executive Independent Director (Chairperson);
2. Rajendra Kumar Setia, Managing Director and Chief Executive Officer;
3. Simit Batra, Non-Executive Director;
4. Yash Setia, Whole-time Director

The Stakeholders' Relationship Committee was constituted at a meeting of our Board held on December 20, 2022 and was re-constituted at a meeting of our Board held on April 18, 2024. The scope and functions of the Stakeholder Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated April 18, 2024 passed by our Board are set forth below:

a) Resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

b) Review of measures taken for effective exercise of voting rights by shareholders;

c) Review of adherence to the service standards adopted by the company in respect of various services being rendered by the registrar & share transfer agent;

d) Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

e) Formulate and recommend to the Board policy(s) and procedure(s) in line with the statutory guidelines to ensure speedy disposal of request received from security holders from time to time;

f) Monitor and review any investor complaints received by the company directly or through SEBI or SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary & Compliance officer and Registrar and Transfer Agent **("RTA")** of the company;

g) Oversee the statutory compliance relating to all securities including dividend payments and transfer of unclaimed amounts to the investor education and protection fund;

h) Suggest and drive implementation of various investor-friendly initiatives;

i) Committee may consult with other committees of the Board, if required, while discharging its responsibilities;

j) Carrying out any other functions as is referred by the Board from time to time or required to be carried out by the Stakeholders Relationship Committee as contained in the Companies Act, SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Risk Management Committee

The members of the risk management committee are:

1. Nanda Sameer Dave, Non-Executive Independent Director (Chairperson);

2. Mukul Mathur, Non-Executive Independent Director ;

3. Amar Lal Daultani, Chairperson of Board and Non-Executive Independent Director;

4. Rajendra Kumar Setia, Managing Director and Chief Executive Officer;

5. Simit Batra, Non-Executive Director;

6. Anand Raghavan, Non-Executive Independent Director;

7. Debanshi Basu, Non-Executive Director; and

8. Vaibhav Bumb, Officiating Chief Risk Officer (Permanent Invitee)

The Risk Management Committee was constituted at a meeting of our Board held on April 13, 2013 and was last re-constituted at a meeting of our Board held on April 18, 2024. The scope and functions of the Risk Management Committee are in accordance with the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated April 18, 2024 passed by our Board are set forth below:

(a) To formulate a detailed risk management policy which shall include:

    i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

    ii. Measures for risk mitigation including systems and processes for internal control of identified risks.

    iii. Business continuity plan

(b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

(g) The board of directors shall define the role and responsibility of the Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit such function shall specifically cover cyber security;

(h) The Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;

Risk Management Systems:

(i) To examine and determine the sufficiency of the Company's internal processes for reporting on and managing key risk areas;

(j) To assess and recommend to the Board acceptable levels of risk;

(k) To monitor and review the working and functioning of the Risk Management Committee;

(l) To carry out any other functions as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable;

(m) To monitor sectoral exposure limits for consumer credit as approved by Board on an ongoing basis.

Liquidity Risk:

(n) To evaluate the overall risks faced by the company including liquidity risk;

(o) To monitor and review the working and functioning of the asset liability management committee;

Information Technology and Information/Cyber Security Risk

(p) To review and update information technology and information security risks, including the cyber security related risks in consultation with the IT strategy committee as presented by the Chief information Security Officer ("**CISO**") on quarterly basis.

Chief Risk Officer:

(q) To formulate policy for safeguarding the independence of the Chief Risk Officer;

(r) The Chief Risk Officer shall report directly to Managing Director & Chief Executive Officer/ RMC. In case the CRO reports to the MD & CEO, the RMC/ Board shall meet the CRO without the presence of the MD & CEO, at least on a quarterly basis.

(s) The CRO shall be involved in the process of identification, measurement and mitigation of risks.

(t) All credit products (retail or wholesale) shall be vetted by the CRO from the angle of inherent and control risks.

Outsourcing Financial Services:

(u) To formulate and implement a comprehensive outsourcing of financial services policy;

(v) To approve a framework for evaluating the risks and materiality of all existing and prospective outsourcing and the policies that apply to such arrangements;

(w) To lay down appropriate approval authorities for outsourcing depending on risks and materiality;

(x) To set up suitable administrative framework of senior management for the purpose of implementing robust risk management practices with respect to outsourcing;

(y) To undertake regular review of outsourcing strategies and arrangements for their continued relevance, safety and soundness;

(z) To decide on business activities of a material nature to be outsourced and to approve such arrangements;

(aa) To review the central record of material outsourcing on half yearly basis;

(bb) To establish adequate management structure to monitor and control the outsourcing activities.

(cc) To review the working of risk management committee of executives w.r.t. discussions and decisions pertaining to outsourcing of financial services;

(dd) To approve on boarding the vendor whose estimated annual expenses is more than Rs. 2 crore. For existing vendor, whose actual annual expense reaches the limit of Rs. 2 crore shall be submitted to the Committee in subsequent meeting;

Others

(ee) To review portfolio level report of all accounts turned into special mention account or non-performing asset along with status of repayment from such accounts;

(ff) To execute strategy of overall governance and oversight of core risk management activities when delegated by the Board of directors of the Company; and

(gg) any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 notified vide RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023.

Corporate Social Responsibility

The members of the Corporate Social Responsibility Committee are:

1. Rajendra Kumar Setia, Managing Director and Chief Executive Officer (Chairperson);
2. Anand Raghavan, Non-Executive Independent Director;
3. Simit Batra, Non-Executive Director;
4. Yash Setia, Whole-time Director; and
5. Mukul Mathur, Non-Executive Independent Director.

The Corporate Social Responsibility Committee was constituted at a meeting of our Board held on January 30, 2015 and was re-constituted at a meeting of our Board held on April 18, 2024. The scope and functions of the Corporate Social Responsibility Committee are in accordance with section 135 of the Companies Act, 2013 and its terms of reference as stipulated pursuant to a resolution dated April 12, 2023 passed by our Board are set forth below:

(a) Formulate and recommend to the Board of Directors of the Company, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 as amended;

(b) Monitor the CSR policy of the Company and its implementation from time to time;

(c) Reviewing and making recommendations, as appropriate, with regard to the Company's CSR policy indicating CSR programs / projects to be undertaken by the Company as specified under Schedule VII of the Companies Act, 2013;

(d) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

(e) Formulate and recommend to the Board, an annual action plan consisting of list of approved projects or programs to be undertaken within the purview of Schedule VII of the Companies Act, 2013, manner of execution of such projects, modalities of fund utilization and implementation schedules, monitoring and reporting mechanism for the projects, and details of need and impact assessment, if any, for the projects to be undertaken;

(f) Coordinating with implementing agencies for implementing programs and executing initiatives as per the CSR policy and review the performance of such agencies periodically for execution of CSR programs or projects of the Company;

(g) Identification and monitoring the implementation of multi-year projects /programs ("**Ongoing Projects**") and recommending to the Board modifications, if any, for the smooth implementation of the Ongoing Projects within the overall legally permissible time period. The Committee may also recommend to the Board, after providing reasonable justification that a CSR project or program that was not initially approved as a multi-year project be re-categorized as an Ongoing Project.

(h) Fix the schedule of implementation of CSR projects and programs and monitoring the progress on approved projects and shortfalls in achieving the CSR plan;

(i) Reviewing the expenditure incurred on CSR activities by the company and submission of the annual report on CSR to the Board;

(j) Monitoring the administrative overheads in pursuance of CSR activities or projects or programs so that they do not exceed the prescribed thresholds;

(k) The Committee shall ensure that the necessary monitoring mechanism has been put in place to monitor the utilization of the funds disbursed for CSR activities or projects or programs.

(l) To recommend to the Board an amount available for setting off the excess amount spent against CSR Obligations of the financial year(s) following the year of excess spend.

(m) Liaising with management on the Company's CSR program, including significant sustainable development, community relations and procedures;

(n) Identifying the principal areas of risks and impacts relating to CSR and ensuring that sufficient resources are allocated to address these liabilities;

(o) Reviewing the Company's CSR performance to assess the effectiveness of the Company's CSR program and to determine whether the Company is taking all appropriate action in respect of those matters and has been duly diligent in carrying out its responsibilities and to make recommendations for improvement, where appropriate;

(p) Reporting regularly to the Board with respect to such matters as are relevant for the Committee to discharge its responsibility;

(q) Performing any other activities consistent with applicable laws and as the CSR Committee or the Board determines necessary or appropriate;

(r) Any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

IPO Committee

The members of the IPO Committee are:

1. Rajendra Kumar Setia, Managing Director and Chief Executive Officer (Chairperson);

2. Yash Setia, Whole-time Director;

3. Anand Raghavan, Non-Executive Independent Director; and

4. Simit Batra, Non-Executive Director

The IPO Committee was constituted by our Board pursuant to a resolution dated February 1, 2024 passed by our Board. The terms of reference as stipulated pursuant to a resolution dated February 1, 2024 passed by our Board are set forth below:

(a) To take on record the number of Equity Shares proposed to be offered by the Selling Shareholder(s);

(b) To make applications to, seek clarifications, obtain approvals and seek exemptions from, where necessary, the SEBI, the Stock Exchanges, the Registrar of Companies, Rajasthan at Jaipur ("**RoC**"), the relevant registrar of companies, the Reserve Bank of India, and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;

(c) To finalize, settle, approve, adopt and file in consultation with the book running lead managers appointed for the Offer (the "**BRLMs**") where applicable, the draft red herring prospectus, the red herring prospectus and the prospectus in connection with the Offer, the preliminary and final international wrap, abridged prospectus, and any amendments, supplements, notices, addenda or corrigenda thereto together with any summaries thereof as may be considered desirable or expedient ("**Offer Documents**"), and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

(d) To decide, negotiate and finalise in consultation with the BRLMs on the actual Offer size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including any reservation, green shoe option and any rounding off in the event of any oversubscription, the price band (including offer price for anchor investors), any revision to the price band, bid period, minimum bid lot for the purpose of bidding, final Offer price after bid closure, to finalize the basis of allocation and to allot the Equity Shares to the successful allottees and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable law, determine the anchor investor portion, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer;

(e) To appoint, instruct and enter into and terminate arrangements with the BRLMs, and in consultation with BRLM(s), appoint and enter into agreements with intermediaries including underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, sponsor bank(s), legal advisors, auditors, advertising agency, independent chartered accountants, industry expert, depositories, custodians, printers and any other agencies or persons or intermediaries in relation to the Offer, including any successors or replacements thereof, and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and remuneration of all such intermediaries/agencies including the payments of commissions, brokerages, etc.;

(f) To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the prospectus, the preliminary and final international wrap, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the Offer, agreement with the advertising agency in relation to the Offer, bid-cum-application forms, confirmation of allotment notes and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, advertising agency, stock exchange(s), BRLMs, and any other agencies/intermediaries in connection with the Offer, and any notices, supplements and corrigenda thereto, with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;

(g) To decide, negotiate and finalize, in consultation with the BRLMs, all matters regarding the Pre-IPO Placement, if any, including entering into discussions and execution of all relevant documents with Investors;

(h) To seek, if required, the consent and/or waiver of the lenders of the Company, customers, suppliers, strategic partners, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;

(i) To open and operate bank accounts in terms of the cash escrow and sponsor bank agreement with a scheduled bank to receive applications along with application monies, for handling of refunds, and for the purposes set out in Section 40(3) of the Companies Act, 2013, as amended, in respect of the Offer, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(j) To determine the amount, the number of Equity Shares, terms of the issue of the equity shares, the categories of investors for the Pre-IPO Placement, if any including the execution of the relevant documents with the investors, in consultation with the BRLMs, and rounding off, if any, in the event of oversubscription and in accordance with Applicable Laws;

(k) To determine and finalise the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the Offer (including issue price for anchor investors), reservation or discount (if any), approve the basis of allotment and confirm allocation/allotment of the equity shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLM(s) and the Selling Shareholders (to the extent applicable) and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including any alteration, addition or making any variation in relation to the Offer;

(l) all actions as may be necessary in connection with the Offer, including extending the Bid/Offer period, revision of the price band, allow revision of the Offer portion in case any Selling Shareholder decides to revise it, in accordance with the applicable laws;

(m) To authorise and approve in consultation with the BRLM(s), incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

(n) To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;

(o) To approve code of conduct as may be considered necessary by the IPO Committee or as required under the Applicable Laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;

(p) To approve the implementation of any corporate governance requirements, code of conduct for the Board, officers and other employees of the Company that may be considered necessary by the Board or the IPO Committee or as may be required under the Applicable Laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under Applicable Laws;

(q) To finalise and issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchanges, with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

(r) To undertake as appropriate such communication with the Selling Shareholders as required under applicable law, including inviting the existing shareholders of the Company to participate in the Offer by making an offer for sale in relation to such number of Equity Shares held by them as may be deemed appropriate, and which are eligible for the offer for sale in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"), take all actions as may be necessary and authorised in connection with the Offer for Sale and to approve and take on record the approval of the Selling Shareholder(s) for offering their Equity Shares in the Offer for Sale and the transfer of Equity Shares in the Offer for Sale;

(s) To authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer in accordance with the SEBI ICDR Regulations, Companies Act, as amended and other Applicable Laws;

(t) To issue advertisements in such newspapers and other media as it may deem fit and proper in accordance with the SEBI ICDR Regulations, Companies Act, 2013, as amended and other Applicable Laws;

(u) To decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any;

(v) To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, in consultation with the Selling Shareholders and BRLMs, including without limitation, to determine the anchor investor portion and allocation to anchor investors, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, credit of Equity Shares to the demat accounts of the successful allottees, share certificates in accordance with the relevant rules, in consultation with the BRLMs in accordance with Applicable Laws;

(w) To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and/ or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorise one or more officers of the Company to execute all or any of the aforestated documents;

(x) To make in-principle and final applications for listing and trading of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary and to take all such other actions as may be necessary in connection with obtaining such listing;

(y) To settle all questions, difficulties or doubts that may arise in relation to the Offer, including issue, allotment, terms of the Offer, utilisation of the Offer proceeds and matters incidental thereto as it may deem fit;

(z) To submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies, Rajasthan at Jaipur and the relevant stock exchange(s) where the Equity Shares are to be listed;

(aa) To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;

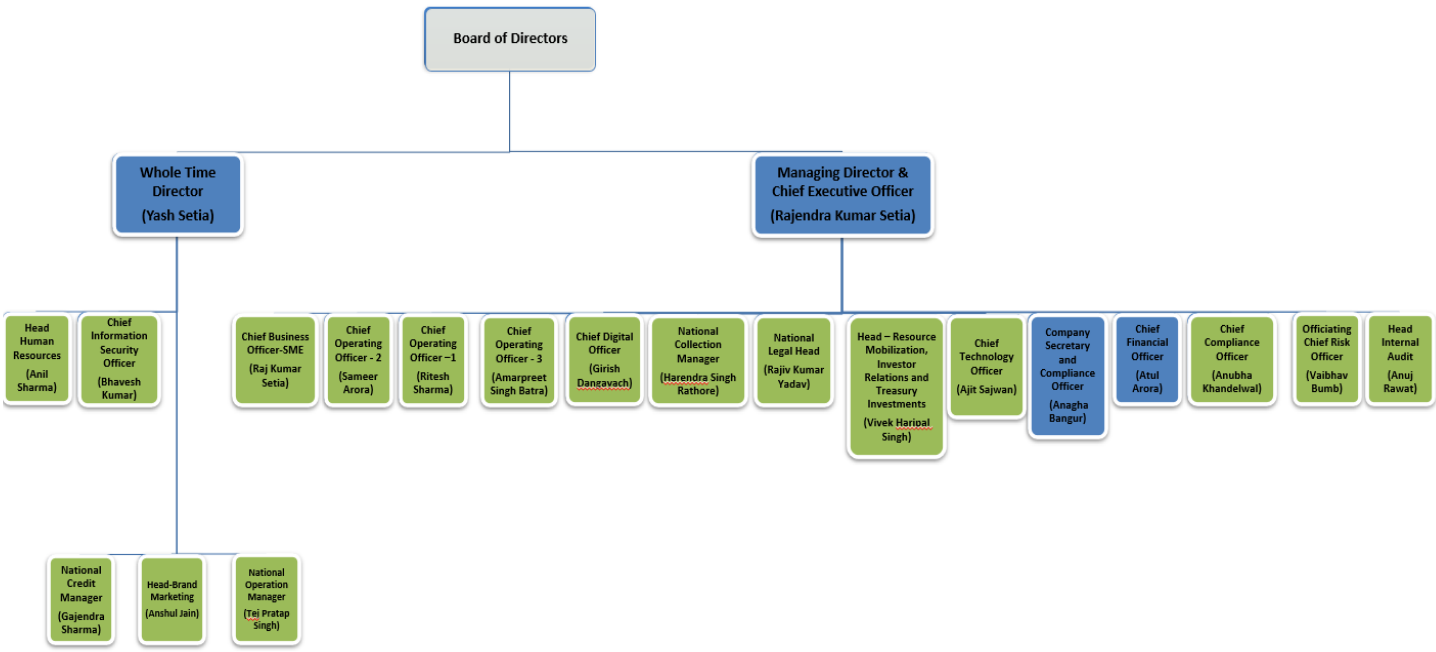
(bb) To execute and deliver and/or to authorise and empower officers of the Company (each, an "**Authorised Officer**") for and on behalf of the Company to execute and deliver, on a several basis, any and all other documents or instruments and any declarations, affidavits, certificates, consents, agreements as well as amendments or supplements thereto as may be required from time to time or that the Authorised Officers consider necessary, appropriate or advisable, in connection with the Offer, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreements, the registrar agreement, the depositories agreements, the offer agreement, the underwriting agreement, the syndicate agreement, the cash escrow and sponsor bank agreement and confirmation of allocation notes, with the BRLMs, syndicate members, bankers to the Offer, registrar to the Offer, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Offer, if any and any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO Committee and/or Authorised Officer may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee and/or Authorised Officer shall be conclusive evidence of the authority of the IPO Committee and/or Authorised Officer and Company in so doing;

(cc) To decide, negotiate and finalise the pricing and all other related matters regarding the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with Applicable Laws;

(dd) To if necessary, withdraw the draft red herring prospectus or the red herring prospectus or to decide to not proceed with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLMs; and

(ee) To delegate any of its powers set out hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Company.

Management Organisation Structure



Key Managerial Personnel

In addition to Rajendra Kumar Setia, the Managing Director and Chief Executive Officer of our Company, Yash Setia, the Whole-time Director of our Company whose details are set out under " – *Brief Biographies of Directors*" on page 247, the details of the Key Management Personnel, as on the date of this Draft Red Herring Prospectus, are set out below.

Atul Arora is the Chief Financial Officer of our Company since September 29, 2014. He holds a bachelor's degree in commerce from University of Rajasthan, Jaipur, Rajasthan, India. He is a member of the Institute of Chartered Accountants of India. He has previously been associated with Taurian Manganese and Ferro Alloy CISA as a chartered accountant. He joined our Company as chief financial officer - accounts on April 1, 2012. He is responsible for heading accounts, finance and banking division in our Company. During Fiscal 2023, he received a remuneration of ₹ 42.58 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 65.66 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Anagha Bangur is the Company Secretary and Compliance Officer of our Company since March 31, 2015. She holds a bachelor's degree in business administration from University of Rajasthan, Jaipur, Rajasthan, India. She is a member of the Institute of Company Secretaries of India. She has previously been associated with Saboo Sodium Chloro Limited. She joined our Company as the Company Secretary on December 10, 2013. She is responsible for handling all corporate law compliances and ensure implementation of corporate governance practices in the Company. During Fiscal 2023, she received a remuneration of ₹ 4.32 million from our Company. For Fiscal 2024, she is entitled to a remuneration of ₹ 3.34 million from our Company, which is subject to finalization in accordance with the terms of her appointment and closure of books of account.

Senior Management Personnel

In addition to Rajendra Kumar Setia, the Managing Director and Chief Executive Officer of our Company, Yash Setia, the Whole-time Director of our Company, Atul Arora, the Chief Financial Officer of our Company and Anagha Bangur, the Company Secretary and Compliance Officer of our Company who are also our Key Managerial Personnel and whose details are provided above in "–*Key Managerial Personnel*" and " – *Brief Biographies of Directors*" on page 266 and 247, respectively, the details of our Senior Management Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

Raj Kumar Setia is the Chief Business Officer – SME of our Company since December 20, 2022. He holds a bachelor's degree in science from University of Rajasthan, Jaipur, Rajasthan, India. He joined our Company as SME portfolio zonal-in-charge on February 1, 2020. He is responsible for handling MSME and two-wheeler business of the Company. During Fiscal 2023, he received a remuneration of ₹ 8.69 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 38.70 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Sameer Arora is the Chief Operating Officer - 2 of our Company since April 20, 2022. He holds a bachelor's degree in engineering from University of Poona, Pune, Maharashtra, India. He has previously been associated with Gurunanak Construction Company and Ajay Enterprises Limited. He joined our Company as Regional head on April 1, 2010. He is responsible for handling business for the state of Rajasthan, Delhi, Madhya Pradesh and Chhattisgarh in the Company. During Fiscal 2023, he received a remuneration of ₹ 46.45 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 43.38 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Ritesh Sharma is the Chief Operating Officer -1 of our Company since April 20, 2022. He holds a bachelor's degree in commerce from University of Rajasthan, Jaipur, Rajasthan, India**.** He joined our Company as the Chief Operating Officer on October 1, 2005. He is responsible for handling business for the state of Gujarat, Karnataka and Maharashtra in the Company. During Fiscal 2023, he received a remuneration of ₹ 28.62 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 18.72 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Amarpreet Singh Batra is the Chief Operating Officer – 3 of our Company since April 20, 2022. He holds a bachelor's degree in mechanical engineering from North Maharashtra University, Jalgaon, Maharashtra, India. He has previously been associated with Magma Fincorp Limited, TATA Motors Finance Limited and Tractors and Farm Equipment Limited. He joined our Company as National Business Manager, on February 15, 2016. He is responsible for handling business for the states Punjab, Haryana, Uttarakhand, Himachal Pradesh and Uttar Pradesh in the Company. During Fiscal 2023, he received a remuneration of ₹ 24.41 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 16.08 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Vivek Haripal Singh is the Head – Resource Mobilization, Investor Relations and Treasury Investments of our Company since March 1, 2021. He holds a bachelor's degree in commerce from University of Mumbai, Mumbai, Maharashtra, master's degree in commerce from University of Pune, Pune, Maharashtra, India and holds a post graduate diploma in international business from Indian Institute of Foreign Trade. He is a member of the Institute of Chartered Accountants of India. He has previously been associated with KEC International Limited, Ladderup Corporate Advisory Private Limited, Reliance Capital Limited. He joined our Company as Vice President – Treasury, on November 21, 2016. He is responsible for resource mobilization, investor relations and treasury investments in the Company. During Fiscal 2023, he received a remuneration of ₹ 24.88 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 19.88 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Anil Sharma is the Head of Human Resources of our Company since July 1, 2019. He holds a bachelor's degree in science from the Maharishi Dayanand Saraswati University, Ajmer, Rajasthan, India and holds master's degree in executive development program in human resource management from XLRI, Jamshedpur, Jharkhand, India and a master's degree in business administration human resource management from Annamalai University, Annamalainagar, Tamil Nadu, India. He has previously been associated with IndusInd Bank Limited, Infosys BPO Limited, L&T Finance Limited, Mahindra & Mahindra Financial Services Limited, Muthoot Finance Limited. He joined our Company as Senior Chief Manager on July 1, 2016. He is responsible for people management and establishing a corporate culture in the Company. During Fiscal 2023, he received a remuneration of ₹ 10.61 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 7.90 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Gajendra Sharma is the National Credit Manager of our Company since December 1, 2023. He holds a bachelor's degree in commerce from Maharshi Dayanand Saraswati University, Ajmer, Rajasthan, India. He joined our Company as Assistant Manager on October 11, 2013. He is responsible for handling credit operations and underwriting processes resulting in maintaining a portfolio quality for the Company. During Fiscal 2023, he received a remuneration of ₹ 3.36 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 2.86 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Tej Pratap Singh is the National Operation Manager of our Company since December 20, 2023. He holds a bachelor's degree in computer application from MJP Rohilkhand University, Bareilly, Uttar Pradesh, India and diploma in business management from the Institute of Chartered Financial Analysts of India, University, West Tripura, Tripura, India. He has previously been associated with TATA Motors Finance Limited, Centurion Bank of Punjab, Kotak Mahindra Prime Limited and Magma Fincorp Limited. He joined our Company as chief manager on April 1, 2021. He is responsible for heading operations and managing day to day business processes of the Company During Fiscal 2023, he received a remuneration of ₹ 2.04 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 2.62 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Rajiv Kumar Yadav is the National Legal Head of our Company since April 1, 2014. He holds a bachelor's degree in law from University of Rajasthan, Jaipur, Rajasthan, India and bachelor's degree in science from B.R. Ambedkar University, Agra, Uttar Pradesh, India. He has previously been associated with Wockhardt Limited, ICICI Bank Limited, Mahindra and Mahindra Finance Services Limited, Cipla Limited and Ashok Leyland Finance. He is responsible for handling overall litigation and ensure timely debt recovery measures through various litigation for the Company. During Fiscal 2023, he received a remuneration of ₹ 10.52 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 8.86 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Harendra Singh Rathore is the National Collection Manager of our Company since August 1, 2023. He holds a bachelor's degree in commerce from University of Rajasthan, Jaipur, Rajasthan, India. He has previously been associated with ICICI Bank Limited. He joined our Company as Group Collection Head on January 10, 2015. He is responsible for heading collection and ensure debt recoveries for the Company. During Fiscal 2023, he received a remuneration of ₹ 7.88 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 9.71 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Anuj Rawat is the Head of Internal Audit of our Company since August 4, 2022. He holds a bachelor's degree in commerce from University of Rajasthan, Jaipur, Rajasthan, India. He is a member of the Institute of Chartered Accountants of India. He has previously been associated with B S R & Co LLP and Singhi & Co. He joined our Company as Vice President on July 14, 2022. He is responsible for governance and management of risks, giving an evidence-based opinion on all aspects of governance, risk management and internal control of the Company. During Fiscal 2023, he received a remuneration of ₹ 2.92 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 5.51 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Vaibhav Bumb is the Officiating Chief Risk Officer of our Company since May 9, 2023. He holds a bachelor's degree in commerce from University of Rajasthan, Jaipur, Rajasthan, India. He is a member of the Institute of Chartered Accountants of India. He has previously been associated with Vishnu Khandelwal & Co, AU Financiers (India) Limited and Laxmi India Finleasecap Private Limited. He joined our Company as Associate Vice President – Risk, on February 23, 2022. He is responsible for identifying and evaluating various risks and ensuring its mitigation by taking all the measures required for risk management. During Fiscal 2023, he received a remuneration of ₹ 2.16 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 3.05 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Anubha Khandelwal is the Chief Compliance Officer of our Company since August 4, 2022. She holds a bachelor's degree in commerce from University of Rajasthan, Jaipur, Rajasthan, India. She is a member of the Institute of Chartered Accountants of India. She also holds a post graduate diploma in business administration from Symbiosis Centre for Distance Learning, Pune, Maharashtra, India. She has previously been associated with AU Small Finance Bank Limited, IIFL Wealth Management Limited, Aneja Associates, Price Waterhouse Coopers and Aashirwad Industries. She joined our Company as Deputy Vice President – Accounts, on November 11, 2021. She is responsible for heading all RBI regulatory compliance and overseeing and managing other statutory compliances of the Company. During Fiscal 2023, she received a remuneration of ₹ 2.74 million from our Company. For Fiscal 2024, she is entitled to a remuneration of ₹ 4.13 million from our Company, which is subject to finalization in accordance with the terms of her appointment and closure of books of account.

Ajit Singh Sajwan is the Chief Technology Officer of our Company since April 20, 2022. He holds a bachelor's degree in commerce from Hemwati Nandan Bahuguna Garhwal University, Uttarakhand, India. He has previously been associated with Thomas Digital, HT Burda Media Limited, N&N Chopra Consultants and Glyph International Limited. He joined our Company as Associate Vice-President – Infrastructure, on February 17, 2021. He is responsible for establishing and managing information technology infrastructure and related development in the Company. During Fiscal 2023, he received a remuneration of ₹ 2.62 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 4.66 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Bhavesh Kumar is the Chief Information Security Officer of our Company since August 4, 2022. He holds a bachelor's degree in commerce from University from Delhi and a post-graduate diploma in management from IMT, Ghaziabad, Uttar Pradesh, India. He also holds a post graduate advanced diploma in computer application, from National Institute of Electronics and Information Technology. He has previously been associated with Medusind Solutions India Private Limited, Hero Fincorp Limited, Poonawalla Fincorp Limited, Certification International (Singapore) Pte. Limited. He joined our Company as Vice President on July 6, 2022. He is responsible for developing, implementing, and enforcing information technology security measures and to protect the Company from cyber-attacks, ransomwares etc. During Fiscal 2023, he received a remuneration of ₹ 2.74 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 4.64 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Girish Dangayach is the Chief Digital Officer of our Company since October 15, 2018. He holds a bachelor's degree in commerce from University of Rajasthan, Jaipur, Rajasthan, India.He holds a post graduate diploma in tax practice from University of Rajasthan, Jaipur, Rajasthan, India. He has also received certification on Digital Strategies for Business – Leading the Next – Generation Enterprise from Emeritus Institute of Management and Columbia Business School, United States. He is also a member of the Institute of Chartered Accountants of India He has previously been associated with Accenture Services Private Limited, Deloitte Touche Tohmatsu India Private Limited, Genpact India, Infosys BPO Limited, and KPMG. He is responsible for digital transformation and implementing technologies and processes in the Company. During Fiscal 2023, he received a remuneration of ₹ 13.84 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 7.20 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Anshul Jain is the Head – Brand Marketing of our Company since September 14, 2022. He holds a bachelor's degree in engineering from University of Rajasthan, Jaipur, Rajasthan, India and programme in planning and entrepreneurship from the Indian Institute of Planning and Management. He has previously been associated with AU Small Finance Bank Limited and Merabo Labs Private Limited. He is responsible for establishing marketing strategy and the branding strategy of the Company. During Fiscal 2023, he received a remuneration of ₹ 2.40 million from our Company. For Fiscal 2024, he is entitled to a remuneration of ₹ 5.65 million from our Company, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Relationship between our Key Managerial Personnel and Senior Management Personnel and Directors

Except as disclosed below, none of our Key Managerial Personnel or Senior Management Personnel are related to each other.

Name of Key Managerial Personnel/ Senior Management Personnel	Name of related Key Managerial Personnel/ Senior Management Personnel	Relationship
Rajendra Kumar Setia	Yash Setia	Father
Raj Kumar Setia	Rajendra Kumar Setia	Brother
Sameer Arora	Rajendra Kumar Setia	Brother-in-law

None of the Key Managerial Personnel are related to any other Senior Management Personnel. None of our Key Managerial Personnel or Senior Management Personnel are related to any of the Directors of our Company. While our Chief Financial Officer, Atul Arora is not a 'relative' of any of our Directors in terms of the Companies Act or an 'immediate relative' as defined under the SEBI ICDR Regulations, he is related to Rajendra Kumar Setia and Yash Setia by virtue of being Rajendra Kumar Setia's second cousin.

Status of Key Managerial Personnel and Senior Management Personnel

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Interest of Key Managerial Personnel and Senior Management Personnel

Other than as provided in "*Our Management – Interests of Directors*", our Key Managerial Personnel and Senior Management Personnel do not have any interests in our Company, other than to the extent of (i) the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company; and (ii) the Equity Shares and employee stock options held by them, if any, and any dividend payable to them and other benefits arising out of such shareholding. For details, see *"- Shareholding of the Key*

Managerial Personnel and Senior Management Personnel" on page 269.

Bonus or profit-sharing plans for our Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel or Senior Management Personnel are party to any bonus or profit-sharing plan of our Company. Please also see *" - Bonus or profit-sharing plan for Directors*" on page 250 in relation to our Managing Director and Chief Executive Officer and our Whole-time Director.

Shareholding of Key Managerial Personnel and Senior Management Personnel in our Company

Except as disclosed in "*Capital Structure – Details of Equity Shares held by our Promoters, Members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel*" on page 98, and in the section "*Capital Structure – Share capital history of our Company*" on pages 84, none of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares.

For details of ESOPs held by our Key Managerial Personnel and Senior Management Personnel, see "*Capital Structure – Details of Equity Shares held by our Promoters, Members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel*" on page 98.

Changes in our Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years.

Except for the details of changes in our Managing Director and Chief Executive Officer and our Whole-time Director, which are disclosed in " - *Changes in our Board in the last three years*", following are the details of the changes in our Key Managerial Personnel and Senior Management Personnel in the last three years:

Name	Designation	Date of Change	Reason for change in Key Managerial Personnel and Senior Management Personnel
Ritesh Sharma	Chief Operating Officer – 1	April 20, 2022	Appointment as Chief Operating Officer – 1
Sameer Arora	Chief Operating Officer - 2	April 20, 2022	Appointment as Chief Operating Officer – 2
Amarpreet Singh Batra	Chief Operating Officer - 3	April 20, 2022	Appointment as Chief Operating Officer - 3
Ajit Singh Sajwan	Chief Technology Officer	April 20, 2022	Appointment as Chief Technology Officer
Bhavesh Kumar	Chief Information Security Officer	August 4, 2022	Appointment as Chief Information Security Officer
Anubha Khandelwal	Chief Compliance Officer	August 4, 2022	Appointment as Chief Compliance Officer
Anuj Rawat	Head of Internal Audit	August 4, 2022	Appointment as Head of Internal Audit
Anshul Jain	Head – Brand Marketing	September 14, 2022	Appointed as Head – Brand Marketing
Raj Kumar Setia	Chief Business Officer – SME	December 20, 2022	Appointment as Chief Business Officer – SME
Rohit Srivastava	Chief Risk Officer	May 8, 2023	Resigned as Chief Risk Officer
Vaibhav Bumb	Officiating Chief Risk Officer	May 9, 2023	Appointment as Officiating Chief Risk Officer
Harendra Singh Rathore	National Collection Manager	November 1, 2023	Appointment as National Collection Manager
Gajendra Sharma	National Credit Manager	December 1, 2023	Appointment as National Credit Manager
Tej Pratap Singh	National Operation Manager	December 20, 2023	Appointment as National Operation Manager

Arrangements and understanding with major shareholders, customers, suppliers or others for Key Managerial Personnel or Senior Management Personnel

None of our Key Managerial Personnel and Senior Management Personnel have been appointed or selected as a Key Managerial Personnel or Senior Management Personnel pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. Please also see "- *Arrangement or understanding with major Shareholders, customers, suppliers or others for Directors*" on page 250 in relation to our Managing Director and Chief Executive Officer and our Whole-time Director.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel

Except for performance linked incentives, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management Personnel which accrued in Financial Year 2024.

Payment of non-salary related benefits to Key Managerial Personnel and Senior Management Personnel of our Company

Except as disclosed under "- *Service contracts with Directors*" on page 250 and statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel and Senior Management Personnel is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

Except as set out below, no non-salary amount or benefit has been paid or given to any Key Managerial Personnel and Senior Management Personnel of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment:

S. No.	Name of the Key Managerial Personnel/ Senior Management Personnel	Date of sanction of the loan	Type of loan/ advance	Loan sanctioned/ advance given (₹ in million)	Outstanding amount as on the date of the DRHP (₹in million)
1.	Harendra Singh Rathore	July 1, 2023	Salary advance	0.26	0.21
2.	Rajiv Kumar Yadav	October 25, 2023	Personal loan	0.64	0.61
3.	Rajiv Kumar Yadav	October 11, 2023	Salary advance	3.00	3.00
4.	Harendra Singh Rathore	December 3, 2022	Personal loan	2.45	1.97

Employee stock option plan and employee stock purchase plan

For details of our ESOP Scheme, see "*Capital Structure – Employee Stock Options Scheme of our Company*" on page 102.

OUR PROMOTERS AND PROMOTER GROUP

Rajendra Kumar Setia, Yash Setia and Rajendra Kumar Setia HUF are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, our Promoters, collectively, hold 43,323,124 Equity Shares in our Company, representing 32.26% of the issued, subscribed and paid-up equity share capital of our Company, on a fully diluted basis. For details of the build-up of our Promoters' shareholding in the Company, see "*Capital Structure – History of the Share Capital held by our Promoters - Build-up of the equity shareholding of our Promoters in our Company*", on page 93. Further, for details on shareholding of the members of our Promoter Group in our Company, see "*Capital Structure - Shareholding of our Promoters and the member of our Promoter Group*" on page 93.

Details of our Promoters

A. Our Individual Promoters

Rajendra Kumar Setia, born on July 1, 1969, aged 54 years and residing at 2 CHA 12, Jawahar Nagar, Jaipur 302 004, Rajasthan, India, is one of our Individual Promoters and the Managing Director and Chief Executive Officer of our Company.

For a complete profile of Rajendra Kumar Setia, along with details of his educational qualifications, professional experience, posts held in the past, directorships held, business and other financial activities, see "*Our Management – Brief Biographies of Directors*" on page 248.

His permanent account number is AGWPS0094A.

Yash Setia, born on December 4, 1995, aged 28 years and residing at 2 CHA 12, Jawahar Nagar, Jaipur 302 004, Rajasthan, India, is one of our Individual Promoters and the Whole Time Director of our Company.

For a complete profile of Yash Setia, along with details of his educational qualifications, professional experience, posts held in the past, directorships held, business and other financial activities, see "*Our Management – Brief Biographies of Directors*" on page 248.

His permanent account number is GCEPS1215K.

B. Our HUF Promoter

Rajendra Kumar Setia HUF is the HUF Promoter of our Company and was formed as a Hindu Undivided Family, with its office at 2 CHA 12, Jawahar Nagar, Jaipur 302 004, Rajasthan, India. One of our Individual Promoters, Rajendra Kumar Setia is the Karta of the HUF. Its PAN is AAKHR9916E.

The members of Rajendra Kumar Setia HUF are:

Name	Designation in HUF	Relationship with Karta
Rajendra Kumar Setia	Karta	Karta
Shalini Setia	Member	Spouse of Karta
Yash Setia	Coparcener	Son of Karta
Tanya Setia	Coparcener	Daughter of Karta

Our Company confirms that the permanent account numbers, bank account numbers, passport numbers, Aadhaar card numbers and driving license numbers of our Individual Promoters and the permanent account number and bank account number of our HUF Promoter will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Other ventures of our Promoters

Other than as disclosed in "*- Promoter Group*" and "*Our Management*" on pages 272 and 246, our Promoters are not involved in any other venture.

Change in the control of our Company

One of our Individual Promoters, namely Rajendra Kumar Setia is the original promoter of our Company. One of our Individual Promoters, namely, Yash Setia, acquired shares of our Company on November 12, 2016 and is accordingly not an original promoter of the Company. Our HUF Promoter acquired shares of our Company on February 26, 2018, and is accordingly not an original promoter of the Company. For further details, see "*Capital Structure - History of the Share Capital held by our Promoters*" on page 93.

There has been no change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

Interests of Promoters

Our Promoters are interested in our Company to the extent that (i) they are the Promoters of our Company; and (ii) to the extent of their direct and indirect shareholding in our Company; including the dividend payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company, from time to time. For details of the shareholding of our Promoters and the Promoter Group in our Company, see "*Capital Structure - Details of Equity Shares held by our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel*", on page 98.

Our Individual Promoter, Rajendra Kumar Setia is also the Karta of our HUF Promoter. Further, our Individual Promoters, namely Rajendra Kumar Setia, who is also the Managing Director and CEO of our Company and Yash Setia, who is also the Whole Time Director of our Company may be deemed to be interested to the extent of their remuneration and reimbursement of expenses, payable to them, if any, in their capacity as the Managing Director and CEO, and Whole Time Director, respectively. For further details, see "*Our Management*" on page 246.

No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce him to become or to qualify them, as a director or promoter or otherwise for services rendered by such Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Except as disclosed below, and under "*Our Management*" and "*Other Financial Information – Related Party Transactions*" on pages 246 and 401, our Promoters have no interest in any property acquired by our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc. and no amount or benefit has been paid or given to our Promoters, or any of the members of the Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or any of the members of the Promoter Group:

Our Company has entered into a lease deed with one of the members of the Promoter Group, Shalini Setia dated May 23, 2017 ("**Lease Deed**") for the use of the premises constituting our Corporate Office on a lease basis, which is valid till April 13, 2027. Pursuant to the Lease Deed, the Company is required to pay a monthly consideration of ₹ 0.25 million (plus applicable GST) to Shalini Setia, with such consideration being subject to an annual escalation of 5.00%.

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

Further, one of our Individual Promoters, Rajendra Kumar Setia has given personal guarantees for certain loans availed by our Company and certain entities forming part of our Promoter Group. For details, see "*History and Certain Corporate Matters – Details of guarantees given to third parties by our Promoter Selling Shareholders who are participating in the Offer for Sale*" on page 243.

Companies and firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Promoter Group

The following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

Natural persons forming part of our Promoter Group (other than our Individual Promoters)

Name of the Promoter	Name	Relationship
Rajendra Kumar Setia	Arjun Das Setia	Father
	Bhajan Devi Setia	Mother
	Raj Kumar Setia	Brother
	Surendra Kumar Setia	Brother
	Raina Nagpal	Sister
	Manju Khurana	Sister
	Shalini Setia	Spouse
	Santosh Kumari	Spouse's mother
	Sameer Arora	Spouse's brother
	Sanjeev Arora	Spouse's brother
	Tanya Setia	Daughter

Name of the Promoter	Name	Relationship
Yash Setia	Shalini Setia	Mother
	Tanya Setia	Sister

Entities forming part of our Promoter Group

Set out below, are the entities forming part of our Promoter Group (other than Rajendra Kumar Setia HUF):

1. Amit Nagpal HUF
2. Diamond Capfin Private Limited
3. Marvel Support Consultancy Services Private Limited
4. Raj Kumar Setia HUF
5. Rakam Credit Private Limited
6. RKUMAR Premises LLP
7. Saral Insurance Broking Private Limited
8. Satyam Premises Private Limited
9. Step-In Cars Private Limited
10. SK Foundation
11. Surendra Kumar Setia HUF
12. Yatan Foundation

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoters and subsidiaries) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the Board of our Company.

Pursuant to a resolution dated April 18, 2024, our Board has noted that in accordance with the SEBI ICDR Regulations, the Group Companies of our Company shall include (i) the companies (other than the Company's promoters) with which there were related party transactions as per the Ind AS 24 during any of the last three financial years and stub period in respect of which restated financial statements are included in the Offer Documents ("**Relevant Period**"), and (ii) other companies considered material by the Board, identified as the group companies of the Company.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company has one Group Company, namely, Infrasoft Technologies Limited.

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Company for the preceding three Financial Years, extracted from its audited financial statements, are required to be hosted on the website of the Group Company. Such financial information of the Group Company and other information provided on its website does not constitute a part of this Draft Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider before making any investment decision. Our Company is providing link to such website solely to comply with the requirements specified under the SEBI ICDR Regulations.

Details of our Group Company

Infrasoft Technologies Limited ("Infrasoft")

Registered Office

The registered office of Infrasoft is situated at Unit No. 86 & 87, SDF III, SEEPZ, SEZ, Andheri (East), Mumbai City, Mumbai 400 096, Maharashtra, India.

Financial Information

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, earnings per share (basic), earnings per share (diluted) and net asset value derived from the audited financial statements of Infrasoft for Fiscals 2023, 2022 and 2021 as required by the SEBI ICDR Regulations, are available at https://www.kiya.ai/about-us/investor-reports/.

Nature and extent of interest of our Group Company

In the promotion of our Company

Our Group Company is not interested in the promotion of our Company as on the date of this Draft Red Herring Prospectus.

In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

Our Group Company is not interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc

Our Group Company is not interested in any transactions for acquisition of land, construction of building or supply of machinery etc.

Common pursuits among our Group Company and our Company

Our Group Company is not involved in any kind of common pursuits with our Company as on the date of this Draft Red Herring Prospectus.

Related business transactions with our Group Company and significance on the financial performance of our Company

Other than the transactions disclosed in "*Other Financial Information - Related Party Transactions*" on page 401, there are no related business transactions with our Group Company.

Litigation involving our Group Company

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Company which will have a material impact on our Company.

Business interest of our Group Company

Except in the ordinary course of business and other than the transactions disclosed in the section "*Other Financial Information – Related Party Transactions*" on page 401, our Group Company does not have any business interest in our Company.

Confirmations

Our Group Company is not listed on any stock exchange. Further, our Group Company has not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The Board of Directors at its meeting held on April 18, 2024 adopted a Dividend Distribution Policy ("**the Policy**"). In terms of the Policy, the dividend would be declared on per share basis on the Equity Shares and will be distributed amongst all shareholders, based on their shareholding on the record date. The declaration and payment of dividends on our Equity Shares, if any, is subject to the guidelines prescribed by the RBI from time to time including the Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023, and the provisions of the Articles of Association and applicable law, including the Companies Act. The Board would among other things take the following factors into account while declaring dividends: (a) internal factors including profitable growth of the Company (in particular, profits earned and available for distribution during a financial year as compared with previous years and internal budgets) cash flows, accumulated reserves including retained earnings, earnings stability and outlook for the next three to five years, current and future leverage, liquidity position, the ratio of debt to equity, proposed, long term investments and capital expenditure ,organic growth plans and expansions, capital restructuring, crystallization of contingent liabilities, and (b) external factors including business cycles, economic environment, applicable taxes, industry outlook, changes in government policies, costs of external financing and inflation.

No dividend on Equity Shares has been paid by our Company during the last three Fiscals or since April 1, 2023 until the date of this Draft Red Herring Prospectus.

There is no guarantee that any dividends will be declared or paid in the future. Future dividends, if any, shall depend on various factors such as our revenues, profits, cash flow, financial condition, contractual restrictions, and capital requirements of our Company and regulatory requirements. Additionally, restrictive covenants under the loans or financing arrangements our Company is currently availing or may enter to finance our fund requirements for our business activities may impact our ability to pay dividends. For further details, see "*Risk Factors – We cannot assure payment of dividends on the Equity Shares at regular intervals or at all in the future.*" on page 60.

SELECTED STATISTICAL INFORMATION

The following information should be read together with our financial statements, including the notes thereto, and the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this Draft Red Herring Prospectus. Unless context requires otherwise, all amounts presented in this section are derived from the Restated Summary Statements, and unless context requires otherwise, all averages presented in this section are presented on the basis of simple average of the closing balances as at the end of the relevant period/ year and at the end of the previous year. The averages as at and for Fiscal 2021 includes closing balances at the end of Fiscal 2020 which have not been restated and accordingly, the averages at Fiscal 2021 is not comparable with those as at and for Fiscals 2022 and 2023. Further, financial information for the nine months ended December 31, 2023 and nine months ended December 31, 2022, has not been annualized.

*We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Draft Red Herring Prospectus, each of which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with the Ind AS, Indian GAAP, IFRS or U.S. GAAP. Such measures and indicators are not defined under Ind AS, Indian GAAP, IFRS or U.S. GAAP, and therefore, should not be viewed as substitutes for performance, liquidity or profitability measures under Ind AS, Indian GAAP, IFRS or U.S. GAAP. In addition, such measures and indicators are not standardized terms, and a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For risks relating to non-GAAP measures, see "Risk Factors – We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**")" on page 59.*

I. Key Financial Metrics

Key Financial Metrics

The following table sets forth certain of our key financial metrics as at and for the periods/ years indicated:

Particulars	As at and for the nine months ended December 31,		As at and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, except otherwise stated)				
Interest income	11,702.68	8,608.33	12,105.22	7,722.56	6,380.88
Total revenue from operations	13,087.17	9,212.36	13,027.68	8,143.82	6,728.57
Total income	13,152.26	9,283.92	13,142.41	8,206.87	6,824.92
Finance costs	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Total expenses	10,343.52	7,462.96	10,240.32	6,430.84	5,590.76
Profit before tax	2,808.74	1,820.96	2,902.09	1,776.03	1,234.16
Profit for the period/year	2,171.01	1,388.83	2,227.86	1,428.74	910.83
AUM (1)	95,155.23	67,159.89	73,783.42	47,135.66	34,171.69
Average AUM (2)	84,469.32	57,147.77	60,459.54	40,653.67	32,018.25
AUM growth (3) (%)#	41.68%	-	56.53%	37.94%	-
Gross Loans (4)	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Total Assets	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Average Total Assets (5)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Disbursements (6)	50,403.38	40,594.15	56,228.52	32,260.49	16,340.52
Disbursement Growth (7) (%)#	24.16%	-	74.30%	97.43%	-
Green Funding (8)	3,334.46	2,294.53	3,303.57	1,802.96	250.17
Green Funding Ratio (9) (%)	8.61%	6.85%	7.17%	6.32%	1.72%
Operating Expenditure / Average Total Assets (10) (%) *	3.75%	3.87%	5.03%	5.32%	4.33%
Operating Expenditure to Net Income Ratio (11) (%)	48.81%	51.39%	50.19%	59.08%	43.91%
Net Worth (12)	27,322.10	17,415.74	18,319.34	15,930.17	9,691.92

The information as at and for the nine months ended December 31, 2022 and as at and for Fiscal 2021 have not been included as the corresponding comparative periods in this Draft Red Herring Prospectus.

* *Not annualized for the period ended December 31, 2023 and December 31, 2022.*

(1) *AUM represents the aggregate of future principal outstanding and principal overdue held in our books as on the last day of the relevant period/ year and loan assets which has been transferred/ sourced by our Company by way of securitization and pool buy out/ assignment/ our share of co-lending loans and are outstanding as at the end of the relevant period/ year.*

(2) *Average AUM represents the simple average of our AUM as of the last day of the relevant period/ year and our AUM of the last day of the previous year.*

(3) *AUM Growth represents the growth percentage in AUM as of the last day of the relevant period/ year over AUM as of the last day of the previous period/ year.*

(4) *Gross loans represents the aggregate of term loans, trade advances and retained interest under direct assignments held in our books, and our share of co-lending loans as on the last day of the relevant period/ year as well as such value is derived on amortized cost basis as per IND AS and are outstanding as at the end of the relevant period/ year.*

(5) *Average total assets, which is a Non-GAAP measure, is the simple average of total assets as of the last day of the relevant period/ year and*

total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.
(6) Disbursements represents the aggregate of all loan amounts extended to our customers in the relevant period/ year.
(7) Disbursement growth represents the percentage growth in our disbursement for the relevant period/ year over our disbursement for the previous period/ year.
(8) Green Funding represents the aggregate of all compressed natural gas ("**CNG**"), and CNG hybrid vehicle loan amounts extended to our customers during the relevant period/ year.
(9) Green Funding Ratio represents our green funding to vehicle disbursement during the relevant period/ year.
(10) Operating Expenditure / Average Total Assets, which is a Non-GAAP measure, is the percentage of the result of operating expenditure for the relevant period/ year divided by average total assets represented as a percentage. Operating expenditure, which is a Non-GAAP measure, represents the aggregate of Employee benefits expenses, depreciation and amortization and other expenses for the relevant period/year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.
(11) Operating Expenditure to Net Income Ratio, which is a Non-GAAP measure, represents operating expenditure for the relevant period/ year divided by the net income for the relevant period/ year, expressed as a percentage. Operating expenditure, which is a Non-GAAP measure, represents the aggregate of Employee benefits expenses, depreciation and amortization and other expenses for the relevant period/year. Net Income, which is a Non-GAAP measure, represents difference between Total Income and Finance cost for the relevant period/year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.
(12) Net worth, which is a Non-GAAP measure, means the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.

Return on Assets and Net Worth

The following table sets forth certain of our key financial metrics in relation to return on assets and net worth, as of and for the periods/ years indicated:

Particulars	As at and for the nine months ended December 31,		As at and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, except otherwise stated)				
Interest income	11,702.68	8,608.33	12,105.22	7,722.56	6,380.88
Total revenue from operations	13,087.17	9,212.36	13,027.68	8,143.82	6,728.57
Total income	13,152.26	9,283.92	13,142.41	8,206.87	6,824.92
Finance costs	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Total expenses	10,343.52	7,462.96	10,240.32	6,430.84	5,590.76
Profit before tax	2,808.74	1,820.96	2,902.09	1,776.03	1,234.16
Profit for the period/year	2,171.01	1,388.83	2,227.86	1,428.74	910.83
Total assets	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Net worth (1)	27,322.10	17,415.74	18,319.34	15,930.17	9,691.92
Average net worth (2)	22,820.72	16,672.96	17,124.76	12,811.05	9,229.30
Total Assets to Net Worth (in times) (3)	3.97	4.76	4.94	3.91	4.43
Return on Average Total Assets (4) (%)*	2.18%	1.91%	2.91%	2.72%	2.33%
Return on Average Net Worth (5) (%)*	9.51%	8.33%	13.01%	11.15%	9.87%
Earnings Per Share (Basic) (6) *	17.78	11.94	19.13	12.62	9.04
Earnings Per Share (Diluted) (6) *	17.55	11.69	18.79	12.41	8.95
Net Asset Value per equity share (7)	212.01	148.95	155.53	136.34	92.42

* Not annualized for the period ended December 31, 2023 and December 31, 2022
(1) Net worth, which is a Non-GAAP measure, means the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.
(2) Average net worth, which is a Non-GAAP measure, represents the simple average of our Net Worth as of the end of the relevant period/ year and our Net Worth of the end of the previous year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.
(3) Total Assets to Net Worth, which is a Non-GAAP measure, represents total assets as at the end of relevant period/ year divided by net worth as at the end of such period/ year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.
(4) Return on Average Total Assets, which is a non-GAAP measure, represents profit for the period/ year divided by average total assets for the relevant period/ year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.
(5) Return on Average Net Worth, which is a Non-GAAP measure, represents profit for the period/ year divided by average net worth as at the end of relevant period/ year. Average net worth, which is a Non-GAAP measure, represents simple average of Net Worth as at the end of relevant period/ year and Net Worth as at the end of previous year. Net worth, which is a Non-GAAP measure, means the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.
(6) Earnings per share (basic) and Earnings per share (diluted) represent the earnings per Equity Share of ₹1 each – Basic and the earnings per Equity Share of ₹1 each – Diluted, respectively, which are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Earnings per share (basic) is calculated by dividing the profit for the period/year attributable to equity holders by the weighted average number of equity shares outstanding during the period/year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Earnings per share (diluted) is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the period/year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The Board in its meeting held on February 1, 2024 and Shareholders in the extraordinary general meeting held on March 11, 2024 approved the sub-division of shares from ₹2 per share to ₹1 per share and also approved the bonus share in the ratio of 1:1 with effect from March 16, 2024. The number of shares used for the calculation of earnings per share, and the earnings per share(including that in the comparative periods),

have been adjusted for pursuant to paragraph 64 of Ind AS 33 – "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

(7) *Net Asset value per equity share, which is a Non-GAAP measure, represents our net worth divided by outstanding number of equity shares including partly-paid up share as at the end of the relevant period/ year after giving impact of sub-division of equity shares and bonus issue subsequent to period end in accordance with Ind AS 33 principles. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.*

Financial Ratios

The following table sets forth certain of our key financial indicators of our return ratios on average total assets, as at and for the periods/ years indicated:

Particulars	As at and for the Nine Months ended December 31,		As at and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, except otherwise stated)				
Interest income	11,702.68	8,608.33	12,105.22	7,722.56	6,380.88
Finance costs	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Fees and commission income	443.77	275.19	394.76	247.35	145.06
Net gain on fair value changes	93.49	139.96	210.01	143.93	129.87
Net gain on de-recognition of financial instruments under amortised cost category	847.23	188.88	317.69	29.98	72.76
Other income	65.09	71.56	114.73	63.05	96.35
Employee benefits expenses	2,768.50	2,112.44	2,828.05	2,049.22	1,193.40
Depreciation and amortization	256.80	184.73	252.03	158.14	113.33
Other expenses	710.00	509.77	767.98	592.48	386.02
Impairment on financial instruments	1,109.06	833.93	917.46	162.85	927.88
Profit before tax	2,808.74	1,820.96	2,902.09	1,776.03	1,234.16
Profit for the period/year	2,171.01	1,388.83	2,227.86	1,428.74	910.83
Interest Income / Average Total Assets (%)* (1)	11.76%	11.85%	15.84%	14.68%	16.33%
Finance Cost/ Average Total Assets (%)* (2)	5.53%	5.26%	7.16%	6.59%	7.60%
Interest Margin (%)* (3)	6.23%	6.59%	8.67%	8.09%	8.73%
Fees and commission income/ Average Total Assets (%)* (4)	0.45%	0.38%	0.52%	0.47%	0.37%
Net gain on fair value changes/ Average Total Assets (%)* (5)	0.09%	0.19%	0.27%	0.27%	0.33%
Net gain on de-recognition of financial instruments under amortized cost category/ Average Total Assets (%)* (6)	0.85%	0.26%	0.42%	0.06%	0.19%
Other income/ Average Total Assets (%)* (7)	0.07%	0.10%	0.15%	0.12%	0.25%
Net Income/ Average Total Assets (%)*(8)	7.69%	7.52%	10.03%	9.01%	9.86%
Operating Expenditure / Average Total Assets (%)* (9)	3.75%	3.87%	5.03%	5.32%	4.33%
Pre Provisioning Operating Profit / Average Total Assets (%)* (10)	3.94%	3.66%	5.00%	3.69%	5.53%
Impairment on financial instruments / Average Total Assets (%)* (11)	1.11%	1.15%	1.20%	0.31%	2.37%
Profit Before Tax/ Average Total Assets (%)* (12)	2.82%	2.51%	3.80%	3.38%	3.16%
Return on Average Total Assets (%)* (13)	2.18%	1.91%	2.91%	2.72%	2.33%

* *Not annualized for the period ended December 31, 2023 and December 31, 2022*

(1) *Interest income to average total assets, which is a Non-GAAP measure, represents interest income for the relevant period/ year to the average total assets for the relevant period/ year. Average total assets, which is a Non-GAAP measure, represents the simple average of total assets as at the end of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(2) *Finance cost to average total assets, which is a Non-GAAP measure, represents finance cost for the period/ year divided by the average total assets for the period/ year. Average total assets, which is a Non-GAAP measure, represents the simple average of total assets as at the end of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(3) *Interest margin, which is a Non-GAAP measure, represents the net interest income for the relevant period/ year divided by average total assets for the such period/ year. Net interest income , which is a Non-GAAP measure, is the difference between interest income and finance costs for the relevant period/ year. Average total assets, which is a Non-GAAP measure, represents the simple average of total assets as at the end of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(4) *Fees and commission income/ Average Total Assets, which is a Non-GAAP measure, is the percentage of the fees and commission income for the relevant period/ year divided by average total assets represented as a percentage. Average total assets, which is a Non-GAAP measure, represents the simple average of total assets as at the end of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.*

(5) *Net gain on fair value changes to Average Total Assets, which is a Non-GAAP measure, is the percentage of the net gain on fair value changes for the relevant period/ year divided by average total assets represented as a percentage. Average total assets, which is a Non-GAAP measure, represents the simple average of total assets as at the end of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.*

(6) *Net gain on de-recognition of financial instruments under amortized cost category to Average Total Assets, which is a Non-GAAP measure, is the percentage of the net gain on de-recognition of financial instruments under amortized cost category for the relevant period/ year divided by average total assets represented as a percentage. Average total assets, which is a Non-GAAP measure, represents the simple average of total assets as at the end of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.*

(7) *Other income to Average Total Assets, which is a Non-GAAP measure, is the percentage of the other income for the relevant period/ year divided by average total assets represented as a percentage. Average total assets, which is a Non-GAAP measure, represents the simple*

average of total assets as at the end of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.

(8) *Net income/ Average Total Assets, which is a Non-GAAP measure, is the percentage of the net income for the relevant period/ year divided by average total assets represented as a percentage. Net Income, which is a Non-GAAP measure, represents the difference between total income and finance costs for the period/ year. Average total assets, which is a Non-GAAP measure, represents the simple average of total assets as at the end of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.*

(9) *Operating Expenditure to Average Total Assets, which is a Non-GAAP measure, is the percentage of the operating expenditure for the relevant period/ year divided by average total assets represented as a percentage. Operating expenditure , which is a Non-GAAP measure, represents the aggregate of Employee benefits expenses, depreciation and amortization and other expenses for the relevant period/year. Average total assets, which is a Non-GAAP measure, represents the simple average of total assets as at the end of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.*

(10) *Pre provisioning operating profit to average total assets, which is a non-GAAP measure, represents pre provisioning operating profit for the relevant period/ year divided by average total assets for the relevant period/ year. Pre provisioning operating profit, which is a Non-GAAP measure, represents the aggregate of Profit before tax and Impairment on financial instruments for the relevant period/ year. Average total assets, which is a Non-GAAP measure, represents the simple average of total assets as at the end of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.*

(11) *Impairment on financial instruments to average total assets, which is a Non-GAAP measure, represents our impairment of financial instruments for a relevant period/ year divided by the average total assets for the relevant period/ year. Average total assets, which is a Non-GAAP measure, represents the simple average of total assets as at the end of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.*

(12) *Profit before tax to average total assets, which is a Non-GAAP measure, represents our profit before tax for a period/ year to the average total assets for the period/ year. Average total assets, which is a Non-GAAP measure, represents the simple average of total assets as at the end of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.*

(13) *Return on Average Total Assets, which is a non-GAAP measure, represents profit for the period/ year divided by average total assets for the relevant period/ year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.*

II. Distribution of Assets, Liabilities and Stockholders' Equity; Interest Rates and Interest Differential

Average Balances

The following tables set forth the average balances for interest-earning assets, non-interest earning assets, total borrowings and non-interest bearing liabilities together with the related interest income and expense amounts, resulting in the average yields and cost for each period. All averages presented in this section are presented on the basis of a simple average of the closing balances on the last day of the relevant period/ year and the last day of the previous year. The average yield on average interest-earning assets is the ratio of interest revenue to average interest-earning assets. The average cost on average total borrowings is the ratio of interest expense to total borrowings.

	Nine months ended December 31,						Fiscal								
	2023			2022			2023			2022			2021		
	(₹ in million, except percentages)														
	Average Balance	Interest Income / Expense	Average Yield/ Cost (%)	Average Balance	Interest Income / Expense	Average Yield/ Cost (%)	Average Balance	Interest Income / Expense	Average Yield/ Cost (%)	Average Balance	Interest Income / Expense	Average Yield/ Cost (%)	Average Balance	Interest Income / Expense	Average Yield/ Cost (%)
Interest-earning assets															
Gross Loans (1)	80,063.21	11,595.06	14.48%	56,931.09	8,113.85	14.25%	59,466.68	11,445.16	19.25%	41,036.02	7,184.08	17.51%	32,049.94	6,162.94	19.23%
Investments	4,928.57	737.15	14.96%	6,415.94	606.23	9.45%	6,539.81	884.42	13.52%	5,203.60	448.83	8.63%	1,986.23	131.59	6.63%
Bank Balances other than Cash and Cash Equivalents (2)	9,756.46	311.19	3.19%	6,154.73	217.09	5.06%	6,727.44	303.34	4.51%	5,017.04	263.56	5.25%	4,614.11	288.98	6.26%
Total interest-earning assets (3)	**94,748.23**	**12,643.40**	**13.34%**	**69,501.75**	**8,937.17**	**12.99%**	**72,733.93**	**12,632.92**	**17.37%**	**51,256.65**	**7,896.47**	**15.41%**	**38,650.27**	**6,583.51**	**17.03%**
Non-interest earning assets:															
Fixed assets	1,610.17	-	-	1,143.05	-	-	1,258.36	-	-	809.48	-	-	523.11	-	-
Other assets	1,949.03	-	-	1,260.53	-	-	1,282.99	-	-	802.04	-	-	670.04	-	-
Less: Impairment	(1,741.34)	-	-	(1,394.20)	-	-	(1,298.21)	-	-	(1,420.02)	-	-	(1,400.40)	-	-
Cash and Cash Equivalents (4)	2,960.35	-	-	2,110.41	-	-	2,461.05	-	-	1,164.52	-	-	642.03	-	-
Total non-interest earning assets	**4,778.20**	**-**	**-**	**3,119.79**	**-**	**-**	**3,704.19**	**-**	**-**	**1,356.02**	**-**	**-**	**434.77**	**-**	**-**
Total assets	**99,526.43**	**12,643.40**	**12.70%**	**72,621.54**	**8,937.17**	**12.44%**	**76,438.12**	**12,632.92**	**16.53%**	**52,612.67**	**7,896.47**	**15.01%**	**39,085.04**	**6,583.51**	**16.84%**
Total Borrowings:															
Subordinated liabilities		-		203.86	19.51	9.57%	101.83	21.64	21.25%	303.30	39.61	13.06%	403.86	52.73	13.06%
Other Borrowings (5)	74,670.91	5,499.16	7.36%	54,318.36	3,802.58	7.00%	57,602.52	5,453.16	9.47%	38,307.10	3,428.54	8.95%	28,499.56	2,917.40	10.24%
Total borrowings (6)	**74,670.91**	**5,499.16**	**7.36%**	**54,522.22**	**3,822.09**	**7.01%**	**57,704.35**	**5,474.80**	**9.49%**	**38,610.40**	**3,468.15**	**8.98%**	**28,903.42**	**2,970.13**	**10.28%**
Non-interest-bearing liabilities:															
Capital and reserves	22,860.18	-	-	16,705.84	-	-	17,150.90	-	-	12,839.58	-	-	9,251.02	-	-
Other liabilities	1,995.34	-	-	1,393.48	-	-	1,582.88	-	-	1,162.69	-	-	930.60	-	-
Total non-interest-bearing liabilities	**24,855.52**	**-**	**-**	**18,099.32**	**-**	**-**	**18,733.78**	**-**	**-**	**14,002.27**	**-**	**-**	**10,181.63**	**-**	**-**
Total liabilities	**99,526.43**	**5,499.16**	**5.53%**	**72,621.54**	**3,822.09**	**5.26%**	**76,438.12**	**5,474.80**	**7.16%**	**52,612.67**	**3,468.15**	**6.59%**	**39,085.04**	**2,970.13**	**7.60%**

(1) *Gross loans represents the aggregate of term loans, trade advances and retained interest under direct assignments held in our books, and our share of co-lending loans as on the last day of the relevant period/ year as well as such value is derived on amortized cost basis as per IND AS and are outstanding at the end of the relevant period/ year.*
(2) *Bank Balances other than Cash and Cash Equivalents represents bank balances other than cash and cash equivalents, and includes term deposits with original maturity of 3 months or less.*
(3) *Total interest-earning assets, which is a Non-GAAP measure, represents the aggregate of gross loans, investments, balances with banks other than cash and cash equivalent as at the end of the previous period/ year. Balances with banks other than cash and cash equivalent is aggregate of balances with banks in term deposits with original maturity of 3 months or less, bank balance other than cash and cash equivalents. For details on reconciliation, see* *"Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*
(4) *Cash and Cash Equivalents represents Cash and Cash Equivalents deducted by term deposits with original maturity of 3 months or less.*
(5) *See "– III. Borrowings – Sources of Borrowings" for a breakdown of Other Borrowings.*
(6) *Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. For details on reconciliation, see* *"Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

Analysis of Changes in Interest Income and Interest Expense by Volume and Rate

The following table sets forth, for the periods indicated, the allocation of the changes in our interest income and interest expense between changes in average volume of interest-earning assets and interest-bearing liabilities and changes in average interest rates on interest-earning assets and interest-bearing liabilities.

	Nine months ended December 31, 2022 v. Nine months ended December 31, 2023					Fiscal 2022 v. Fiscal 2023[(1)]					Fiscal 2021 v. Fiscal 2022[(1)]				
	Average volume on December 31, 2023	**Average volume on December 31, 2022**	**Net Change**	**Due to change in Average Volume**	**Due to change in Average Rates**	**Average volume on March 31, 2023**	**Average volume on March 31, 2022**	**Net Change**	**Due to change in Average Volume**	**Due to change in Average Rates**	**Average volume on March 31, 2022**	**Average volume on March 31, 2021**	**Net Change**	**Due to change in Average Volume**	**Due to change in Average Rates**
Interest income															
Gross Loans	80,063.21	56,931.09	23,132.12	3,296.80	184.41	59,466.68	41,036.02	18,430.67	3,226.61	1,034.47	41,036.02	32,049.94	8,986.07	1,727.95	(706.81)
Investments	4,928.57	6,415.94	(1,487.37)	(140.54)	271.46	6,539.81	5,203.60	1,336.22	115.25	320.34	5,203.60	1,986.23	3,217.37	213.15	104.09
Bank Balances other than Cash and Cash Equivalents	9,756.46	6,154.73	3,601.74	182.11	(182.11)	6,727.44	5,017.04	1,710.40	89.85	(50.07)	5,017.04	4,614.11	402.93	25.24	(50.66)
Total interest income	**94,748.23**	**69,501.75**	**25,246.48**	**3,280.60**	**331.53**	**72,733.93**	**51,256.65**	**21,477.28**	**3,308.74**	**1,427.71**	**51,256.65**	**38,650.27**	**12,606.38**	**2,147.31**	**(834.35)**
Interest expenses															
Subordinated liabilities	-	203.86	(203.86)	(19.51)	-	101.83	303.30	(201.47)	(26.31)	8.34	303.30	403.86	(100.56)	(13.13)	0.01
Other borrowings [(2)]	74,670.91	54,318.36	20,352.56	1,424.79	271.79	57,602.52	38,307.10	19,295.42	1,726.97	297.65	38,307.10	28,499.56	9,807.54	1,003.96	(492.82)
Total interest expense	**74,670.91**	**54,522.22**	**20,148.70**	**1,412.45**	**264.62**	**57,704.35**	**38,610.40**	**19,093.95**	**1,715.10**	**291.55**	**38,610.40**	**28,903.42**	**9,706.98**	**997.49**	**(499.47)**

Notes:

(1) *The changes in net interest income between periods have been reflected as attributed volume and rate changes. Averages are presented on the basis of simple average of the last day of the relevant period/ year and of the last day of the previous year.*

(2) *See "– III. Borrowings – Sources of Borrowings" for a breakdown of Other Borrowings.*

Yields, Spreads and Margins

Particulars	Nine months ended December 31,		Fiscal		
	2023	2022	2023	2022	2021
	(₹ million, except otherwise stated)				
Interest income	11,702.68	8,608.33	12,105.22	7,722.56	6,380.88
Finance costs	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Total revenue from operations	13,087.17	9,212.36	13,027.68	8,143.82	6,728.57
Total income	13,152.26	9,283.92	13,142.41	8,206.87	6,824.92
Profit for the period/year	2,171.01	1,388.83	2,227.86	1,428.74	910.83
Total assets	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Gross Loans (A)	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Investments(B)	4,595.94	5,013.44	5,261.19	7,818.43	2,588.76
Balances with banks In term deposits with original maturity of 3 months or less(C)	4,374.68	2,111.75	4,318.31	80.05	1,669.65
Bank balance other than cash and cash equivalents(D)	6,196.86	5,684.20	4,623.07	4,433.45	3,850.93
Total interest-earning assets (E=A+B+C+D) (1)	104,008.73	79,023.37	85,487.73	59,980.13	42,533.17
Average interest-earning assets (2)	94,748.23	69,501.75	72,733.93	51,256.65	38,650.27
Average interest-earning assets / Average total assets (in times) (3)	0.95	0.96	0.95	0.97	0.99
Debt securities (F)	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Borrowings (other than debt securities) (G)	61,141.20	45,412.85	53,281.82	30,037.82	16,637.38
Subordinated liabilities (H)	-	204.06	-	203.66	402.94
Total borrowings (I=F+G+H) (4)	78,910.40	64,067.16	70,431.42	44,977.27	32,243.53
Average Total Borrowings (5)	74,670.91	54,522.22	57,704.35	38,610.40	28,903.42
Average Total Borrowings / Average total assets (in times) (6)	0.75	0.75	0.75	0.73	0.74
Average interest-earning assets / Average Total Borrowings (in times) (7)	1.27	1.27	1.26	1.33	1.34
Net yield on interest-earning assets* (8) (%)	6.55%	6.89%	9.12%	8.30%	8.82%
Yield on average Gross Loans (J) * (9) (%)	13.42%	13.92%	18.71%	17.43%	19.00%
Average cost of borrowing (K) * (10) (%)	7.29%	6.95%	9.39%	8.84%	10.17%
Spread (L=J-K) * (11) (%)	6.13%	6.97%	9.33%	8.59%	8.84%
Interest margin * (12) (%)	6.23%	6.59%	8.67%	8.09%	8.73%
Average Yield on Disbursement (13) (%)	18.72%	18.83%	18.79%	19.20%	19.89%

* *Not annualized for the period ended December 31, 2023 and December 31, 2022.*

(1) *Total interest earning assets, which is a Non-GAAP measure, represents the aggregate of gross loans, investments, balances with banks other than cash and cash equivalent as at the end of the relevant period/ year. Balances with banks other than cash and cash equivalent is aggregate of balances with banks in term deposits with original maturity of 3 months or less, bank balance other than cash and cash equivalents. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(2) *Average interest-earning assets, which is a Non-GAAP measure, is the simple average of total interest earning assets as at the end of relevant period/ year and total interest earning assets as at the end of the relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(3) *Average interest-earning assets to average total assets, which is a Non-GAAP measure, is the percentage of average interest-earning assets for the relevant period/ year divided by average total assets represented as a percentage. Average interest-earning assets, which is a Non-GAAP measure, is the simple average of total interest earning assets as at the end of relevant period/ year and total interest earning assets as at the end of the relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(4) *Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(5) *Average total borrowings, which is a Non-GAAP measure, is the simple average of our total borrowings at the end of the relevant period/ year and total borrowings as at the last day of the previous year. Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(6) *Average Total Borrowings to average total assets, which is a Non-GAAP measure, is the percentage of average total borrowings for the relevant period/ year divided by average total assets represented as a percentage. Average total borrowings, which is a Non-GAAP measure, is the simple average of our total borrowings at the end of the relevant period/ year and total borrowings as at the last day of the previous year. Average total assets, which is a Non-GAAP measure, represents the simple average of total assets as at the end of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(7) *Average interest-earning assets / Average Total Borrowings, which is a Non-GAAP measure, is the percentage of average interest-earning assets for the relevant period/ year divided by average total borrowings represented as a percentage. Average interest-earning assets, which is a Non-GAAP measure, is the simple average of total interest earning assets as at the end of relevant period/ year and total interest earning assets as at the end of the relevant previous year. Average total borrowings, which is a Non-GAAP measure, is the simple average of our total borrowings at the end of the relevant period/ year and total borrowings as at the last day of the previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(8) *Net yield on interest-earning assets, which is a non-GAAP measure, is net interest income divided by average interest-earning assets. Net interest income, which is a Non-GAAP measure, is the difference between interest income and finance costs for the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(9) *Yield on average gross loans, which is a Non-GAAP measure, represents interest income on financial assets measured at amortized cost for the relevant period/ year divided by average gross loans. Average gross loans represents simple average of gross loans as at the end of relevant period/ year and Gross Loans as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(10) *Average cost of borrowing, which is a Non-GAAP measure, is adjusted finance costs for the relevant period/ year divided by average total borrowings. Adjusted finance costs represents the finance costs reduced by interest on lease liability for the relevant period/ year. Average*

total borrowings, which is a Non-GAAP measure, is the simple average of total borrowings as at the end of relevant period/ year and total borrowing as at the end of relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(11) *Spread, which is a Non-GAAP measure, is the difference between yield on average gross loans and average cost of borrowing. Average gross loans represents simple average of gross loans as at the end of relevant period/ year and Gross Loans as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(12) *Interest margin, which is a Non-GAAP measure, represents the net interest income for the relevant period/ year divided by average total assets for the such period/ year. Net interest income, which is a Non-GAAP measure, is the difference between interest income and finance costs for the relevant period/ year. Average total assets is the simple average of total assets as of the last day of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(13) *Average yield on disbursement represents weighted average of yield on all loan amounts extended to our customers in the relevant period/ year.*

III. Borrowings

Details of Borrowings

The following table sets forth details of our borrowings for the relevant period/ year:

Product	As at and for the nine months ended December 31,		As at and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, except otherwise stated)				
Equity share capital	64.44	58.21	58.64	58.17	52.18
Securities premium	18,238.53	11,359.55	11,435.81	11,344.42	6,526.33
Share options outstanding account	178.43	122.41	98.69	43.17	39.14
Statutory reserve	1,770.08	1,168.08	1,335.88	890.31	604.56
Debt securities (A)	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Borrowings (other than debt securities) (B)	61,141.20	45,412.85	53,281.82	30,037.82	16,637.38
Subordinated liabilities (C)	-	204.06	-	203.66	402.94
Total Borrowings [(1)] (D = A + B +C)	78,910.40	64,067.16	70,431.42	44,977.27	32,243.53
Finance costs	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Fresh Borrowings during the period/ year [(2)]	31,178.08	36,896.46	54,270.38	23,270.00	21,797.92
Total Borrowings to Net Worth Ratio (in times) [(3)]	2.89	3.68	3.84	2.82	3.33
Average Borrowing Rate (%) [(4)]	9.40%	9.28%	9.42%	9.10%	10.21%
Incremental Cost of Borrowings (%) [(5)]	9.27%	9.07%	9.17%	8.80%	9.74%
Floating Interest Rate Financial Liabilities (Total Borrowings including securitization) as a percentage of Total Liabilities (%)	57.47%	48.47%	56.35%	42.75%	29.12%
Fixed Interest Rate Financial Liabilities (Total Borrowings including securitization) as a percentage of Total Liabilities (%)	42.53%	51.53%	43.65%	57.25%	70.88%
Average Tenure of Borrowings at Origination (including securitization) (in months) [(6)]	45.13	44.86	43.83	38.89	39.55
Average Residual Tenure of Borrowings (including securitization) (in months)[(7)]	34.19	34.05	34.62	28.20	30.97
Average Ticket Size ("**ATS**") (Exposure) per Lender [(8)]	1,293.61	1,001.05	1,067.14	803.17	555.92

(1) *Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(2) *Fresh Borrowing during the period/ year represents aggregate of all loan amounts drawn from our lenders in the relevant period/ year.*

(3) *Total Borrowings to Net Worth ratio, which is a non-GAAP measure, represents total borrowings as of the end of the relevant period/ year divided by net worth as of the end of such period/ year. Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. Net worth, which is a Non-GAAP measure, means the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(4) *Average Borrowing Rate represents the weighted average interest rate on borrowing outstanding as of the last day of the relevant period/ year weighted based on the contracted rate of interest.*

(5) *Incremental Cost of Borrowings represents the weighted average cost of fresh borrowings during the relevant period/ year.*

(6) *Average Tenure of Borrowings at Origination (including securitization) represents the average tenure of borrowings as of the last day of the relevant period/ year weighted based on origination tenure.*

(7) *Average Residual Tenure of Borrowings (including securitization) represents the average tenure of borrowings as of the last day of the relevant period/ year weighted based on residual tenure.*

(8) *ATS (exposure) per lender represents total borrowings outstanding from lenders as of the last day of the relevant period/ year divided by the number of lenders as of the last day of the relevant period/ year.*

Sources of Borrowings

The following table sets forth the breakdown of our borrowings based on its source, as of the dates indicated:

Particulars	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Amount (in ₹ million)	% of Total Borrowings	Amount (in ₹ million)	% of Total Borrowings	Amount (in ₹ million)	% of Total Borrowings	Amount (in ₹ million)	% of Total Borrowings	Amount (in ₹ million)	% of Total Borrowings
Debt Securities										
Secured Non-convertible debentures (I)	17,699.27	22.43%	18,241.08	28.47%	16,975.13	24.10%	13,726.79	30.52%	15,003.81	46.53%
Unsecured Non-convertible debentures (II)	69.93	0.09%	209.17	0.33%	174.47	0.25%	512.79	1.14%	199.40	0.62%
Unsecured Commercial papers (III)	-	-	-	-	-	-	496.21	1.10%	-	-
Borrowings (other than Debt Securities)										
Term loans:										
- From banks (IV)	44,332.87	56.18%	28,869.01	45.06%	35,324.00	50.15%	18,240.94	40.56%	8,525.22	26.44%
- From other parties (V)	5,151.76	6.53%	4,194.72	6.55%	5,382.26	7.64%	3,659.22	8.14%	2,670.95	8.28%
- External commercial borrowings (VI)	1,745.10	2.21%	1,948.73	3.04%	1,954.55	2.78%	1,880.84	4.18%	752.25	2.33%
Loans repayable on demand - from banks (cash credit facilities and working capital demand loans) (VII)	1,321.42	1.67%	392.24	0.61%	561.62	0.80%	3,208.78	7.13%	941.46	2.92%
Other loans - Associated liabilities in respect of securitization transactions (VIII)	8,590.05	10.89%	10,008.15	15.62%	10,059.39	14.28%	3,048.04	6.78%	3,272.07	10.15%
Unsecured:										
Term loans from other parties (IX)	-	-	-	-	-	-	-	-	475.43	1.47%
Subordinated Liabilities										
Unsecured										
Others (Tier II capital)										
-Redeemable subordinate debt instruments to the extent that do not qualify as equity (X)	-	-	204.06	0.32%	-	-	203.66	0.45%	203.52	0.63%
- From banks (subordinated debts) (XI)	-	-	-	-	-	-	-	-	199.42	0.62%
Total Borrowings (I+II+III+IV+V+VI+VII+VIII+IX+X +XI)	**78,910.40**	**100.00%**	**64,067.16**	**100.00%**	**70,431.42**	**100.00%**	**44,977.27**	**100.00%**	**32,243.53**	**100.00%**

Breakdown of borrowings based on type of lender

The following table sets forth the breakdown of our borrowings based on the type of lenders as of the dates indicated:

Particulars	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Borrowing (in ₹ million)	% of total outstanding borrowings	Borrowing (in ₹ million)	% of total outstanding borrowings	Borrowing (in ₹ million)	% of total outstanding borrowings	Borrowing (in ₹ million)	% of total outstanding borrowings	Borrowing (in ₹ million)	% of total outstanding borrowings
Public Sector Banks	37,402.38	47.40%	24,688.39	38.54%	30,886.03	43.85%	18,150.59	40.36%	10,194.42	31.62%
Private Banks	12,549.94	15.90%	9,601.22	14.99%	11,321.01	16.07%	6,973.87	15.51%	5,786.62	17.95%
Mutual Funds	4,546.48	5.76%	2,479.69	3.87%	4,550.21	6.46%	1,200.33	2.67%	2,159.19	6.70%
Financial Institutions	24,411.59	30.94%	27,297.86	42.61%	23,674.18	33.61%	18,652.48	41.47%	14,103.30	43.74%
Borrowings	**78,910.40**	**100.00%**	**64,067.16**	**100.00%**	**70,431.42**	**100.00%**	**44,977.27**	**100.00%**	**32,243.53**	**100.00%**

Number of lenders

The following table sets forth the different types of lenders as of the dates indicated:

Particulars	As of December 31,		As of March 31,		
	2023	2022	2023	2022	2021
Public Sector Banks	9	10	11	9	9
Private Sector Banks	25	23	25	19	19
Mutual Funds	4	3	4	2	3
Financial Institutions	23	28	26	26	27
Total	**61**	**64**	**66**	**56**	**58**

Borrowings by types of interest rates

The following table sets forth the breakdown of our borrowings by the type of interest rates as of the dates indicated:

Particulars	As of December 31,		As of March 31,		
	2023	2022	2023	2022	2021
	(in %)				
Floating Rate Borrowings	57.47%	48.47%	56.35%	42.75%	29.12%
Fixed Rate Borrowings	42.53%	51.53%	43.65%	57.25%	70.88%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

IV. Investments in Debt Securities

As of March 31, 2021, March 31, 2022, and March 31, 2023, December 31, 2022 and December 31, 2023, our investments in debt securities were ₹978.19 million, ₹6,109.43 million, ₹4,713.10 million, ₹3,467.67 million and ₹4,367.80 million, comprising 2.28%, 9.80%, 5.20%, 4.18% and 4.03% of our total assets, respectively. We carry out our investment activities in debt securities according to various investment and trading policies. These policies set forth delegation of powers, types of instruments, maximum limits on investments in different types of securities.

Maturity profile

The following tables set forth details on the maturity profile of our investments in debt securities that are not held at fair value as of December 31, 2023, and their weighted average yields:

Debt securities not held at fair value	As on December 31, 2023									
	Due in one year or less		Due after one year through five years		Due after five years through 10 years		Due after 10 years		Total	
	Amount (in ₹ million)	Yield (%)(1)	Amount (in ₹ million)	Yield (%)(1)	Amount (in ₹ million)	Yield (%)(1)	Amount (in ₹ million)	Yield (%)(1)	Amount (in ₹ million)	Yield (%)(1)
Debentures	303.10	11.03 %	1,910.68	11.54%	668.86	8.38%	107.00	6.50%	2,989.64	10.60%
Commercial papers	1,378.16	9.11%	-	-	-	-	-	-	1,378.16	9.11%
Pass through certificates	-	-	-	-	-	-	-	-	-	-
Total	**1,681.26**	**9.45%**	**1,910.68**	**11.54%**	**668.86**	**8.38%**	**107.00**	**6.50%**	**4,367.80**	**10.13%**

Note:

(1) Weighted average yield is calculated as weighted interest income to total investment in debt securities. Weighted interest income is calculated as total borrowings outstanding from lender as of the last day of the relevant period/ year divided by number of lenders as of the last day of the relevant period/ year.

V. Asset Quality

The following table sets forth certain indicators of our credit cost and our credit ratios as of and for the periods/ year indicated:

	As of and for nine months ended December 31,		As of and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in million, except otherwise stated)				
AUM					
Days past due ("**DPD**") > 30 (1)	6,559.87	4,626.14	3,603.38	4,270.72	4,933.57
DPD > 90 (2)	2,067.87	1,493.35	1,144.85	1,083.41	1,197.56
DPD > 30 / AUM (3) (%)	6.89%	6.89%	4.88%	9.06%	14.44%
DPD > 90 / AUM (4) (%)	2.17%	2.22%	1.55%	2.30%	3.50%
Allowance for Credit Loss					
Impairment on financial instruments (5)	1,109.06	833.93	917.46	162.85	927.88
Impairment on financial instruments / Average Total Assets (6) (%)*	1.11%	1.15%	1.20%	0.31%	2.37%
Impairment on financial instruments / Average AUM (7) (%)*	1.31%	1.46%	1.52%	0.40%	2.90%
Impairment loss allowance – Gross Loans – Stage 3 (8)	1,110.02	574.61	445.45	386.05	732.82
Net Charge-offs					
Bad debts written-off (net of recoveries)(9)	417.74	471.78	573.51	484.11	478.96
Restructured Portfolio					
Restructure AUM (OTS 1 & OTS 2) (10)	115.91	346.06	202.62	603.17	126.17
Restructure AUM Ratio (OTS 1 & OTS 2) (11) (%)	0.12%	0.52%	0.27%	1.28%	0.37%

** Not annualized for the period ended December 31, 2023 and December 31, 2022.*

*(1) DPD > 30 represents the amount of our AUM with Days Past Due ("**DPD**") of more than 30 days.*

(2) DPD > 90 represents the amount of our AUM with DPD of more than 90 days.

(3) DPD > 30 / AUM is calculated as the amount of our AUM with DPD of more than 30 days divided by AUM for the relevant period/ year.

(4) DPD > 90 / AUM is calculated as the amount of our AUM with DPD of more than 90 days divided by AUM for the relevant period/ year.

(5) Impairment of financial instruments include provision on loans (impairment on loans), bad debts written off (net of recoveries), re-possession and settlement losses (net of recoveries) for the relevant period/ year.

(6) Impairment on financial instruments/ Average Total Assets, which is a Non-GAAP measure, is calculated as impairment on financial instruments divided by average total assets for the relevant period/ year. Average total assets, which is a Non-GAAP measure, represents the simple average of total assets as at the end of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(7) Impairment on financial instruments/ Average AUM is calculated as impairment on financial instruments divided by average AUM for the relevant period/ year. Average AUM represents the simple average of our AUM as at the closing of the relevant period/ year and our AUM as at the closing of the previous year.

(8) Impairment loss allowance – Gross Loans – Stage 3 refers to the impairment loss allowance on Gross Loans – Stage 3 as of the last day of the

relevant period/ year.

(9) *Bad debts written-off (net of recoveries) represents the difference between gross loan write-off and recoveries from write-offs as of the last day of the relevant period/ year.*

(10) *Restructured AUM (OTS 1 & OTS 2) represents all accounts restructured under the resolution framework of the RBI which allowed a one-time restructuring of loans impacted by COVID-19 pandemic as of the last day of the relevant period/ year.*

(11) *Restructure AUM Ratio (OTS 1 & OTS 2) is calculated by dividing Restructure AUM to Total AUM as of the last day of the relevant period/ year.*

The proportion of nonaccrual loans to Gross Loans increased from March 31, 2023 to December 31, 2023 primarily due to the seasoning impact and in general in the finance sector there is more resolution of nonaccrual loans in the quarter ended March 31. Such impact can be seen in our Company between December 31, 2022 and March 31, 2023. The proportion of nonaccrual loans to Gross Loans decreased from March 31, 2021 to March 31, 2022 and further to March 31, 2023, primarily due to COVID-19 impact in Fiscal 2021.

The variations in our allowance for credit loss were mainly due to movements in our impairment loss allowance, which was ₹2,101.45 million, ₹1,573.21 million, ₹1,381.23 million, ₹1,215.18 million and ₹ 1,624.86 million as of December 31, 2023 and 2022 and March 31, 2023, 2022 and 2021, respectively. We recognize impairment loss allowance based on 12 month and lifetime ECLs at each period/ year end. The movements in our allowance for credit loss are generally in line with our increased provision coverage ratio and the increased proportion of nonaccrual loans to Gross Loans.

Our net charge-offs increased from March 31, 2021 to March 31, 2022, and further to March 31, 2023 and December 31, 2023, primarily due to increase in gross loans.

Allocation of the impairment loss allowance

The following table sets forth the impairment loss allowance by each loan category, as of the dates indicated:

	As of December 31,				**As of March 31,**					
	2023		**2022**		**2023**		**2022**		**2021**	
	Amount (in ₹ million)	**% of total impairment loss allowance**	**Amount (in ₹ million)**	**% of total impairment loss allowance**	**Amount (in ₹ million)**	**% of total impairment loss allowance**	**Amount (in ₹ million)**	**% of total impairment loss allowance**	**Amount (in ₹ million)**	**% of total impairment loss allowance**
Term Loans	2,065.23	98.28%	1,559.25	99.11%	1,368.27	99.06%	1,208.74	99.47%	1,624.86	100.00%
Others										
– Trade advances	20.13	0.96%	9.97	0.63%	7.49	0.54%	4.01	0.33%	-	0.00%
– Retained interest under direct assignments	16.09	0.77%	3.99	0.25%	5.47	0.40%	2.43	0.20%	-	0.00%
Impairment loss allowance	**2,101.45**	**100.00%**	**1,573.21**	**100.00%**	**1,381.23**	**100.00%**	**1,215.18**	**100.00%**	**1,624.86**	**100.00%**

Stage Wise Loans and Impairment Loss Allowance

The following table sets forth the breakdown of our loan portfolio based on stage wise loans and impairment loss allowance, as of the dates indicated:

Particulars	**As of December 31,**		**As of March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
	(₹ in million)				
Gross Loans [(1)]					
Gross Loans - Stage 1 (A)	81,666.62	60,823.07	67,125.56	42,876.45	29,081.36
Gross Loans - Stage 2 (B)	3,086.46	2,358.72	1,942.05	3,420.99	3,955.80
Gross Loans - Stage 3 (C)	2,548.59	1,875.67	1,380.76	1,350.76	1,386.67
Gross Loans - Regulatory Stage 3 (D) [(2)]	1,539.58	1,156.52	836.79	-	-
Gross Loans (E=A+B+C+D)	**88,841.25**	**66,213.98**	**71,285.16**	**47,648.20**	**34,423.83**
Impairment loss allowance – Gross Loans					
Impairment loss allowance – Gross Loans - Stage 1 (F)	462.45	635.18	663.00	475.62	461.78
Impairment loss allowance – Gross Loans - Stage 2 (G)	315.23	202.78	170.09	353.51	430.26
Impairment loss allowance – Gross Loans - Stage 3 (H)	1,111.02	574.61	445.45	386.05	732.82
Impairment loss allowance – Gross Loans - Regulatory Stage 3 (I)	212.75	160.64	102.69	-	-
Impairment loss allowance – Gross Loans (J=F+G+H+I)	**2,101.45**	**1,573.21**	**1,381.23**	**1,215.18**	**1,624.86**
Net Loans					
Net Loans - Stage 1 (K = A-F)	81,204.17	60,187.89	66,462.56	42,400.83	28,619.58
Net Loans - Stage 2 (L = B-G)	2,771.23	2,155.94	1,771.96	3,067.48	3,525.54
Net Loans - Stage 3 (M = C-H)	1,437.57	1,301.06	935.31	964.71	653.85

Particulars	As of December 31,		As of March 31,		
	2023	2022	2023	2022	2021
	(₹ in million)				
Net Loans - Regulatory Stage 3 (N = D-I)	1,326.83	995.88	734.10	-	-
Net Loans (O=E-J)	**86,739.80**	**64,640.77**	**69,903.93**	**46,433.02**	**32,798.97**

Note:

(1) Gross loans represents the aggregate of term loans, trade advances and retained interest under direct assignments held in our books, and our share of co-lending loans as on the last day of the relevant period/ year as well as such value is derived on amortized cost basis as per IND AS and are outstanding at the end of the relevant period/ year.

(2) Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021. The lifetime Expected Credit Loss for these assets is calculated based on the repayment status of its overdue as of the reporting date.

Product-wise Gross Non-performing Assets

The following table sets forth our Gross Non-performing Assets, as of the dates indicated:

	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Gross Non-performing Assets (1) (in ₹ million)	Gross non-performing assets Ratio (%)(2)	Gross Non-performing Assets (1) (in ₹ million)	Gross non-performing assets Ratio (%)(2)	Gross Non-performing Assets (1) (in ₹ million)	Gross non-performing assets Ratio (%)(2)	Gross Non-performing Assets (1) (in ₹ million)	Gross non-performing assets Ratio (%)(2)	Gross Non-performing Assets (1) (in ₹ million)	Gross non-performing assets Ratio (%)(2)
Gross Non-performing Assets (1)	**4,088.17**	**4.60%**	**3,032.19**	**4.58%**	**2,217.55**	**3.11%**	**1,350.76**	**2.83%**	**1,386.67**	**4.03%**

Notes:

(1) Gross non-performing assets, which is a Non-GAAP measure, is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(2) Gross non-performing assets ratio, which is a Non-GAAP measure, is Gross non-performing assets divided by Gross Loans outstanding as at the last day of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304..

The following table sets forth the breakdown of our Gross Non-performing Assets by product, as of the dates indicated:

Product	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Gross Non-performing Assets (1) (in ₹ million)	% of gross non-performing assets	Gross Non-performing Assets (1) (in ₹ million)	% of gross non-performing assets	Gross Non-performing Assets (1) (in ₹ million)	% of gross non-performing assets	Gross Non-performing Assets (1) (in ₹ million)	% of gross non-performing assets	Gross Non-performing Assets (1) (in ₹ million)	% of gross non-performing assets
Vehicle Loans	3,561.17	4.99%	2,600.94	4.76%	1,940.59	3.31%	1,257.50	3.04%	1,294.53	4.21%
MSME Loans	481.86	3.31%	365.41	3.60%	252.13	2.30%	69.26	1.22%	88.52	2.62%
Others (2)	45.14	1.52%	65.84	4.68%	24.84	1.45%	24.00	3.98%	3.62	1.33%

Notes:

(1) Gross non-performing assets, which is a Non-GAAP measure, is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(2) Others include other loans such as trade advances, personal loans, pool buy out and co-lending loans.

Provisioning and Write-Offs

The following table sets forth our provisioning and write-offs, as of and for the period/ year indicated:

Particulars	As of and for the nine months ended December 31,		As of and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, except percentages and ratio)				
Gross Loans (1)	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Gross Loans – Stage 3 (2)	2,548.59	1,875.67	1,380.76	1,350.76	1,386.67
Gross Loans – Stage 3 Ratio (3) (%)	2.87%	2.83%	1.94%	2.83%	4.03%
Impairment loss allowance – Gross Loans – Stage 3 (4)	1,111.02	574.61	445.45	386.05	732.82
Net Loans (5)	86,739.80	64,640.77	69,903.93	46,433.02	32,798.97
Net Loans – Stage 3 (6)	1,437.57	1,301.06	935.31	964.71	653.85
Net Loans – Stage 3 Ratio (%) (7)	1.64%	1.98%	1.32%	2.04%	1.94%
Provision Coverage Ratio on Gross Loans – Stage 3 (8) (%)	43.59%	30.63%	32.26%	28.58%	52.85%

Particulars	As of and for the nine months ended December 31,		As of and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, except percentages and ratio)				
Gross Loans – Regulatory Stage 3[9]	1,539.58	1,156.52	836.79	-	-
Net Loans - Regulatory Stage 3[10]	1,326.83	995.88	734.10	-	-
Impairment Loss Allowance – Gross Loans – Regulatory Stage 3[11]	212.75	160.64	102.69	-	-
Gross Loans – Regulatory Stage 3 Ratio [12] (%)	1.73%	1.75%	1.17%	-	-
Net Loans – Regulatory Stage 3 Ratio[13] (%)	1.50%	1.51%	1.03%	-	-
Provision Coverage Ratio on Gross Loans – Regulatory Stage 3 [14] (%)	13.82%	13.89%	12.27%	-	-
Gross Non-performing Assets Ratio (%) [15]	4.60%	4.58%	3.11%	2.83%	4.03%
Net NPAs to Net Advances (%) [16]	3.16%	3.51%	2.36%	2.04%	1.94%
Provision Coverage Ratio on gross non-performing assets[17] (%)	32.38%	24.25%	24.72%	28.58%	52.85%
Bad debts written-off (net of recoveries) [18]	417.74	471.78	573.51	484.11	478.96

(1) *Gross loans represents the aggregate of term loans (including securitized loans), trade advances and retained interest under direct assignments held in our books, pool buy out, and our share of co-lending loans as on the last day of the relevant period/ year as well as such on amortized value is derived in financial cost basis as per IND AS and are outstanding as at the end of the relevant period/ year.*

(2) *Gross Loans – Stage 3 refer to accounts of more than 90 DPD, which includes all customers loan accounts which have been tagged as Stage 3.*

(3) *Gross Loans - Stage 3 ratio, which is a Non-GAAP measure, is calculated as Gross Loans - Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(4) *Impairment loss allowance – Gross Loans – Stage 3 refers to the impairment loss allowance on Gross Loans – Stage 3 as of the last day of the relevant period/ year.*

(5) *Net Loans represents Gross Loans as on the last day of the relevant period/ year reduced by impairment loss allowance as on the last day of such period/ year.*

(6) *Net Loans – Stage 3, which is a Non-GAAP measure, represents Gross Loans – Stage 3 reduced by impairment loss allowance – Gross Loans – Stage 3 as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(7) *Net Loans – Stage 3 ratio, which is a Non-GAAP measure, represents Net Loans – Stage 3 divided by Gross Loans net of impairment loss allowance – Gross Loans - Stage 3. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(8) *Provision Coverage Ratio on Gross Loans – Stage 3, which is a Non-GAAP measure, represents as impairment loss allowance – Gross Loans - Stage 3 as at the end of the relevant period/ year divided by Gross Loans - Stage 3 as at the end of such period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(9) *Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021. The lifetime Expected Credit Loss for these assets is calculated based on the repayment status of its overdue as of the reporting date.*

(10) *Net Loans -Regulatory Stage 3 represents Gross Loans – Regulatory Stage 3 reduced by impairment loss allowance - Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year.*

(11) *Impairment loss allowance - Gross Loans – Regulatory Stage 3 refers to the impairment loss allowance on Gross Loans – Regulatory Stage 3 as of the last day of the relevant period/ year.*

(12) *Gross Loans – Regulatory Stage 3 ratio, which is a Non-GAAP measure, is calculated as Gross Loans – Regulatory Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021. The lifetime Expected Credit Loss for these assets is calculated based on the repayment status of its overdue as of the reporting date. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(13) *Net Loans – Regulatory State 3 Ratio, which is a Non-GAAP measure, represents Gross Loans – Regulatory stage 3 reduced by Impairment loss allowance - Gross Loans - Regulatory Stage 3as of the last day of relevant period/ year divided by Gross Loans reduced by Impairment loss allowance - Gross Loans - Regulatory Stage 3 as at the end of relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(14) *Provision Coverage Ratio on Gross Loans – regulatory Stage 3, which is a Non-GAAP measure, is calculated as Impairment loss allowance - Gross Loans - Regulatory Stage 3 divided by Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year. Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021. The lifetime Expected Credit Loss for these assets is calculated based on the repayment status of its overdue as of the reporting date. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(15) *Gross non-performing assets ratio, which is a Non-GAAP measure, is Gross non-performing assets divided by Gross Loans outstanding as at the last day of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.*

(16) *Net NPAs to Net Advances represents net non-performing assets divided by Gross Loans as at the end of the relevant period/ year. Net non-performing assets represents Gross non-performing assets reduced by aggregate of impairment loss allowance – Gross Loans - Stage 3 and impairment loss allowance – Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year.*

(17) *Provision Coverage Ratio on Gross Non Performing assets, which is a Non-GAAP measure, is calculated as provisions for NPAs (excluding provisions on standard assets) divided by Gross Non-Performing Assets as at the end of the relevant period/ year. Gross non-performing assets, which is a Non-GAAP measure, is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(18) *Bad Debts Write-off (net of recoveries) represents assets which are written off either partially or in their entirely when there is no realistic prospect of recovery, which is further approved by executive committee.*

Days Past Due by product

The following table sets forth the breakdown of the days past due ("**DPD**") by products as of the dates indicated:

Product	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Amount	% of AUM	Amount	% of AUM	Amount	% of AUM	Amount	% of AUM	Amount	% of AUM
	(₹ million except otherwise stated)									
DPD of more than 1 day	**14,159.07**	**14.88%**	**10,684.27**	**15.91%**	**8,816.65**	**11.95%**	**8,552.78**	**18.15%**	**9,434.03**	**27.61%**
– Vehicle financing vertical	12,238.14	12.86%	9,611.08	14.31%	7,903.33	10.71%	7,733.92	16.41%	8,752.86	25.61%
– MSME financing vertical	1,457.53	1.53%	1,059.74	1.58%	895.94	1.21%	811.62	1.72%	671.01	1.96%
– Others(1)	463.40	0.49%	13.45	0.02%	17.38	0.02%	7.24	0.02%	10.16	0.03%
DPD of more than 30 days	**6,559.87**	**6.89%**	**4,626.14**	**6.89%**	**3,603.38**	**4.88%**	**4,270.72**	**9.06%**	**4,933.57**	**14.44%**
– Vehicle financing vertical	5,635.54	5.92%	4,023.93	5.99%	3,152.59	4.27%	3,802.72	8.07%	4,522.94	13.24%
– MSME financing vertical	764.00	0.80%	594.67	0.89%	441.69	0.60%	463.03	0.98%	403.13	1.18%
– Others(1)	160.32	0.17%	7.54	0.01%	9.10	0.01%	4.97	0.01%	7.50	0.02%
DPD of more than 90 days	**2,067.87**	**2.17%**	**1,493.35**	**2.22%**	**1,144.85**	**1.55%**	**1,083.41**	**2.30%**	**1,197.56**	**3.50%**
– Vehicle financing vertical	1,853.34	1.95%	1,377.61	2.05%	1,037.04	1.41%	1,022.07	2.17%	1,117.18	3.27%
– MSME financing vertical	205.85	0.22%	111.76	0.17%	104.09	0.14%	57.97	0.12%	76.37	0.22%
– Others(1)	8.68	0.01%	3.97	0.01%	3.72	0.01%	3.37	0.01%	4.01	0.01%

(1) Others include personal loans, pool buy out and co-lending loans.

VI. Capital Adequacy

Capital risk to asset ratios

As per the NBFC Scale Based Directions, we have been categorized as a 'NBFC – Middle Layer' and are required to maintain a minimum CRAR, consisting of Tier I- Capital and Tier II- Capital, of not less than 15.00% of our aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. In line with the NBFC Scale Based Directions, at a minimum, Tier I- Capital of an NBFC, at any point of time, cannot be less than 10.00%.

The following table sets forth our capital risk to asset ratios as of the dates and for the period/ year indicated:

Particulars	As of and for the nine months ended December 31,		As of and Fiscal		
	2023	2022	2023	2022	2021
	(₹ million, except percentages and ratios)				
Tier I- Capital(1)	24,652.71	15,898.80	16,500.67	15,355.04	9,051.45
Tier II- Capital(2)	15.35	395.79	375.31	324.69	228.25
Total Capital Funds	**24,668.06**	**16,294.59**	**16,875.98**	**15,679.73**	**9,279.70**
Risk Weighted Assets (3)	80,983.34	60,092.96	64,656.20	51,540.91	33,531.80
CRAR (4) (%)	30.46%	27.12%	26.10%	30.42%	27.67%
Tier I- Capital (1) (%)	30.44%	26.46%	25.52%	29.79%	26.99%
Tier II- Capital (2) (%)	0.02%	0.66%	0.58%	0.63%	0.68%
Total Borrowings to Net Worth Ratio (in times)(5)	2.89	3.68	3.84	2.82	3.33

(1) Tier I- Capital comprises of shareholders' equity and retained earnings.
(2) Tier II- Capital comprises of general provision and loss reserves (12 month expected credit losses).
(3) Risk weighted assets represents the weighted sum of our credit exposures based on their risk as prescribed by the RBI guidelines.
(4) CRAR is computed by dividing our Tier I and Tier II- Capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.
(5) Total Borrowings to Net Worth Ratio, which is a non-GAAP measure, represents total borrowings as of the end of the relevant period/ year divided by net worth as of the end of such period/ year. Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. Net worth, which is a Non-GAAP measure, means the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.

Asset Liability Management

The following table sets forth our liabilities and assets as of December 31, 2023:

Particulars	As of December 31, 2023 (₹ million)
Liabilities	
Total Borrowings(1)	78,910.40
Other Liabilities(2)	29,585.87

Particulars	As of December 31, 2023 (₹ million)
Assets	
Cash and bank equivalents [(3)]	13,235.67
Loans	86,739.80
Other Assets[(4)]	8,520.80

Notes:

(1) Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information – Non-GAAP Reconciliation" on page 304.

(2) Other liabilities includes derivative financial instruments, other financial liabilities, total non- financial liabilities, equity share capital & other equity.

(3) Cash and Bank equivalents includes cash and cash equivalents and bank balance other than cash and cash equivalents.

(4) Other Assets includes derivative financial instrument, other receivables, investments, other financial assets & total non-financial assets.

The following table accordingly sets forth the maturity pattern of our interest bearing assets and interest bearing liabilities as of December 31, 2023:

Particulars	1 to 7 days	8 to 14 days	15 to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years
	(₹ million)									
Liabilities										
Total Borrowings [(1)]	465.09	3,007.25	1,273.15	2,327.03	2,784.65	10,101.79	16,396.95	34,087.65	8,414.56	52.29
Other Liabilities [(2)]	503.17	550.09	78.64	-	-	0.49	0.50	25.92	42.49	28,384.58
Assets										
Cash and bank equivalents [(3)]	5,676.57	500.43	861.52	10.73	35.79	1,203.91	1,919.28	3,001.89	25.57	-
Loans	2,970.80	46.74	219.29	1,878.34	2,228.13	7,766.93	13,683.80	40,008.13	14,770.31	3,167.34
Other Assets[(4)]	22.18	0.00	841.50	760.46	1,117.53	285.91	258.27	988.10	193.93	4,052.91
Positive/ (Negative) mismatch of assets over liabilities	7,701.30	(3,010.17)	570.53	322.49	596.79	(845.54)	(536.10)	9,884.55	6,532.76	(21,216.60)
Cumulative mismatch of assets over liabilities	7,701.30	4,691.12	5,261.65	5,584.14	6,180.94	5,335.40	4,799.29	14,683.85	21,216.60	-

Notes:

(1) Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(2) Other liabilities includes derivative financial instruments, other financial liabilities, total non- financial liabilities, equity share capital & other equity.

(3) Cash and bank equivalents includes cash and cash equivalents and bank balance other than cash and cash equivalents.

(4) Other Assets includes derivative financial instrument, other receivables, investments, other financial assets & total non-financial assets.

VII. Products Offering

Product Wise AUM

The following table sets forth the breakdown of our AUM by products, as of the dates indicated:

Particulars	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM
Vehicle	**74,248.53**	**78.03%**	**55,737.32**	**82.99%**	**60,431.29**	**81.90%**	**40,898.99**	**86.77%**	**30,366.47**	**88.86%**
CVs (ex-M&HCV)	41,355.32	43.46%	31,595.98	47.05%	34,483.07	46.74%	22,793.90	48.36%	17,967.35	52.58%
Tractors	12,784.43	13.44%	10,460.44	15.58%	11,150.73	15.11%	8,522.15	18.08%	6,067.42	17.76%
Two Wheeler	2,392.88	2.51%	1,963.12	2.92%	1,972.77	2.67%	1,172.31	2.49%	693.79	2.03%
Cars	17,715.89	18.62%	11,717.77	17.45%	12,824.72	17.38%	8,410.62	17.84%	5,637.91	16.50%
MSME	**18,364.25**	**19.30%**	**10,199.22**	**15.19%**	**11,919.87**	**16.16%**	**5,763.45**	**12.23%**	**3,642.89**	**10.66%**
Others [(1)]	**2,542.46**	**2.67%**	**1,223.35**	**1.82%**	**1,432.26**	**1.94%**	**473.22**	**1.00%**	**162.33**	**0.48%**
AUM	**95,155.23**	**100.00%**	**67,159.89**	**100.00%**	**73,783.42**	**100.00%**	**47,135.66**	**100.00%**	**34,171.69**	**100.00%**

Note:

(1) *Others include personal loans, pool buy out, co-lending arrangements.*

Vehicle Financing Vertical

A. AUM contributed by our vehicle financing vertical based on used/ new vehicles

The following table sets forth the breakdown of AUM contributed by our vehicle financing vertical based on used / new vehicles, as of the dates indicated:

Product	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	AUM	% of vehicle financing vertical AUM	AUM	% of vehicle financing vertical AUM	AUM	% of vehicle financing vertical AUM	AUM	% of vehicle financing vertical AUM	AUM	% of vehicle financing vertical AUM
	(₹ million)									
– Used	57,477.84	77.41%	43,915.22	78.79%	47,518.10	78.63%	33,037.85	80.78%	24,921.96	82.07%
– New	16,770.69	22.59%	11,822.09	21.21%	12,913.19	21.37%	7,861.14	19.22%	5,444.50	17.93%
AUM[(1)] contributed by our vehicle financing vertical	**74,248.53**	**100.00%**	**55,737.32**	**100.00%**	**60,431.29**	**100.00%**	**40,898.99**	**100.00%**	**30,366.47**	**100.00%**

Note:

(1) *AUM represents the aggregate of future principal outstanding and principal overdue held in our books as on the last day of the relevant period/ year and loan assets which has been transferred/ sourced by our Company by way of securitization and pool buy out/ assignment/ our share of co-lending loans and are outstanding as at the end of the relevant period/ year.*

B. AUM contributed by our vehicle financing vertical based on the age of the vehicle

The following table sets forth the breakdown of our vehicle financing vertical AUM based on the age of the vehicles being financed, as of the dates indicated:

Percentage to our vehicle financing vertical AUM by product	As of December 31,		As of March 31,		
	2023	2022	2023	2022	2021
	(in percentage)				
Less than 5 years	43.67%	43.71%	42.53%	42.09%	42.33%
5 years & more up to 8 years	33.09%	35.06%	34.59%	37.99%	40.25%
8 years & more up to 10 years	14.04%	13.74%	14.22%	12.70%	10.56%
More than 10 years	9.19%	7.49%	8.66%	7.22%	6.85%

C. AUM contributed by our vehicle financing vertical based on its original tenure

The following table sets forth the breakdown of our vehicle financing vertical AUM based on its original tenure, as of the dates indicated:

Percentage to our vehicle financing vertical AUM by original tenure	As of December 31,		As of March 31,		
	2023	2022	2023	2022	2021
	(in %)				
Up to 2 years	7.35%	9.39%	8.89%	10.85%	11.30%
More than 2 to up to 3 years	30.77%	35.73%	34.63%	39.51%	41.49%
More than 3 to up to 5 years	60.57%	54.41%	55.86%	49.52%	47.19%
More than 5 years	1.31%	0.47%	0.62%	0.13%	0.02%

MSME Financing

A. Secured MSME loans by type of collateral

The following table sets forth the breakdown of disbursement contributed by our MSME financing vertical based on type of collateral for the periods/ years indicated:

Property Type	For nine months ended December 31,				Fiscal					
	2023		2022		2023		2022		2021	
	Disbursement (₹ in millions)	% of Disbursement	Disbursement (₹ in millions)	% of Disbursement	Disbursement (₹ in millions)	% of Disbursement	Disbursement (₹ in millions)	% of Disbursement	Disbursement (₹ in millions)	% of Disbursement
(₹ in million, except otherwise stated)										
Self-occupied residential	9,068.96	95.52%	5,476.13	93.11%	7,992.90	93.55%	3,018.66	92.66%	1,596.46	92.97%

Property Type	For nine months ended December 31,				Fiscal					
	2023		2022		2023		2022		2021	
	Disbursement (₹ in millions)	% of Disbursement	Disbursement (₹ in millions)	% of Disbursement	Disbursement (₹ in millions)	% of Disbursement	Disbursement (₹ in millions)	% of Disbursement	Disbursement (₹ in millions)	% of Disbursement
(₹ in million, except otherwise stated)										
property										
Self-occupied commercial property	251.74	2.65%	274.16	4.66%	363.55	4.25%	198.13	6.08%	115.99	6.75%
Other collateral (1)	173.78	1.83%	131.11	2.23%	187.69	2.20%	41.06	1.26%	4.81	0.28%

Notes:

(1) Other collateral includes collateral provided pursuant to co-lending to MSMEs such as rented residential premises and vacant property.

B. AUM contributed by our MSME financing vertical based on tenure

The following table sets forth the breakdown of our MSME financing vertical AUM based on its original tenure, as of the dates indicated:

Percentage to our MSME vertical AUM by original tenure	As of December 31,		As of March 31,		
	2023	2022	2023	2022	2021
	(in %)				
Up to 2 years	0.11%	0.21%	0.21%	0.17%	0.17%
More than 2 to up to 3 years	2.39%	2.93%	2.89%	3.86%	2.16%
More than 3 to up to 5 years	50.10%	47.86%	49.77%	41.86%	35.37%
More than 5 Years	47.39%	49.01%	47.14%	54.12%	62.29%

Loans by Maturity

The following table sets forth the maturity profile of loans (in terms of AUM) provided by us due in each of the following maturity categories, as of December 31, 2023:

	As of December 31, 2023					
	Maturity in one year or less (1)	Maturity between one to three years	Maturity between three to five years	Maturity between five to 15 years	Maturity more than 15 years	Gross loans
	(in ₹ million)					
Vehicle financing Vertical	**28,556.28**	**37,423.91**	**8,156.62**	**111.72**	**-**	**74,248.53**
CVs (excluding M&HCVs)	*15,461.49*	*21,201.69*	*4,630.11*	*62.04*	-	*41,355.32*
Tractors	*5,282.99*	*6,342.11*	*1,156.69*	*2.65*	-	*12,784.43*
Two Wheeler	*1,459.36*	*932.68*	*0.84*	-	-	*2,392.88*
Cars	*6,352.44*	*8,947.45*	*2,368.97*	*47.03*	-	*17,715.89*
MSME financing Vertical	**3,259.71**	**6,759.04**	**5,470.39**	**2,874.62**	**0.49**	**18,364.25**
Others (2)	**1,291.29**	**946.90**	**199.80**	**104.47**	**-**	**2,542.46**

Notes:

(1) Due in one year or less includes overdue principal, plan yet to be generated pool and pool buy out.

(2) Others include other loans such as trade advances, personal loans, pool buy out and co-lending loans.

Loans due after one year that have fixed and floating interest rates

The following table sets forth the total amount of loans that are due after one year that have fixed interest rates and floating interest rates, as on December 31, 2023:

Particular	Amount (in ₹ million)
Amount due after one year at fixed interest rates:	
– Vehicle financing vertical	45,692.25
– MSME financing vertical	15,104.54
– Others (1)	1,251.17
Total amount due after one year at fixed interest rates	**62,047.96**
Amount due after one year at floating interest rates (2):	
– Vehicle financing vertical	-
– MSME financing vertical	-
– Others (1)	-
Total amount due after one year at floating interest rates	**-**
Total amount due after one year	**62,047.96**

Notes:

(1) Others include personal loans, co-lending arrangements and pool buy out.

(2) As of December 31, 2023, we do not have any loan at floating interest rates.

Disbursement

A. Product Wise Disbursement

The following table sets forth the breakdown of our product wise disbursement, for the period/ year indicated:

Product	**For nine months ended December 31,**				**For years ended March 31,**					
	2023		**2022**		**2023**		**2022**		**2021**	
	Disbursement (in ₹ million)	**%**	**Disbursement (in ₹ million)**	**%**	**Disbursement (in ₹ million)**	**%**	**Disbursement (in ₹ million)**	**%**	**Disbursement (in ₹ million)**	**%**
CVs (excluding M&HCV)	21,035.56	41.73%	19,504.65	48.05%	27,091.98	48.18%	15,506.73	48.07%	7,994.72	48.93%
Tractor	6,061.26	12.03%	5,442.89	13.41%	7,255.39	12.90%	5,777.85	17.91%	3,185.06	19.49%
Cars	10,118.81	20.08%	7,028.50	17.31%	9,794.33	17.42%	6,102.96	18.92%	2,827.21	17.30%
Two Wheelers	1,508.54	2.99%	1,537.17	3.79%	1,903.61	3.39%	1,141.12	3.54%	523.79	3.21%
Vehicle Financing Vertical – sub-total	**38,724.17**	**76.83%**	**33,513.21**	**82.56%**	**46,045.31**	**81.89%**	**28,528.67**	**88.43%**	**14,530.78**	**88.92%**
MSME Financing Vertical	**9,494.47**	**18.84%**	**5,881.39**	**14.49%**	**8,544.14**	**15.20%**	**3,257.85**	**10.10%**	**1,717.25**	**10.51%**
Others (1)	**2,184.74**	**4.33%**	**1,199.54**	**2.95%**	**1,639.06**	**2.92%**	**473.97**	**1.47%**	**92.48**	**0.57%**
Total Disbursement(2)	**50,403.38**	**100.00%**	**40,594.15**	**100.00%**	**56,228.52**	**100.00%**	**32,260.49**	**100.00%**	**16,340.52**	**100.00%**

Notes:

(1) Others include personal loans and co-lending loans.

(2) Total Disbursements represents the aggregate of all loan amounts extended to our customers in the relevant period/ year.

B. Disbursement by Sourcing Channel

The following table sets forth the breakdown of our disbursement by sourcing channel, as of the dates indicated:

Sourcing Channel	**As of December 31,**				**As of March 31,**					
	2023		**2022**		**2023**		**2022**		**2021**	
	Disbursement (in ₹ million)	**%**	**Disbursement (in ₹ million)**	**%**	**Disbursement (in ₹ million)**	**%**	**Disbursement (in ₹ million)**	**%**	**Disbursement (in ₹ million)**	**%**
Vehicle Financing Vertical	38,724.17	76.83%	33,513.21	82.56%	46,045.31	81.89%	28,528.67	88.43%	14,530.78	88.92%
– Direct	*10,960.93*	*21.75%*	*8,803.21*	*21.69%*	*12,184.36*	*21.67%*	*8,597.60*	*26.65%*	*5,341.13*	*32.69%*
– DSAs	*27,763.24*	*55.08%*	*24,710.00*	*60.87%*	*33,860.95*	*60.22%*	*19,931.08*	*61.78%*	*9,189.65*	*56.24%*
MSME Financing Vertical (1)	9,494.47	18.84%	5,881.39	14.49%	8,544.14	15.20%	3,257.85	10.10%	1,717.25	10.51%
Others (2)	2,184.74	4.33%	1,199.54	2.95%	1,639.06	2.92%	473.97	1.47%	92.48	0.57%
Total Disbursement(3)	**50,403.38**	**100.00%**	**40,594.15**	**100.00%**	**56,228.52**	**100.00%**	**32,260.49**	**100.00%**	**16,340.52**	**100.00%**
– Direct	*20,973.81*	*41.61%*	*14,854.73*	*36.59%*	*20,994.00*	*37.34%*	*11,985.73*	*37.15%*	*7,101.51*	*43.46%*
– DSAs	*27,763.24*	*55.08%*	*24,710.00*	*60.87%*	*33,860.95*	*60.22%*	*19,931.08*	*61.78%*	*9,189.65*	*56.24%*

Notes:

(1) Sourcing of our MSME financing vertical is done through our direct channel only.

(2) Others include personal loans and co-lending loans.

(3) Disbursements represents the aggregate of all loan amounts extended to our customers in the relevant period/ year.

C. Disbursement by Vehicle Ageing

The following table sets forth the breakdown of our vehicle financing vertical disbursement based on the age of the vehicles financed by us, for the periods indicated

Product	**For the Nine Months Ended December 31,**		**For the Year ended March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
	(in %)				
Less than 5 years	41.74%	42.48%	40.26%	39.70%	39.68%
5 years & more up to 8 years	32.48%	33.69%	33.92%	37.36%	40.56%
8 years & more up to 10 years	14.68%	15.20%	15.64%	14.51%	12.10%
More than 10 Years	11.10%	8.63%	10.17%	8.43%	7.66%

Product Wise Key Metrics

A. Business vertical wise number of active loan accounts

The following table sets forth the breakdown of number of our active loan accounts by our business verticals, as of the dates indicated:

Product	As of December 31,		As of March 31,		
	2023	2022	2023	2022	2021
Vehicle financing vertical	330,591	271,739	283,898	216,721	169,172
MSME financing vertical	55,806	29,738	35,465	15,556	8,059
Others (1)	44,511	22,989	26,847	9,619	2,916
Number of active loan accounts(2)	**430,908**	**324,466**	**346,210**	**241,896**	**180,147**

Notes:

(1) Others include personal loans, co-lending arrangements.

(2) Number of active loan accounts represents the aggregate number of loan accounts outstanding as of the end of the relevant period/ year. The aggregate number of loan accounts includes loan accounts which have been transferred or sourced by us by way of securitization /assignment / co-lending and are outstanding as of the last day of the relevant period/ year.

B. Business vertical wise number of fresh disbursements

The following table sets forth the breakdown of number of our fresh disbursements by our business verticals, for the periods indicated:

Product	For the nine months ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
	(in ₹ million)				
Vehicle financing vertical	101,839	100,374	133,867	96,038	51,502
MSME financing vertical	25,131	16,186	23,486	9,032	3,749
Others (1)	24,160	15,905	21,315	7,183	2,006
Fresh disbursements(2)	**151,130**	**132,465**	**178,668**	**112,253**	**57,257**

Notes:

(1) Others include personal loans and co-lending loans.

(2) Fresh disbursements represents the aggregate of all loan amounts extended to our customers in the relevant period/ year.

C. Business vertical wise yields (at the time of origination)

The following table sets forth the breakdown of our yields (%) by our business verticals (at the time of origination), for the loans disbursed during the periods/ years indicated:

Product	For the nine months ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
Vehicle	18.08%	18.36%	18.31%	19.03%	19.82%
– CVs (excluding M&HCVs)	*17.88%*	*18.24%*	*18.16%*	*19.00%*	*19.75%*
– Tractors	*19.93%*	*19.81%*	*19.98%*	*20.45%*	*21.53%*
– Cars	*16.94%*	*16.90%*	*16.85%*	*17.24%*	*17.62%*
– Two Wheelers	*20.92%*	*21.43%*	*21.51%*	*21.90%*	*22.43%*
MSME	19.87%	20.13%	20.07%	19.97%	20.35%
Others (1)	25.05%	25.58%	25.56%	23.97%	22.73%

Note:

(1) Others include personal loans, co-lending arrangements.

D. Product wise LTVs (at time of origination)

The following table sets forth the breakdown of our product wise LTV (at time of origination), which is calculated by the sanction amount divided by asset cost at the time of origination, for the periods indicated:

Product	For the nine months ended December 31,		For year ended March 31,		
	2023	2022	2023	2022	2021
	(in %)				
Vehicle financing vertical	81.01%	81.29%	81.26%	78.78%	79.86%
-CVs (excluding M&HCVs)	*82.37%*	*83.11%*	*83.11%*	*79.43%*	*81.20%*
-Tractors	*82.12%*	*81.82%*	*81.92%*	*80.06%*	*79.56%*
-Cars	*77.71%*	*76.50%*	*76.34%*	*75.91%*	*76.58%*
-Two Wheelers	*81.06%*	*80.13%*	*79.89%*	*79.63%*	*80.17%*
MSME financing vertical	31.59%	30.27%	30.33%	26.61%	30.35%
Others (1)	62.64%	69.88%	68.95%	69.81%	54.33%

Note:

(1) Others include personal loans and co-lending arrangements.

E. Product wise tenure

The following table sets forth the breakdown of the tenure of product wise financing provided by us at the time of origination, for the loans disbursed during the periods/ years indicated:

Product	For nine months ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
	(in months)				
Vehicle financing vertical					
-CVs (excluding M&HCVs)	*44.37*	*42.13*	*42.36*	*39.39*	*38.07*
-Tractors	*41.74*	*40.80*	*40.49*	*39.82*	*38.67*
-Cars	*44.90*	*43.00*	*43.25*	*40.93*	*39.60*
-Two Wheelers	*27.57*	*26.50*	*26.58*	*25.32*	*23.54*
MSME financing vertical	71.53	72.55	71.86	71.87	76.59
Others (1)	33.84	31.93	31.76	32.28	30.64

Note:

(1) Others include personal loans and co-lending arrangements.

*F. Average Ticket Size ("**ATS**") on disbursement by product*

The following table sets forth the breakdown of our ATS on disbursement by product, for the loans disbursed during the periods/ years indicated:

Product	For the nine months ended December 31,		For year ended March 31,		
	2023	2022	2023	2022	2021
	(in ₹ million)				
Vehicle financing vertical					
-CVs (excluding M&HCVs)	*0.51*	*0.45*	*0.46*	*0.37*	*0.35*
-Tractors	*0.36*	*0.33*	*0.33*	*0.31*	*0.30*
-Cars	*0.43*	*0.38*	*0.38*	*0.34*	*0.31*
-Two Wheelers	*0.07*	*0.07*	*0.07*	*0.06*	*0.06*
MSME financing vertical	0.38	0.36	0.36	0.36	0.46
Others (1)	0.09	0.08	0.08	0.07	0.05

Note:

(1) Others include personal loans and co-lending loans.

Breakdown of our AUM based on Average Ticket Size ("ATS")

The following table sets forth the breakdown of our AUM by ATS, as of the dates indicated:

ATS	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM
≤0.05 million	175.00	0.18%	170.70	0.25%	170.76	0.23%	160.08	0.34%	195.87	0.57%
>0.05 million to 0.10 million	3,822.37	4.02%	2,896.68	4.31%	3,017.09	4.09%	1,568.44	3.33%	720.73	2.11%
>0.10 million to 0.25 million	10,205.58	10.73%	8,569.69	12.76%	9,098.77	12.33%	7,108.29	15.08%	5,564.88	16.29%
>0.25 million to 0.4 million	24,977.00	26.25%	20,180.05	30.05%	21,639.16	29.33%	15,424.62	32.72%	11,674.85	34.17%
>0.4 million to 0.6 million	26,643.94	28.00%	18,301.79	27.25%	20,129.55	27.28%	12,700.65	26.94%	9,108.74	26.66%
>0.6 million	29,331.33	30.82%	17,040.97	25.37%	19,728.08	26.74%	10,173.58	21.58%	6,906.62	20.21%
AUM	**95,155.23**	**100.00%**	**67,159.89**	**100.00%**	**73,783.42**	**100.00%**	**47,135.66**	**100.00%**	**34,171.69**	**100.00%**

Off-balance sheet exposure

The following table sets forth our off-balance sheet exposure, i.e., assigned loans and co-lending loans, as of the dates indicated:

Particulars	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM
Assigned loans	8,210.40	8.63%	2,332.06	3.47%	4,035.99	5.47%	737.77	1.57%	930.18	2.72%
Co-lending loans	353.78	0.37%	195.33	0.29%	230.48	0.31%	63.10	0.13%	8.19	0.02%
Total off-balance sheet exposure	**8,564.18**	**9.00%**	**2,527.39**	**3.76%**	**4,266.47**	**5.78%**	**800.87**	**1.70%**	**938.37**	**2.75%**

VIII. Collection Efficiencies

The following table sets forth our collection efficiencies for the periods/ years indicated:

Particulars	For the Nine Months Ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
Current	102.35%	103.25%	102.99%	104.04%	103.35%
0-30 DPD	86.87%	88.83%	93.28%	94.44%	90.98%
30-60 DPD	83.03%	86.51%	88.93%	91.00%	83.47%
60-90 DPD	78.70%	83.82%	85.30%	87.82%	75.39%
Over 90 DPD	31.09%	31.71%	34.26%	37.13%	35.34%
Collection Efficiency(1) (%)	**97.06%**	**97.66%**	**98.86%**	**98.47%**	**96.55%**

Note:
(1) Collection efficiency represents the ratio of our collections (including overdue collections) to billings for the relevant period/ year.

For further details in relation to the increase in our digital collection and corresponding decrease in cash collection for nine months ended December 31, 2023 and December 31, 2022 and Fiscals 2023, 2022 and 2021, see *"Our Business – Description of our Business and Operations – Collections"* on page 218.

IX. Customer Base

Disbursement across our different verticals to our new and repeat customers

The following table sets forth the breakdown of disbursement across our different verticals to our new and repeat customers, i.e. customers with unique customer IDs who have availed more than one loan from us, for the periods indicated:

Particulars	For nine months ended December 31,				For Fiscals ended March 31,					
	2023		2022		2023		2022		2021	
	Disbursement (in ₹ million)	% of total disbursements	Disbursement (in ₹ million)	% of total disbursements	Disbursement (in ₹ million)	% of total disbursements	Disbursement (in ₹ million)	% of total disbursements	Disbursement (in ₹ million)	% of total disbursements
Vehicle financing vertical	**38,724.17**	**76.83%**	**33,513.21**	**82.56%**	**46,045.31**	**81.89%**	**28,528.67**	**88.43%**	**14,530.78**	**88.92%**
– New customer	28,604.85	56.75%	26,257.69	64.68%	35,654.66	63.41%	22,702.84	70.37%	11,811.02	72.28%
– Repeat customer	10,119.32	20.08%	7,255.53	17.87%	10,390.65	18.48%	5,825.83	18.06%	2,719.76	16.64%
MSME financing vertical	**9,494.47**	**18.84%**	**5,881.39**	**14.49%**	**8,544.14**	**15.20%**	**3,257.85**	**10.10%**	**1,717.25**	**10.51%**
– New customers	7,574.84	15.03%	5,117.19	12.61%	7,326.77	13.03%	2,671.38	8.28%	1,385.39	8.48%
– Repeat customers	1,919.63	3.81%	764.20	1.88%	1,217.38	2.17%	586.47	1.82%	331.86	2.03%
Others(1)	**2,184.74**	**4.33%**	**1,199.54**	**2.95%**	**1,639.06**	**2.92%**	**473.97**	**1.47%**	**92.48**	**0.57%**
Total Disbursement(2)	**50,403.38**	**100.00%**	**40,594.15**	**100.00%**	**56,228.52**	**100.00%**	**32,260.49**	**100.00%**	**16,340.52**	**100.00%**
– New customers	36,179.69	71.78%	31,374.87	77.29%	42,981.42	76.44%	25,374.22	78.65%	13,196.41	80.76%
– Repeat customers	12,038.95	23.89%	8,019.73	19.76%	11,608.03	20.64%	6,412.30	19.88%	3,051.62	18.68%

Notes:
(1) Others include personal loans and co-lending loans.
(2) Disbursements represents the aggregate of all loan amounts extended to our customers in the relevant period/ year.

Breakdown of our number of loan accounts based on Customer age

The following table sets forth the breakdown of our customers based on their age, as of the dates indicated:

Customer Age	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Number	% of Total Number of Loan Accounts	Number	% of Total Number of Loan Accounts	Number	% of Total Number of Loan Accounts	Number	% of Total Number of Loan Accounts	Number	% of Total Number of Loan Accounts
Less than 25 years	67,075	15.57%	49,734	15.33%	53,107	15.34%	35,298	14.59%	26,284	14.59%
25 years and up to 35 Years	163,854	38.03%	124,773	38.45%	132,507	38.27%	93,670	38.72%	70,167	38.95%
More than 35 and up to 45 Years Old	119,974	27.84%	89,505	27.59%	95,838	27.68%	66,746	27.59%	49,502	27.48%

Customer Age	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Number	% of Total Number of Loan Accounts	Number	% of Total Number of Loan Accounts	Number	% of Total Number of Loan Accounts	Number	% of Total Number of Loan Accounts	Number	% of Total Number of Loan Accounts
More than 45 Years Old	80,005	18.57%	60,454	18.63%	64,758	18.70%	46,182	19.09%	34,194	18.98%

NTC and Women Customers

The following table sets forth the details of disbursement loan accounts of our new to credit ("**NTC**") and women customers, as of the dates indicated:

	As of and for nine months ended December 31,				As of and for Fiscals ended March 31,					
	2023		2022		2023		2022		2023	
	Number of disbursement loan accounts/ Active loan accounts (1)	% of total disbursement loan accounts/ Total active loan accounts (1)	Number of disbursement loan accounts/ Active loan accounts (1)	% of total disbursement loan accounts/ Total active loan accounts (1)	Number of disbursement loan accounts/ Active loan accounts (1)	% of total disbursement loan accounts/ Total active loan accounts (1)	Number of disbursement loan accounts/ Active loan accounts (1)	% of total disbursement loan accounts/ Total active loan accounts (1)	Number of disbursement loan accounts/ Active loan accounts (1)	% of total disbursement loan accounts/ Total active loan accounts (1)
	(in numbers, except percentages)									
NTC Customers disbursement loan accounts	49,157	32.53%	45,156	34.09%	59,808	33.47%	36,817	32.80%	19,114	33.38%
Women Customers (2) – Active loan accounts	182,020	42.24%	133,587	41.17%	144,057	41.61%	97,309	40.23%	66,675	37.01%

Notes:

(1) Number of active loan accounts represents the aggregate number of loan accounts outstanding as of the end of the relevant period/ year. The aggregate number of loan accounts includes loan accounts which have been transferred or sourced by us by way of securitization /assignment / co-lending and are outstanding as of the last day of the relevant period/ year.

(2) Women Customers includes co-borrowers.

Credit Bureau Profile of our Customers

The following table sets forth the credit bureau profile of our customers for the periods indicated:

Product	For the nine months ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
	(in percentage)				
750+	18.28%	17.83%	18.20%	17.14%	16.37%
700 – 750	28.41%	27.39%	27.72%	26.09%	26.92%
650 – 700	13.08%	13.18%	13.21%	15.19%	15.49%
600 – 650	4.41%	5.56%	5.48%	7.00%	6.34%
Below 600	3.30%	1.95%	1.91%	1.79%	1.49%
NTC (1)	32.53%	34.09%	33.47%	32.80%	33.38%

Note:

(1) NTC includes customers with no score or with a credit bureau score up to 300.

A. Credit bureau profile of our customers in the vehicle financing vertical

The following table sets forth the credit bureau profile of our customers in our vehicle financing vertical for the periods indicated:

Score	For the nine months ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
	(in percentage)				
750+	18.83%	18.95%	19.39%	17.15%	16.24%
700 – 750	30.97%	29.26%	29.63%	26.72%	27.05%
650 – 700	14.48%	13.94%	13.98%	15.53%	15.68%
600 – 650	4.87%	5.86%	5.82%	7.24%	6.42%
Below 600	3.19%	1.29%	1.21%	1.58%	1.35%
NTC (1)	27.66%	30.70%	29.98%	31.79%	33.26%

Note:

(1) NTC includes customers with no score or with a credit bureau score up to 300.

B. Credit bureau profile of our customers in the MSME financing vertical

The following table sets forth the credit bureau profile of our customers in our MSME financing vertical for the periods indicated:

Score	For the nine months ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
	(in %)				
750+	23.82%	20.91%	21.28%	23.05%	22.17%
700 – 750	28.53%	29.35%	29.32%	29.63%	29.42%
650 – 700	10.50%	12.82%	12.24%	16.01%	12.72%
600 – 650	3.66%	3.91%	3.70%	4.67%	3.81%
Below 600	0.86%	0.75%	0.81%	0.90%	0.75%
NTC [(1)]	32.63%	32.26%	32.65%	25.74%	31.13%

Note:
(1) NTC includes customers with no score or with a credit bureau score up to 300.

X. Geographical Metrics

Geographical Spread of AUM by Region Type

The following table sets forth the geographical spread of our AUM across different region types, as of the dates indicated:

Region	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	AUM	% of AUM	AUM	% of AUM	AUM	% of AUM	AUM	% of AUM	AUM	% of AUM
	(in ₹ million, except percentages)									
Urban	16,951.52	17.81%	12,360.98	18.41%	13,439.85	18.22%	8,513.25	18.06%	6,220.45	18.20%
Semi-urban	34,563.32	36.32%	23,900.24	35.59%	26,471.11	35.88%	16,726.76	35.49%	11,955.64	34.99%
Rural	43,313.38	45.52%	30,584.33	45.54%	33,541.39	45.46%	21,588.02	45.80%	15,594.65	45.64%
Others[(1)]	327.01	0.34%	314.33	0.47%	331.07	0.45%	307.63	0.65%	400.95	1.17%
Total	**95,155.23**	**100.00%**	**67,159.89**	**100.00%**	**73,783.42**	**100.00%**	**47,135.66**	**100.00%**	**34,171.69**	**100.00%**

Note:
(1) Others include areas with pincode tagged as others and pincodes which are not tagged.

Geographical Spread of Disbursement by Region Type

The following table sets forth the geographical spread of our disbursement across different region types, for the periods indicated:

Region	For the nine months ended December 31,				For Fiscals ended March 31,					
	2023		2022		2023		2022		2021	
	Disbursements	% of Disbursements	Disbursements	% of Disbursements	Disbursements	% of Disbursements	Disbursements	% of Disbursements	Disbursements	% of Disbursements
	(in ₹ million, except percentages)									
Urban	8,814.55	17.49%	7,602.03	18.73%	10,361.28	18.43%	5,774.16	17.90%	2,750.56	16.83%
Semi-Urban	18,539.78	36.78%	14,431.23	35.55%	20,164.41	35.86%	11,520.73	35.71%	5,750.63	35.19%
Rural	22,908.33	45.45%	18,423.13	45.38%	25,510.10	45.37%	14,843.87	46.01%	7,666.36	46.92%
Others[(1)]	140.72	0.28%	137.77	0.34%	192.73	0.34%	121.74	0.38%	172.97	1.06%
Total	**50,403.38**	**100.00%**	**40,594.15**	**100.00%**	**56,228.52**	**100.00%**	**32,260.49**	**100.00%**	**16,340.52**	**100.00%**

Note:
(1) Others include areas with pincode tagged as others and pincodes which are not tagged.

Geographical Spread of Branches by Region Type

The following table sets forth the geographical spread of our branches across different region types, as of the dates indicated:

Region	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Number of Branches	% of Branches	Number of Branches	% of Branches	Number of Branches	% of Branches	Number of Branches	% of Branches	Number of Branches	% of Branches
Urban	190	35.51%	153	34.69%	158	35.35%	142	33.57%	112	32.56%
Semi-	247	46.17%	212	48.07%	213	47.65%	204	48.23%	162	47.09%

Region	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Number of Branches	% of Branches	Number of Branches	% of Branches	Number of Branches	% of Branches	Number of Branches	% of Branches	Number of Branches	% of Branches
Urban										
Rural	98	18.32%	76	17.23%	76	17.00%	77	18.20%	70	20.35%
Total	**535**	**100.00%**	**441**	**100.00%**	**447**	**100.00%**	**423**	**100.00%**	**344**	**100.00%**

Branches by states and union territory

The following table sets forth the geographical spread of our branches across states and union territory as of the dates indicated:

Branch by State/ Territory	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Number of branches	% of total branches	Number of branches	% of total branches	Number of branches	% of total branches	Number of branches	% of total branches	Number of branches	% of total branches
Rajasthan	207	38.69%	179	40.59%	179	40.04%	180	42.55%	174	50.58%
Madhya Pradesh	79	14.77%	69	15.65%	69	15.44%	69	16.31%	45	13.08%
Gujarat	61	11.40%	65	14.74%	64	14.32%	64	15.13%	56	16.28%
Maharashtra	49	9.16%	47	10.66%	46	10.29%	39	9.22%	27	7.85%
Haryana	36	6.73%	27	6.12%	27	6.04%	23	5.44%	22	6.40%
Punjab	29	5.42%	22	4.99%	23	5.15%	22	5.20%	16	4.65%
Chhattisgarh	15	2.80%	8	1.81%	10	2.24%	7	1.65%	4	1.16%
Himachal Pradesh	14	2.62%	10	2.27%	11	2.46%	7	1.65%	-	-
Uttarakhand	13	2.43%	10	2.27%	10	2.24%	8	1.89%	-	-
Karnataka	12	2.24%	-	-	-	-	-	-	-	-
Delhi	11	2.06%	4	0.91%	8	1.79%	4	0.95%	-	-
Uttar Pradesh	9	1.68%	-	-	-	-	-	-	-	-
Total	**535**	**100.00%**	**441**	**100.00%**	**447**	**100.00%**	**423**	**100.00%**	**344**	**100.00%**

AUM by states and union territory

The following table sets forth the geographical spread of our AUM across states and union territory, as of the dates indicated:

AUM by State/ Territory	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM
	(₹ million, except percentages)									
Rajasthan	49,093.21	51.59%	37,210.17	55.41%	40,013.69	54.23%	28,019.81	59.45%	22,519.70	65.90%
Madhya Pradesh	13,044.48	13.71%	8,964.66	13.35%	10,057.34	13.63%	5,838.02	12.39%	3,485.91	10.20%
Gujarat	9,975.93	10.48%	8,179.24	12.18%	8,640.87	11.71%	6,267.62	13.30%	4,752.30	13.91%
Haryana	5,496.58	5.78%	3,382.22	5.04%	3,829.59	5.19%	2,429.84	5.15%	1,008.95	2.95%
Punjab	5,201.94	5.47%	3,267.99	4.87%	3,740.95	5.07%	2,098.79	4.45%	1,395.50	4.08%
Maharashtra	4,444.05	4.67%	2,820.31	4.20%	3,235.90	4.39%	1,495.91	3.17%	831.32	2.43%
Uttarakhand	1,553.58	1.63%	666.04	0.99%	871.54	1.18%	151.39	0.32%	-	-
Delhi	1,451.32	1.53%	570.62	0.85%	765.39	1.04%	128.88	0.27%	-	-
Himachal Pradesh	1,282.43	1.35%	479.20	0.71%	682.92	0.93%	59.74	0.13%	-	-
Chhattisgarh	890.70	0.94%	396.07	0.59%	512.97	0.70%	172.45	0.37%	15.68	0.05%
Uttar Pradesh	166.43	0.17%	-	-	-	-	-	-	-	-
Karnataka	12.12	0.01%	-	-	-	-	-	-	-	-
Others(1)	2,542.46	2.67%	1,223.35	1.82%	1,432.26	1.94%	473.22	1.00%	162.33	0.48%
Total	**95,155.23**	**100.00%**	**67,159.89**	**100.00%**	**73,783.42**	**100.00%**	**47,135.66**	**100.00%**	**34,171.69**	**100.00%**

(1) Others include personal loans, co-lending arrangements and pool buy out.

Disbursement by states and union territory

The following table sets forth the geographical spread of our disbursements across states and union territory, for the periods indicated:

States	For the nine months ended December 31, 2023		For the nine months ended December 31, 2022		For Fiscal ended March 31, 2023		For Fiscal ended March 31, 2022		For Fiscal ended March 31, 2021	
	Amount (in ₹ million)	% of total disbursements	Amount (in ₹ million)	% of total disbursements	Amount (in ₹ million)	% of total disbursements	Amount (in ₹ million)	% of total disbursements	Amount (in ₹ million)	% of total disbursements
Rajasthan	24,871.48	49.34%	21,625.04	53.27%	29,691.19	52.80%	18,335.21	56.83%	10,299.20	63.03%
Madhya Pradesh	6,641.99	13.18%	5,460.53	13.45%	7,562.45	13.45%	4,188.11	12.98%	1,929.42	11.81%
Gujarat	4,732.73	9.39%	4,530.30	11.16%	6,179.47	10.99%	4,073.57	12.63%	2,106.18	12.89%
Haryana	3,230.19	6.41%	1,887.77	4.65%	2,754.71	4.90%	2,037.50	6.32%	816.28	5.00%
Punjab	2,770.22	5.50%	2,019.06	4.97%	2,838.09	5.05%	1,465.11	4.54%	645.13	3.95%
Maharashtra	2,433.90	4.83%	2,006.30	4.94%	2,766.99	4.92%	1,153.78	3.58%	435.76	2.67%
Uttarakhand	993.38	1.97%	599.11	1.48%	871.32	1.55%	155.67	0.48%	-	-
Delhi	923.85	1.83%	501.00	1.23%	741.05	1.32%	132.59	0.41%	-	-
Himachal Pradesh	821.87	1.63%	462.65	1.14%	706.40	1.26%	61.08	0.19%	-	-
Chhattisgarh	609.96	1.21%	302.84	0.75%	477.81	0.85%	183.90	0.57%	16.07	0.10%
Uttar Pradesh	176.38	0.35%	-	-	-	-	-	-	-	-
Karnataka	12.67	0.03%	-	-	-	-	-	-	-	-
Others[(1)]	**2,184.74**	**4.33%**	**1,199.54**	**2.95%**	**1,639.06**	**2.92%**	**473.97**	**1.47%**	**92.48**	**0.57%**
Total	**50,403.38**	**100.00%**	**40,594.15**	**100.00%**	**56,228.52**	**100.00%**	**32,260.49**	**100.00%**	**16,340.52**	**100.00%**

(1) Others include personal loans and co-lending loans.

State-wise breakdown of our vehicle financing and MSME financing branches

The following table sets forth the breakdown of our branches providing vehicle financing and MSME financing, as of the dates indicated:

States	As of December 31, 2023			As of December 31, 2022			As of March 31, 2023			As of March 31, 2022			As of March 31, 2021		
	No. of Vehicle Branches	No. of MSME Branches	Gap	No. of Vehicle Branches	No. of MSME Branches	Gap	No. of Vehicle Branches	No. of MSME Branches	Gap	No. of Vehicle Branches	No. of MSME Branches	Gap	No. of Vehicle Branches	No. of MSME Branches	Gap
Rajasthan	207	168	39	179	128	51	179	133	46	180	109	71	174	90	84
Madhya Pradesh	79	68	11	69	51	18	69	52	17	69	28	41	45	8	37
Gujarat	61	-	61	65	-	65	64	-	64	64	20	44	56	13	43
Maharashtra	49	-	49	47	-	47	46	-	46	39	-	39	27	-	27
Haryana	36	31	5	27	19	8	27	20	7	23	8	15	22	4	18
Punjab	29	26	3	22	22	-	23	22	1	22	11	11	16	3	13
Uttar Pradesh	9	7	2	-	-	-	-	-	-	-	-	-	-	-	-
Chhattisgarh	15	7	8	8	-	8	10	5	5	7	-	7	4	-	4
Himachal Pradesh	14	2	12	10	-	10	11	1	10	7	-	7	-	-	-
Karnataka	12	-	12	-	-	-	-	-	-	-	-	-	-	-	-
Uttarakhand	13	9	4	10	4	6	10	4	6	8	-	8	-	-	-
Delhi	11	4	7	4	-	4	8	-	8	4	-	4	-	-	-
Total	**535**	**322**	**213**	**441**	**224**	**217**	**447**	**237**	**210**	**423**	**176**	**247**	**344**	**118**	**226**

XI. Productivity Ratios

Geographical spread of branches based on vintage (i.e. the number of years that our branches have been operational)

The following table sets forth the geographical spread of our branches based on vintage as of December 31, 2023:

	As of December 31, 2023				
States	**1 year or less**	**>1 year – 2 years**	**>2 years – 3 years**	**>3 years – 5 years**	**> 5 years**
Rajasthan	24	11	4	22	146
Uttar Pradesh	9	-	-	-	-
Delhi	7	2	2	-	-
Haryana	9	4	1	20	2
Uttarakhand	3	5	5	-	-
Punjab	7	1	5	4	12

	As of December 31, 2023				
States	**1 year or less**	**>1 year – 2 years**	**>2 years – 3 years**	**>3 years – 5 years**	**> 5 years**
Himachal Pradesh	4	7	3	-	-
North - Total	**63**	**30**	**20**	**46**	**160**
Karnataka	12	-	-	-	-
South - Total	**12**	**-**	**-**	**-**	**-**
Madhya Pradesh	10	3	21	22	23
Gujarat	-	2	6	4	49
Maharashtra	4	11	11	9	14
West - Total	**14**	**16**	**38**	**35**	**86**
Chhattisgarh	7	1	6	1	-
East - Total	**7**	**1**	**6**	**1**	**-**
Total	**96**	**47**	**64**	**82**	**246**

Breakdown of AUM based on vintage of branches

The following table sets forth the breakdown of our AUM as of the dates indicated, based on the vintage of our branches:

AUM based on vintage of branches[(1)]	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM
Branches of 1 year or less	1,162.40	1.22%	1,931.08	2.88%	1,256.33	1.70%	2,350.92	4.99%	603.93	1.77%
Branches of >1 year to 2 years	5,119.60	5.38%	5,066.58	7.54%	7,029.45	9.53%	1,994.34	4.23%	2,778.05	8.13%
Branches of >2 years to 3 years	8,765.25	9.21%	3,061.30	4.56%	3,392.44	4.60%	4,188.47	8.89%	1,944.21	5.69%
Branches of >3 years to 5 years	14,798.31	15.55%	11,090.34	16.51%	11,418.84	15.48%	7,541.01	16.00%	10,101.72	29.56%
Branches of >5 years	62,767.21	65.96%	44,787.23	66.69%	49,254.09	66.75%	30,587.69	64.89%	18,581.44	54.38%
Others [(1)]	2,542.46	2.67%	1,223.35	1.82%	1,432.26	1.94%	473.22	1.00%	162.33	0.48%

Note:

(1) Others include personal loans, co-lending arrangements and pool buy out.

AUM per branch based on branch vintage

The following table sets forth our AUM per branch based on its vintage as of the dates indicated:

Branch vintage	As of December 31,		As of March 31,		
	2023	2022	2023	2022	2021
	(₹ million)				
Branches of 1 year or less	11.95	40.50	35.90	30.53	18.90
Branches of >1 year to 2 years	108.64	77.95	93.61	60.43	40.84
Branches of >2 years to 3 years	136.86	102.04	102.80	82.05	70.92
Branches of >3 years to 5 years	180.40	143.80	154.13	112.21	101.75
Branches of >5 years	253.89	200.89	213.44	156.02	136.52

Note: AUM per branch based on its vintage is calculated as AUM of live branches on the last day of the period/ year divided by the number of live branches on the last day of the relevant period/ year.

Disbursement per branch based on branch vintage

The following table sets forth our disbursement per branch based on its vintage for the periods indicated:

Branch vintage	For nine months ended December 31,		For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million)				
Branches of 1 year or less	12.26	40.52	38.97	31.14	19.84
Branches of >1 year to 2 years	69.90	60.88	87.80	54.10	30.43
Branches of >2 years to 3 years	75.83	57.15	76.10	64.18	35.35
Branches of >3 years to 5 years	96.19	87.12	116.25	77.24	47.93
Branches of >5 years	125.71	112.71	154.10	98.06	59.07

Note: Disbursement per branch based on its vintage is calculated as the disbursement through our live branches at the end of the period/ year *divided by the number of live branches on the last day of the relevant period/ year.*

Productivity based on our branch vintage

A. *Vehicle Financing Vertical*

The following table sets forth the breakdown of AUM by branches providing vehicle financing based on their vintage:

AUM by branches providing vehicle financing based on vintage	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM
Branches of 1 year or less	766.38	0.81%	1,806.69	2.69%	1,154.32	1.56%	2,104.20	4.46%	590.78	1.73%
Branches of >1 year to 2 years	4,524.05	4.75%	4,724.36	7.03%	6,418.49	8.70%	1,883.82	4.00%	2,584.35	7.56%
Branches of >2 years to 3 years	7,718.94	8.11%	2,804.25	4.18%	3,068.26	4.16%	3,863.19	8.20%	1,894.80	5.54%
Branches of >3 years to 5 years	11,462.30	12.05%	9,494.71	14.14%	9,541.08	12.93%	6,985.61	14.82%	9,560.85	27.98%
Branches of >5 years	49,776.86	52.31%	36,907.31	54.95%	40,249.14	54.55%	26,062.16	55.29%	15,735.69	46.05%

B. *MSME Financing Vertical*

The following table sets forth the breakdown of AUM by branches providing MSME financing based on their vintage:

AUM by branches providing MSME financing based on vintage	As of December 31,				As of March 31,					
	2023		2022		2023		2022		2021	
	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM	Amount (in ₹ million)	% of AUM
Branches of 1 year or less	1,029.51	1.08%	1,177.97	1.75%	1,385.17	1.88%	548.94	1.16%	118.54	0.35%
Branches of >1 year to 2 years	3,420.16	3.59%	1,738.43	2.59%	2,116.97	2.87%	409.48	0.87%	534.13	1.56%
Branches of >2 years to 3 years	3,448.89	3.62%	873.51	1.30%	885.13	1.20%	1,042.11	2.21%	332.35	0.97%
Branches of >3 years to 5 years	3,893.65	4.09%	2,698.77	4.02%	3,058.60	4.15%	1,865.96	3.96%	1,614.85	4.73%
Branches of >5 years	6,572.03	6.91%	3,710.54	5.52%	4,474.00	6.06%	1,896.96	4.02%	1,043.02	3.05%

XII. Key Operational Metrics

The following table sets forth certain of our overall key operational metrics for the periods indicated:

Particulars	As of/ For the Nine Months Ended December 31,		As of/ For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, except numbers and percentages)				
Number of states and union territory	12	10	10	10	7
Number of branches	535	441	447	423	344
– Number of MSME branches	322	224	237	176	118
Total number of employees (1)	10,725	8,143	8,438	6,730	5,107
– Sales employees	6,202	4,458	4,593	3,570	2,598
– Collection employees	1,607	1,352	1,389	1,209	1,002
Total number of DSAs (2)	8,853	7,924	8,075	6,740	5,014
Number of active loan accounts (3)	430,908	324,466	346,210	241,896	180,147
AUM per employee (4)	8.87	8.25	8.74	7.00	6.69
AUM per sales employee (5)	15.34	15.07	16.06	13.20	13.15
Profit per sales employee (6)	0.35	0.31	0.49	0.40	0.35
Disbursement per sales	8.13	9.11	12.24	9.04	6.29

Particulars	As of/ For the Nine Months Ended December 31,		As of/ For Fiscals ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, except numbers and percentages)				
employee [7]					
AUM per branch [8]	177.86	152.29	165.06	111.43	99.34
Disbursement per branch [9]	94.21	92.05	125.79	76.27	47.50

Notes:

(1) Total number of employees represents aggregate number of our employees as of the last day of relevant period/ year.

(2) Total number of DSAs represents the aggregate number of our direct sales agents as of the last day of relevant period/ year.

(3) Number of active loan accounts represents the aggregate number of loan accounts outstanding as of the end of the relevant period/ year. The aggregate number of loan accounts includes loan accounts which have been transferred or sourced by us by way of securitization /assignment / co-lending and are outstanding as of the last day of the relevant period/ year.

(4) AUM per employee represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our employees as of the last day of relevant period/ year.

(5) AUM per sales employee represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our sales employees as of the last day of relevant period/ year.

(6) Profit per sales employee represents profit for the relevant period/ year divided by the aggregate number of our sales employees as of the last day of relevant period/ year.

(7) Disbursement per sales employee represents disbursements in the relevant period/ year divided by the aggregate number of our sales employees as of the last day of relevant period/ year.

(8) AUM per branch represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.

(9) Disbursement per branch represents disbursements in the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.

For break-down of our employees as of December 31, 2023 see "*Our Business – Description of our Business and Operations – Employees*" on page 224.

XIII. Non-GAAP Reconciliation

Below are the reconciliations of the Non-GAAP measures presented in this Draft Red Herring Prospectus:

Particulars	As at and for the nine months ended December 31,		As at and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, unless otherwise stated)				
Reconciliation from equity share capital to net worth					
Equity share capital (A)	64.44	58.21	58.64	58.17	52.18
Other equity (B)	27,318.52	17,389.08	18,278.76	15,906.22	9,662.59
Prepaid expenses (C)	60.86	31.55	18.06	34.22	22.85
Net Worth (D=A+B-C)	27,322.10	17,415.74	18,319.34	15,930.17	9,691.92
Reconciliation from equity share capital to Net Asset Value Per Equity Share					
Equity share capital (A)	64.44	58.21	58.64	58.17	52.18
Other equity (B)	27,318.52	17,389.08	18,278.76	15,906.22	9,662.59
Prepaid expenses (C)	60.86	31.55	18.06	34.22	22.85
Net Worth (D=A+B-C)	27,322.10	17,415.74	18,319.34	15,930.17	9,691.92
Outstanding number of equity shares* (in million) (E)	128.87	116.93	117.79	116.84	104.86
Net Asset Value Per Equity Share (F=D/E)	212.01	148.95	155.53	136.34	92.42
Reconciliation from Debt securities to Total Borrowings					
Debt securities (A)	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Borrowings (other than debt securities) (B)	61,141.20	45,412.85	53,281.82	30,037.82	16,637.38
Subordinated liabilities (C)	-	204.06	-	203.66	402.94
Total Borrowings (D=A+B+C)	78,910.40	64,067.16	70,431.42	44,977.27	32,243.53
Reconciliation from Gross Loans – Stage 3 to Gross Loans net of Impairment loss allowance – Gross Loans - Stage 3, Gross Loans - Stage 3 ratio, Net loans-Stage 3 ratio (%) and Provision Coverage Ratio on Gross Loans – Stage 3 (%)					
Gross Loans - Stage 3 (A)	2,548.59	1,875.67	1,380.76	1,350.76	1,386.67
Impairment loss allowance – Gross Loans - Stage 3 (B)	1,111.02	574.61	445.45	386.05	732.82
Net Loans - Stage 3 (C=A-B)	1,437.57	1,301.06	935.31	964.71	653.85
Gross Loans (D)	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Gross Loans net of Impairment loss allowance – Gross Loans - Stage 3 (E=D-B)	87,730.23	65,639.37	70,839.71	47,262.15	33,691.01
Gross Loans - Stage 3 ratio (%) (F=A/D*100)	2.87%	2.83%	1.94%	2.83%	4.03%

Particulars	As at and for the nine months ended December 31,		As at and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, unless otherwise stated)				
Net Loans - Stage 3 ratio (%) (G=C/E*100)	1.64%	1.98%	1.32%	2.04%	1.94%
Provision Coverage Ratio on Gross Loans – Stage 3 (%) (H=B/A*100)	43.59%	30.63%	32.26%	28.58%	52.85%
Reconciliation from Gross Loans – Regulatory Stage 3 to Gross Loans net of Impairment loss allowance – Gross Loans – Regulatory Stage 3, Gross Loans – Regulatory Stage 3 ratio, Net loans-Regulatory Stage 3 ratio (%) and Provision Coverage Ratio on Gross Loans – Regulatory Stage 3 (%)					
Gross Loans - Regulatory Stage 3 (A)	1,539.58	1,156.52	836.79	-	-
Impairment loss allowance – Gross Loans - Regulatory Stage 3 (B)	212.75	160.64	102.69	-	-
Net Loans - Regulatory Stage 3 (C=A-B)	1,326.83	995.88	734.10	-	-
Gross Loans (D)	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Gross Loans net of Impairment loss allowance – Gross Loans - Regulatory Stage 3 (E=D-B)	88,628.50	66,053.34	71,182.47	47,648.20	34,423.83
Gross Loans - Regulatory Stage 3 ratio (%) (F=A/D*100)	1.73%	1.75%	1.17%	-	-
Net Loans - Regulatory Stage 3 ratio (%) (G=C/E*100)	1.50%	1.51%	1.03%	-	-
Provision Coverage Ratio on Gross Loans - Regulatory Stage 3 (%) (H=B/A*100)	13.82%	13.89%	12.27%	-	-
Reconciliation from Gross Loan -Stage 3 to Gross Non-Performing Assets Ratio (%) and Provision Coverage Ratio on Gross Non-Performing Assets (%)					
Gross Loans - Stage 3 (A)	2,548.59	1,875.67	1,380.76	1,350.76	1,386.67
Gross Loans - Regulatory Stage 3 (B)	1,539.58	1,156.52	836.79	-	-
Gross Non-performing Assets (C=A+B)	4,088.17	3,032.19	2,217.55	1,350.76	1,386.67
Impairment loss allowance – Gross Loans - Stage 3 (D)	1,111.02	574.61	445.45	386.05	732.82
Impairment loss allowance – Gross Loans - Regulatory Stage 3 (E)	212.75	160.64	102.69	-	-
Provisions for NPAs (excluding provisions on standard assets) (F=D+E)	1,323.77	735.25	548.14	386.05	732.82
Gross Loans (G)	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Gross Non-performing Assets Ratio (%) (H=C/G*100)	4.60%	4.58%	3.11%	2.83%	4.03%
Provision Coverage Ratio on Gross Non-Performing Assets (%) (I=F/C)	32.38%	24.25%	24.72%	28.58%	52.85%
Reconciliation from Finance cost to Adjusted Finance Costs and Average Cost of Borrowings (%)					
Finance costs (A)	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Interest on lease liability (B)	53.90	34.80	59.24	55.18	32.08
Adjusted Finance Costs (C=A-B)	5,445.26	3,787.29	5,415.56	3,412.97	2,938.05
Debt securities (D)	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Borrowings (other than debt securities) (E)	61,141.20	45,412.85	53,281.82	30,037.82	16,637.38
Subordinated liabilities (F)	-	204.06	-	203.66	402.94
Closing Total Borrowings (G=D+E+F)	78,910.40	64,067.16	70,431.42	44,977.27	32,243.53
Opening Total Borrowings (H)	70,431.42	44,977.27	44,977.27	32,243.53	25,563.30
Average Total Borrowings (I=(G+H)/2)	74,670.91	54,522.22	57,704.35	38,610.40	28,903.42
Average Cost of Borrowings (%) (J=C/I*100)#	7.29%	6.95%	9.39%	8.84%	10.17%
Reconciliation from Interest income to Interest margin (%)					
Interest income (A)	11,702.68	8,608.33	12,105.22	7,722.56	6,380.88
Finance costs (B)	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Net Interest income (C=A-B)	6,203.52	4,786.24	6,630.42	4,254.41	3,410.75
Closing Total assets (D)	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Opening Total Assets (E)	90,556.59	62,319.65	62,319.65	42,905.69	35,264.40
Average Total Assets (F=(D+E)/2)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Interest margin (%) (G=C/F*100) #	6.23%	6.59%	8.67%	8.09%	8.73%
Reconciliation from Employee benefits expenses to Operating Expenditure / Average Total Assets (%)					

Particulars	As at and for the nine months ended December 31,		As at and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, unless otherwise stated)				
Employee benefits expenses (A)	2,768.50	2,112.44	2,828.05	2,049.22	1,193.40
Depreciation and amortization (B)	256.80	184.73	252.03	158.14	113.33
Other expenses (C)	710.00	509.77	767.98	592.48	386.02
Operating expenditure (D=A+B+C)	3,735.30	2,806.94	3,848.06	2,799.84	1,692.75
Closing Total Assets (E)	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Opening Total Assets (F)	90,556.59	62,319.65	62,319.65	42,905.69	35,264.40
Average Total Assets (G=(E+F)/2)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Operating Expenditure / Average Total Assets (%) (H=D/G*100) #	3.75%	3.87%	5.03%	5.32%	4.33%
Reconciliation from Employee benefits expenses to Operating Expenditure to Net income Ratio (%)					
Employee benefits expenses (A)	2,768.50	2,112.44	2,828.05	2,049.22	1,193.40
Depreciation and amortization (B)	256.80	184.73	252.03	158.14	113.33
Other expenses (C)	710.00	509.77	767.98	592.48	386.02
Operating expenditure (D=A+B+C)	3,735.30	2,806.94	3,848.06	2,799.84	1,692.75
Total Income (E)	13,152.26	9,283.92	13,142.41	8,206.87	6,824.92
Finance Costs (F)	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Net Income (G=E-F)	7,653.10	5,461.83	7,667.61	4,738.72	3,854.79
Operating Expenditure to Net Income ratio (%) (H=D/G*100)	48.81%	51.39%	50.19%	59.08%	43.91%
Reconciliation from Equity share capital to Average Net Worth					
Equity share capital (A)	64.44	58.21	58.64	58.17	52.18
Other equity (B)	27,318.52	17,389.08	18,278.76	15,906.22	9,662.59
Prepaid expenses (C)	60.86	31.55	18.06	34.22	22.85
Closing Net Worth (D=A+B-C)	27,322.10	17,415.74	18,319.34	15,930.17	9,691.92
Opening Net Worth (E)	18,319.34	15,930.17	15,930.17	9,691.92	8,766.68
Average Net Worth (F=(D+E)/2)	22,820.72	16,672.96	17,124.76	12,811.05	9,229.30
Reconciliation from Equity share capital to Total Assets to Net Worth					
Total Assets (A)	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Equity share capital (B)	64.44	58.21	58.64	58.17	52.18
Other equity (C)	27,318.52	17,389.08	18,278.76	15,906.22	9,662.59
Prepaid expenses (D)	60.86	31.55	18.06	34.22	22.85
Net Worth (E=B+C-D)	27,322.10	17,415.74	18,319.34	15,930.17	9,691.92
Total Assets to Net Worth (F=A/E) (in Times)	3.97	4.76	4.94	3.91	4.43
Reconciliation from Profit for the period/year to Return on Average Total assets (%)					
Profit for the period/ year (A)	2,171.01	1,388.83	2,227.86	1,428.74	910.83
Closing Total assets (B)	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Opening Total Assets (C)	90,556.59	62,319.65	62,319.65	42,905.69	35,264.40
Average Total Assets (D=(B+C)/2)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Return on Average Total assets (%) (E=A/D*100) #	2.18%	1.91%	2.91%	2.72%	2.33%
Reconciliation from Equity share capital to Return on Average Net Worth (%)					
Profit for the period/ year (A)	2,171.01	1,388.83	2,227.86	1,428.74	910.83
Equity share capital (B)	64.44	58.21	58.64	58.17	52.18
Other equity (C)	27,318.52	17,389.08	18,278.76	15,906.22	9,662.59
Prepaid expenses (D)	60.86	31.55	18.06	34.22	22.85
Closing Net Worth (E=B+C-D)	27,322.10	17,415.74	18,319.34	15,930.17	9,691.92
Opening Net Worth (F)	18,319.34	15,930.17	15,930.17	9,691.92	8,766.68
Average Net Worth (G=(E+F)/2)	22,820.72	16,672.96	17,124.76	12,811.05	9,229.30
Return on Average Net Worth (H=A/G*100)	9.51%	8.33%	13.01%	11.15%	9.87%
Reconciliation from Equity share capital to Total Borrowing to Net Worth Ratio					
Debt securities (A)	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Borrowings (other than debt securities) (B)	61,141.20	45,412.85	53,281.82	30,037.82	16,637.38
Subordinated liabilities (C)	-	204.06	-	203.66	402.94
Total Borrowings (D=A+B+C)	78,910.40	64,067.16	70,431.42	44,977.27	32,243.53

Particulars	As at and for the nine months ended December 31,		As at and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, unless otherwise stated)				
Equity share capital (E)	64.44	58.21	58.64	58.17	52.18
Other equity (F)	27,318.52	17,389.08	18,278.76	15,906.22	9,662.59
Prepaid expenses (G)	60.86	31.55	18.06	34.22	22.85
Net Worth (H=E+F-G)	27,322.10	17,415.74	18,319.34	15,930.17	9,691.92
Total Borrowings to Net Worth Ratio (in times) (I=D/H)	2.89	3.68	3.84	2.82	3.33
Reconciliation from total assets to Average Total Assets					
Closing Total Assets (A)	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Opening Total Assets (B)	90,556.59	62,319.65	62,319.65	42,905.69	35,264.40
Average Total Assets (C=(A+B)/2)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Reconciliation from Employee benefits expenses to Operating expenditure					
Employee benefits expenses (A)	2,768.50	2,112.44	2,828.05	2,049.22	1,193.40
Depreciation and amortization (B)	256.80	184.73	252.03	158.14	113.33
Other expenses (C)	710.00	509.77	767.98	592.48	386.02
Operating expenditure (D=A+B+C)	3,735.30	2,806.94	3,848.06	2,799.84	1,692.75
Reconciliation from Interest Income to Interest Income / Average Total Assets (%)					
Interest Income(A)	11,702.68	8,608.33	12,105.22	7,722.56	6,380.88
Closing Total assets (B)	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Opening Total Assets (C)	90,556.59	62,319.65	62,319.65	42,905.69	35,264.40
Average Total Assets (D=(B+C)/2)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Interest Income / Average Total Assets (%) (E=A/D*100) #	11.76%	11.85%	15.84%	14.68%	16.33%
Reconciliation from Finance costs to Finance Costs/ Average Total Assets (%)					
Finance costs (A)	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Closing Total assets (B)	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Opening Total Assets (C)	90,556.59	62,319.65	62,319.65	42,905.69	35,264.40
Average Total Assets (D=(B+C)/2)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Finance Costs/ Average Total Assets (%) (E=A/D*100) #	5.53%	5.26%	7.16%	6.59%	7.60%
Reconciliation from Fees and commission income to Fees and commission income/ Average Total Assets (%)					
Fees and commission income (A)	443.77	275.19	394.76	247.35	145.06
Closing Total assets (B)	1,08,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Opening Total Assets (C)	90,556.59	62,319.65	62,319.65	42,905.69	35,264.40
Average Total Assets(D=(B+C)/2)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Fees and commission income/ Average Total Assets (%) (E=A/D*100) #	0.45%	0.38%	0.52%	0.47%	0.37%
Reconciliation from Net gain on fair value changes to Net gain on fair value changes/ Average Total Assets (%)					
Net gain on fair value changes (A)	93.49	139.96	210.01	143.93	129.87
Closing Total assets (B)	1,08,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Opening Total Assets (C)	90,556.59	62,319.65	62,319.65	42,905.69	35,264.40
Average Total Assets(D=(B+C)/2)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Net gain on fair value changes/ Average Total Assets (%) (E=A/D*100) #	0.09%	0.19%	0.27%	0.27%	0.33%
Reconciliation from Net gain on de-recognition of financial instruments under amortized cost category to Net gain on de-recognition of financial instruments under amortized cost category/ Average Total Assets (%)					
Net gain on de-recognition of financial instruments under amortized cost category (A)	847.23	188.88	317.69	29.98	72.76
Closing Total assets (B)	1,08,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Opening Total Assets (C)	90,556.59	62,319.65	62,319.65	42,905.69	35,264.40
Average Total Assets(D=(B+C)/2)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Net gain on de-recognition of financial instruments under amortized cost category/ Average Total Assets (%) (E=A/D*100) #	0.85%	0.26%	0.42%	0.06%	0.19%

Particulars	As at and for the nine months ended December 31,		As at and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, unless otherwise stated)				
Reconciliation from Other income to Other income/ Average Total Assets (%)					
Other income (A)	65.09	71.56	114.73	63.05	96.35
Closing Total assets (B)	1,08,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Opening Total Assets (C)	90,556.59	62,319.65	62,319.65	42,905.69	35,264.40
Average Total Assets(D=(B+C)/2)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Other Income / Average Total Assets (%) (E=A/D*100) #	0.07%	0.10%	0.15%	0.12%	0.25%
Reconciliation from Total Income to Net Income/ Average Total Assets (%)					
Total Income(A)	13,152.26	9,283.92	13,142.41	8,206.87	6,824.92
Finance costs (B)	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Net Income(C=A-B)	7,653.10	5,461.83	7,667.61	4,738.72	3,854.79
Closing Total assets (D)	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Opening Total Assets (E)	90,556.59	62,319.65	62,319.65	42,905.69	35,264.40
Average Total Assets (F=(D+E)/2)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Net Income/ Average Total Assets (%) (G=C/F*100) #	7.69%	7.52%	10.03%	9.01%	9.86%
Reconciliation from Profit Before Tax to Pre Provisioning Operating Profit and Pre Provisioning Operating Profit/Average Total Assets					
Profit Before Tax (A)	2,808.74	1,820.96	2,902.09	1,776.03	1,234.16
Impairment on financial instruments (B)	1,109.06	833.93	917.46	162.85	927.88
Pre Provisioning Operating Profit (C=A+B)	3,917.80	2,654.89	3,819.55	1,938.88	2,162.04
Closing Total assets (D)	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Opening Total Assets (E)	90,556.59	62,319.65	62,319.65	42,905.69	35,264.40
Average Total Assets (F=(D+E)/2)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Pre Provisioning Operating Profit/Average Total Assets (%) (G=C/F*100) #	3.94%	3.66%	5.00%	3.69%	5.53%
Reconciliation from Impairment on financial instruments to Impairment on financial instruments / Average Total Assets (%)					
Impairment on financial instruments (A)	1,109.06	833.93	917.46	162.85	927.88
Closing Total assets (B)	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Opening Total Assets (C)	90,556.59	62,319.65	62,319.65	42,905.69	35,264.40
Average Total Assets(D=(B+C)/2)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Impairment on financial instruments / Average Total Assets (E=A/D*100) (%)#	1.11%	1.15%	1.20%	0.31%	2.37%
Reconciliation from Profit Before Tax to Profit Before Tax/ Average Total Assets (%)					
Profit Before Tax (A)	2,808.74	1,820.96	2,902.09	1,776.03	1,234.16
Closing Total assets (B)	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Opening Total Assets (C)	90,556.59	62,319.65	62,319.65	42,905.69	35,264.40
Average Total Assets (D=(B+C)/2)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Profit Before Tax/ Average Total Assets (%) (E=A/D*100) #	2.82%	2.51%	3.80%	3.38%	3.16%
Reconciliation from Gross Loans to Total interest-earning assets					
Gross Loans (A)	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Investments (B)	4,595.94	5,013.44	5,261.19	7,818.43	2,588.76
Balances with banks in term deposits with original maturity of 3 months or less (C)	4,374.68	2,111.75	4,318.31	80.05	1,669.65
Bank balance other than cash and cash equivalents (D)	6,196.86	5,684.20	4,623.07	4,433.45	3,850.93
Total interest-earning assets (E=A+B+C+D)	104,008.73	79,023.37	85,487.73	59,980.13	42,533.17
Reconciliation from Gross Loans to Average interest-earning assets					
Gross Loans (A)	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Investments (B)	4,595.94	5,013.44	5,261.19	7,818.43	2,588.76
Balances with banks in term deposits with original maturity of 3 months or less (C)	4,374.68	2,111.75	4,318.31	80.05	1,669.65
Bank balance other than cash and cash equivalents (D)	6,196.86	5,684.20	4,623.07	4,433.45	3,850.93

Particulars	As at and for the nine months ended December 31,		As at and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, unless otherwise stated)				
Closing Total interest-earning assets (E=A+B+C+D)	104,008.73	79,023.37	85,487.73	59,980.13	42,533.17
Opening Total interest-earning assets (F)	85,487.73	59,980.13	59,980.13	42,533.17	34,767.37
Average interest-earning assets (G=(E+F)/2)	94,748.23	69,501.75	72,733.93	51,256.65	38,650.27
Reconciliation from Gross Loans to Average interest-earning assets / Average total assets					
Gross Loans (A)	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Investments (B)	4,595.94	5,013.44	5,261.19	7,818.43	2,588.76
Balances with banks in term deposits with original maturity of 3 months or less (C)	4,374.68	2,111.75	4,318.31	80.05	1,669.65
Bank balance other than cash and cash equivalents (D)	6,196.86	5,684.20	4,623.07	4,433.45	3,850.93
Closing Total interest-earning assets (E=A+B+C+D)	104,008.73	79,023.37	85,487.73	59,980.13	42,533.17
Opening Total interest-earning assets (F)	85,487.73	59,980.13	59,980.13	42,533.17	34,767.37
Average interest-earning assets (G=(E+F)/2)	94,748.23	69,501.75	72,733.93	51,256.65	38,650.27
Closing Total assets (H)	1,08,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Opening Total Assets (I)	90,556.59	62,319.65	62,319.65	42,905.69	35,264.40
Average Total Assets (J=(H+I)/2)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Average interest-earning assets / Average total assets (K=G/J) (in times)	0.95	0.96	0.95	0.97	0.99
Reconciliation from Debt securities to Average Total Borrowings					
Debt securities (A)	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Borrowings (other than debt securities) (B)	61,141.20	45,412.85	53,281.82	30,037.82	16,637.38
Subordinated liabilities (C)	-	204.06	-	203.66	402.94
Closing Total Borrowings (D=A+B+C)	78,910.40	64,067.16	70,431.42	44,977.27	32,243.53
Opening Total Borrowings(E)	70,431.42	44,977.27	44,977.27	32,243.53	25,563.30
Average Total Borrowings (F=(D+E)/2)	74,670.91	54,522.22	57,704.35	38,610.40	28,903.42
Reconciliation from Debt securities to Average Total Borrowings / Average total assets					
Debt securities (A)	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Borrowings (other than debt securities) (B)	61,141.20	45,412.85	53,281.82	30,037.82	16,637.38
Subordinated liabilities (C)	-	204.06	-	203.66	402.94
Closing Total Borrowings (D=A+B+C)	78,910.40	64,067.16	70,431.42	44,977.27	32,243.53
Opening Total Borrowings(E)	70,431.42	44,977.27	44,977.27	32,243.53	25,563.30
Average Total Borrowings(F=(D+E)/2)	74,670.91	54,522.22	57,704.35	38,610.40	28,903.42
Closing Total assets (G)	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Opening Total Assets (H)	90,556.59	62,319.65	62,319.65	42,905.69	35,264.40
Average Total Assets (I=(G+H)/2)	99,526.43	72,621.54	76,438.12	52,612.67	39,085.04
Average Total Borrowings/ Average total assets (J=F/I) (in times)	0.75	0.75	0.75	0.73	0.74
Reconciliation from Gross Loans to Average interest-earning assets / Average Total Borrowings					
Gross Loans (A)	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Investments (B)	4,595.94	5,013.44	5,261.19	7,818.43	2,588.76
Balances with banks in term deposits with original maturity of 3 months or less (C)	4,374.68	2,111.75	4,318.31	80.05	1,669.65
Bank balance other than cash and cash equivalents (D)	6,196.86	5,684.20	4,623.07	4,433.45	3,850.93
Closing Total interest-earning assets (E=A+B+C+D)	104,008.73	79,023.37	85,487.73	59,980.13	42,533.17
Opening Total interest-earning assets (F)	85,487.73	59,980.13	59,980.13	42,533.17	34,767.37
Average interest-earning assets (G=(E+F)/2)	94,748.23	69,501.75	72,733.93	51,256.65	38,650.27
Closing Total Borrowings(H)	78,910.40	64,067.16	70,431.42	44,977.27	32,243.53
Opening Total Borrowings(I)	70,431.42	44,977.27	44,977.27	32,243.53	25,563.30
Average Total Borrowings (J=(H+I)/2)	74,670.91	54,522.22	57,704.35	38,610.40	28,903.42
Average interest-earning assets / Average Total Borrowings (K=G/J) (in times)	1.27	1.27	1.26	1.33	1.34

Particulars	As at and for the nine months ended December 31,		As at and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, unless otherwise stated)				
Reconciliation from Interest Income to net yield on interest-earning assets					
Interest Income(A)	11,702.68	8,608.33	12,105.22	7,722.56	6,380.88
Finance costs (B)	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Net Interest income(C=A-B)	6,203.52	4,786.24	6,630.42	4,254.41	3,410.75
Gross Loans (D)	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Investments (E)	4,595.94	5,013.44	5,261.19	7,818.43	2,588.76
Balances with banks in term deposits with original maturity of 3 months or less (F)	4,374.68	2,111.75	4,318.31	80.05	1,669.65
Bank balance other than cash and cash equivalents (G)	6,196.86	5,684.20	4,623.07	4,433.45	3,850.93
Closing Total interest-earning assets(H=D+E+F+G)	104,008.73	79,023.37	85,487.73	59,980.13	42,533.17
Opening Total interest-earning assets(I)	85,487.73	59,980.13	59,980.13	42,533.17	34,767.37
Average interest-earning assets (J=(H+I)/2)	94,748.23	69,501.75	72,733.93	51,256.65	38,650.27
Net yield on interest-earning assets (%) (K=C/J*100) #	6.55%	6.89%	9.12%	8.30%	8.82%
Reconciliation from Interest income on financial assets measured at amortized cost to Yield on average Gross Loans					
Interest income on financial assets measured at amortized cost (A)	10,747.83	7,924.97	11,127.47	7,154.10	6,090.18
Closing Gross Loans (B)	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Opening Gross Loans(C)	71,285.16	47,648.20	47,648.20	34,423.83	29,676.05
Average Gross Loans (D=(B+C)/2)	80,063.21	56,931.09	59,466.68	41,036.02	32,049.94
Yield on average Gross Loans (%) (E=A/D*100) #	13.42%	13.92%	18.71%	17.43%	19.00%
Reconciliation from Profit for the period/year to EBITDA					
Profit for the period/ year (A)	2,171.01	1,388.83	2,227.86	1,428.74	910.83
Total tax expense (B)	637.73	432.13	674.23	347.29	323.33
Finance costs (C)	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Depreciation and amortization (D)	256.80	184.73	252.03	158.14	113.33
EBITDA (E=A+B+C+D)	8,564.70	5,827.78	8,628.92	5,402.32	4,317.62
Reconciliation from Interest income on financial assets measured at amortised cost to Spread (%)					
Interest income on financial assets measured at amortised cost (A)	10,747.83	7,924.97	11,127.47	7,154.10	6,090.18
Closing Gross Loans (B)	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Opening Gross Loans(C)	71,285.16	47,648.20	47,648.20	34,423.83	29,676.05
Average Gross Loans (D=(B+C)/2)	80,063.21	56,931.09	59,466.68	41,036.02	32,049.94
Yield on average Gross Loans (%) (E=A/D*100) #	13.42%	13.92%	18.71%	17.43%	19.00%
Finance costs (F)	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Interest on lease liability (G)	53.90	34.80	59.24	55.18	32.08
Adjusted Finance Costs (H=F-G)	5,445.26	3,787.29	5,415.56	3,412.97	2,938.05
Debt securities (I)	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Borrowings (other than debt securities) (J)	61,141.20	45,412.85	53,281.82	30,037.82	16,637.38
Subordinated liabilities (K)	-	204.06	-	203.66	402.94
Closing Total Borrowings (L=I+J+K)	78,910.40	64,067.16	70,431.42	44,977.27	32,243.53
Opening Total Borrowings (M)	70,431.42	44,977.27	44,977.27	32,243.53	25,563.30
Average Total Borrowings(N=(L+M)/2)	74,670.91	54,522.22	57,704.35	38,610.40	28,903.42
Average Cost of Borrowings (%) (O=H/N*100) #	7.29%	6.95%	9.39%	8.84%	10.17%
Spread (%) (P=E-O) #	6.13%	6.97%	9.33%	8.59%	8.84%
Reconciliation from total income to Net income					
Total Income (A)	13,152.26	9,283.92	13,142.41	8,206.87	6,824.92
Finance Costs (B)	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Net Income (C=A-B)	7,653.10	5,461.83	7,667.61	4,738.72	3,854.79
Reconciliation from Interest income to Net interest income					
Interest income (A)	11,702.68	8,608.33	12,105.22	7,722.56	6,380.88
Finance costs (B)	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13

Particulars	As at and for the nine months ended December 31,		As at and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, unless otherwise stated)				
Net Interest income (C=A-B)	6,203.52	4,786.24	6,630.42	4,254.41	3,410.75
Reconciliation from Property, plant and equipment to Total Capital Expenditure					
Additions					
Property, plant and equipment (A)	461.31	364.66	635.10	564.61	252.63
Other intangible assets (B)	66.09	13.41	69.92	57.70	11.39
Total (C=A+B)	527.40	378.07	705.02	622.31	264.02
Intangible assets under development (IAUD)					
Opening Balance (D)	11.24	1.64	1.64	8.94	8.28
Closing Balance (E)	11.24	10.75	11.24	1.64	8.94
Net Addition (F=E-D)	-	9.11	9.60	(7.30)	0.66
Capital work-in-progress (CWIP)					
Opening Balance (G)	41.76	-	-	4.28	26.67
Closing Balance (H)	45.29	18.30	41.76	-	4.28
Net Addition (I=H-G)	3.53	18.30	41.76	(4.28)	(22.39)
Total Capital Expenditure (J=C+F+I)	**530.93**	**405.48**	**756.38**	**610.73**	**242.29**

Note:

[#]Not annualized for the period ended December 31, 2023 and December 31, 2022

**Outstanding number of equity shares after giving the impact of sub-division and bonus.*

SECTION V: FINANCIAL INFORMATION

RESTATED SUMMARY STATEMENTS

(*The remainder of this page has intentionally been left blank*)

Independent Auditors' Examination Report on the Restated Statement of Assets and Liabilities as at December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022, and March 31, 2021 and Restated Statement of Profit and Loss (including Other Comprehensive Income), and Restated Statement of Cash Flows and Restated Statement of Changes in Equity for each of the nine month period ended December 31, 2023 and December 31, 2022 and for each of the years ended March 31, 2023, March 31, 2022, and March 31, 2021, Summary of material accounting policies and other explanatory information for each of the nine month periods ended December 31, 2023 and December 31, 2022 and for each of the years ended March 31, 2023, March 31, 2022 and March 31, 2021 of SK Finance Limited (the "Company") (collectively, the "Restated Summary Statements")

The Board of Directors
SK Finance Limited
G-1/2, New Market, Khasa Kothi
Jaipur, Rajasthan
302006

Dear Sir /Madam,

1. We, S.R. Batliboi & Associates LLP ("we", "us" or "SRBA") have examined the attached Restated Summary Statements of the Company.

   The Restated Summary Statements have been approved by the Board of Directors of the Company at their meeting held on April 18, 2024, for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP"), in connection with its proposed Initial Public Offer of equity shares of face value of Re.1 each (the "Proposed IPO"), and have been prepared by the Company in accordance with the requirements of:

   a) Section 26 of Part I of Chapter III of The Companies Act, 2013 (the "Act");

   b) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

   c) The Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

Management's Responsibility for the Restated Summary Statements

2. The preparation of Restated Summary Statements is the responsibility of the management of the Company. The Restated Summary Statements have been prepared by the management of the Company on the basis of preparation stated in Note 1A to the Restated Summary Statements. The responsibility of the management includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Summary Statements. The management of the Company is also responsible for identifying and ensuring that the Company complies with the Act, the ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Summary Statements taking into consideration:

   a) the terms of reference and our engagement agreed with the Company vide our engagement letter dated February 22, 2024, requesting us to carry out work on such Restated Summary Statements, proposed to be included in the DRHP of the Company in connection with the Company's Proposed IPO;

   b) the Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI;

c) concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Summary Statements; and

d) the requirements of Section 26 of the Act and applicable provisions of the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Proposed IPO.

Restated Summary Statements as per audited financial statements

4. The Restated Summary Statements have been compiled by the management of the Company from

   a. The audited interim financial statements of the Company as at and for the nine month period ended December 31, 2023, prepared in accordance with the accounting principle generally accepted in India including Indian Accounting Standard 34 ("Ind AS 34"), specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, which has been approved by the Board of Directors at their meeting held on April 18, 2024;

   b. The audited interim financial statements of the Company as at and for the nine month period ended December 31, 2022, prepared in accordance with the accounting principle generally accepted in India including Ind AS 34, specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, which has been approved by the Board of Directors at their meeting held on April 18, 2024;

   c. the audited financial statements of the Company as at and for the year ended March 31, 2023, which was prepared in accordance with the accounting principles generally accepted in India, including, the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, which has been approved by the Board of Directors at their meeting held on May 3, 2023;.

   d. audited financial statements of the Company as at and for the year ended March 31, 2022, which was prepared in accordance with the accounting principles generally accepted in India, including, the Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, which has been approved by the Board of Directors at their meeting held on May 20, 2022; and

   e. audited financial statements of the Company as at and for the year ended March 31, 2021, which was prepared in accordance with the accounting principles generally accepted in India, including, the Ind AS specified under Section 133 of the Act which has been approved by the Board of Directors at their meeting held on May 5, 2021.

5. For the purpose of our examination, we have relied on:

   a. The Independent Auditor's Reports issued by us dated April 18, 2024, April 18, 2024, May 3, 2023 and May 20, 2022, on the interim financial statements of the Company as at and for the nine month periods ended December 31, 2023 and December 31, 2022 and on the financial statements of the Company as at and for the years ended March 31, 2023 and March 31, 2022, as referred to in Paragraph 4 above; and

   b. the Independent auditor's report dated May 5, 2021 on the financial statements of the Company as at and for the year ended March 31, 2021, issued by the Company's previous auditor, B S R & Co. LLP (the "Previous Auditors").

   c. Examination report dated April 18, 2024 of the Previous Auditors, on the Restated Statement of Assets and Liabilities as at March 31, 2021, and Restated Statement of Profit and Loss (including other comprehensive income), Restated Statement of Changes in Equity and restated statement of cash flows, the Summary Statement of Material Accounting Policies and other explanatory information for the year ended March 31, 2021 ("Restated Prior Period Financial Information"), examined by them, confirming that the Restated Prior Period Financial Information:

(i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regroupings / reclassifications retrospectively in the financial year ended March 31, 2021 to reflect the same accounting treatment as per the accounting policies and groups / classifications followed as at and for the nine month period ended December 31, 2023;

(ii) do not contain any qualifications requiring adjustments. However, those qualifications included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order, 2016, as applicable, on the financial statements for the years ended March 31, 2021 which do not require any corrective adjustment in the Restated Prior Period Financial Information have been disclosed in Note 94 to the Restated Prior Period Financial Information; and

(iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

6. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter II of the Act, the ICDR Regulations and the Guidance Note, and according to the information and explanations given to us, and the reliance placed on the examination report of the Previous Auditors as stated in paragraph 5.c above, we report that the Restated Summary Statements:

   a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regroupings / reclassifications in the financial years ended March 31, 2023, March 31, 2022, March 31, 2021 and nine months period ended December 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine months ended December 31, 2023;

   b. do not contain any qualifications requiring adjustments. However, those qualifications included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order, 2020, on the financial statements for the years ended March 31, 2023 and March 31, 2022, which do not require any corrective adjustment in the Restated Summary Statements have been disclosed in Note 94 to the Restated Summary Statements;

   c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2023. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to December 31, 2023.

8. The Restated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited interim financial statements and audited financial statements mentioned in paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited, and National Stock Exchange of India Limited in connection with the Proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any

duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W / E300004

per **Amit Kabra**
Partner
Membership Number: 094533
UDIN: 24094533BKEXDY2553
Place of Signature: Gurugram
Date: April 18, 2024

SK Finance Limited
Restated Summary Statements
Annexure I - Restated Statement of Assets and Liabilities
(₹ in millions except otherwise stated)

Particulars	Note No.	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
ASSETS						
Financial assets						
Cash and cash equivalents	4	7,038.81	4,667.03	7,574.87	1,745.59	2,333.15
Bank balance other than cash and cash equivalents	5	6,196.86	5,684.20	4,623.07	4,433.45	3,850.93
Derivative financial instruments	6	215.04	259.00	250.81	47.96	-
Receivables						
Other receivables	7	52.98	135.42	107.51	22.31	44.73
Loans	8	86,739.80	64,640.77	69,903.93	46,433.02	32,798.97
Investments	9	4,595.94	5,013.44	5,261.19	7,818.43	2,588.76
Other financial assets	10	1,337.17	573.36	796.81	280.60	279.95
Total financial assets		**1,06,176.60**	**80,973.22**	**88,518.19**	**60,781.36**	**41,896.49**
Non-financial assets						
Current tax assets (net)		147.33	226.28	222.85	100.27	-
Deferred tax assets (net)	34	310.54	374.43	264.02	361.78	388.82
Property, plant and equipment	11	1,547.41	1,164.94	1,326.41	973.77	560.16
Capital work-in-progress	12	45.29	18.30	41.76	-	4.28
Intangible assets under development	13	11.24	10.75	11.24	1.64	8.94
Other intangible assets	14	133.46	58.32	103.52	58.37	11.81
Other non-financial assets	15	124.40	97.18	68.60	42.46	35.19
Total non-financial assets		**2,319.67**	**1,950.20**	**2,038.40**	**1,538.29**	**1,009.20**
Total assets		**1,08,496.27**	**82,923.42**	**90,556.59**	**62,319.65**	**42,905.69**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Derivative financial instruments	6	15.64	10.52	3.77	5.24	5.06
Debt securities	16	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Borrowings (other than debt securities)	17	61,141.20	45,412.85	53,281.82	30,037.82	16,637.38
Subordinated liabilities	18	-	204.06	-	203.66	402.94
Other financial liabilities	19	1,960.64	1,205.29	1,572.22	1,203.96	762.39
Total financial liabilities		**80,886.68**	**65,282.97**	**72,007.41**	**46,186.47**	**33,010.98**
Non-financial liabilities						
Current tax liabilities (net)		-	-	-	-	62.70
Provisions	20	127.88	93.36	105.62	86.27	55.38
Other non-financial liabilities	21	98.75	99.80	106.16	82.52	61.86
Total non-financial liabilities		**226.63**	**193.16**	**211.78**	**168.79**	**179.94**
EQUITY						
Equity share capital	22	64.44	58.21	58.64	58.17	52.18
Other equity	23	27,318.52	17,389.08	18,278.76	15,906.22	9,662.59
Total equity		**27,382.96**	**17,447.29**	**18,337.40**	**15,964.39**	**9,714.77**
Total liabilities and equity		**1,08,496.27**	**82,923.42**	**90,556.59**	**62,319.65**	**42,905.69**
Material accounting policies	1-3					

The accompanying notes form an integral part of the Restated Summary Statements

As per our report of even date attached

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Firm Registration No: 101049W/E300004

For and on behalf of the Board of Directors of
SK Finance Limited

Amit Kabra
Partner
ICAI Membership No. 094533

Rajendra Kumar Setia
(Managing Director & CEO)
DIN - 00957374

Yash Setia
(Whole Time Director)
DIN - 09831391

Place : Gurugram
Date : April 18, 2024

Atul Arora
(Chief Financial Officer)

Anagha Bangur
(Company Secretary)
Membership No.: F10697

Place : Jaipur
Date : April 18, 2024

SK Finance Limited
Restated Summary Statements
Annexure II - Restated Statement of Profit and Loss (including other comprehensive income)
(₹ in millions except otherwise stated)

	Particulars	Note No.	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
	Revenue from operation						
	Interest income	24	11,702.68	8,608.33	12,105.22	7,722.56	6,380.88
	Fees and commission income	25	443.77	275.19	394.76	247.35	145.06
	Net gain on fair value changes	26	93.49	139.96	210.01	143.93	129.87
	Net gain on de-recognition of financial instruments under amortised cost category	27	847.23	188.88	317.69	29.98	72.76
(I)	**Total revenue from operations**		**13,087.17**	**9,212.36**	**13,027.68**	**8,143.82**	**6,728.57**
(II)	Other income	28	65.09	71.56	114.73	63.05	96.35
(III)	**Total income (I+II)**		**13,152.26**	**9,283.92**	**13,142.41**	**8,206.87**	**6,824.92**
	Expenses						
	Finance costs	29	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
	Impairment on financial instruments	30	1,109.06	833.93	917.46	162.85	927.88
	Employee benefits expenses	31	2,768.50	2,112.44	2,828.05	2,049.22	1,193.40
	Depreciation and amortization	32	256.80	184.73	252.03	158.14	113.33
	Other expenses	33	710.00	509.77	767.98	592.48	386.02
(IV)	**Total expenses**		**10,343.52**	**7,462.96**	**10,240.32**	**6,430.84**	**5,590.76**
(V)	**Profit before tax (III-IV)**		**2,808.74**	**1,820.96**	**2,902.09**	**1,776.03**	**1,234.16**
(VI)	**Tax expense**	34					
	(1) Current tax		679.64	457.23	588.28	364.37	429.54
	(2) Tax related to earlier years		-	(12.56)	(12.56)	(46.56)	89.53
	(3) Deferred tax		(41.91)	(12.54)	98.51	29.48	(195.74)
	Total tax expense		**637.73**	**432.13**	**674.23**	**347.29**	**323.33**
(VII)	**Profit for the period/year (V-VI)**		**2,171.01**	**1,388.83**	**2,227.86**	**1,428.74**	**910.83**
(VIII)	**Other comprehensive income**	34					
	Items that will not be reclassified to profit or loss						
	Remeasurements of the defined benefit plans		(18.32)	(0.45)	(2.98)	(9.67)	0.46
	Income tax relating to items that will not be reclassified to profit or loss		4.61	0.11	0.75	2.44	(0.12)
	Other comprehensive income		**(13.71)**	**(0.34)**	**(2.23)**	**(7.23)**	**0.34**
(IX)	**Total comprehensive income for the period/year (VII+VIII) (comprising profit and other comprehensive income for the period/year)**		**2,157.30**	**1,388.49**	**2,225.63**	**1,421.51**	**911.17**
(X)	**Earnings per equity share par value of ₹ 2 each**	35					
	Basic (₹)*		17.78	11.94	19.13	12.62	9.04
	Diluted (₹)*		17.55	11.69	18.79	12.41	8.95

* The Restated earnings per equity share for the period ended December 31, 2022 and December 31, 2023 is not annualised.

Material accounting policies 1-3

The accompanying notes form an integral part of the Restated Summary Statements
As per our report of even date attached

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Firm Registration No: 101049W/E300004

For and on behalf of the Board of Directors of
SK Finance Limited

Amit Kabra
Partner
ICAI Membership No. 094533

Place : Gurugram
Date : April 18, 2024

Rajendra Kumar Setia
(Managing Director & CEO)
DIN - 00957374

Yash Setia
(Whole Time Director)
DIN - 09831391

Atul Arora
(Chief Financial Officer)

Anagha Bangur
(Company Secretary)
Membership No.: F10697

Place : Jaipur
Date : April 18, 2024

SK Finance Limited
Restated Summary Statements
Annexure III - Restated Statement of Cash Flows
(₹ in millions except otherwise stated)

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities					
Profit before tax	**2,808.74**	**1,820.96**	**2,902.09**	**1,776.03**	**1,234.16**
Adjustments for:					
Loss/(gain) on sale of property, plant and equipment	(0.21)	0.18	2.15	2.24	2.05
Finance costs	5,496.06	3,822.09	5,469.07	3,468.15	2,970.13
Interest income	(11,702.68)	(8,608.33)	(12,105.22)	(7,722.56)	(6,380.88)
Net (gain) on de-recognition of financial instruments under amortised cost category	(847.23)	(188.88)	(317.69)	(29.98)	(72.76)
Net (gain) on investments	(126.06)	(100.88)	(155.91)	(133.63)	(79.75)
Impairment on financial instruments	1,109.06	833.93	917.46	162.85	927.88
Employee share based payment expenses	126.87	87.86	82.99	7.20	13.35
Depreciation and amortization	256.80	184.73	252.03	158.14	113.33
	(2,878.65)	**(2,148.34)**	**(2,953.03)**	**(2,311.56)**	**(1,272.49)**
Cash inflow from interest on loans	11,021.69	7,902.13	10,766.15	7,268.10	5,872.42
Cash outflow towards finance cost	(4,938.68)	(3,995.68)	(5,749.06)	(3,519.77)	(3,042.99)
Cash generated from operation before working capital changes	**3,204.36**	**1,758.11**	**2,064.06**	**1,436.77**	**1,556.94**
Working capital changes:					
(Increase)/decrease in trade receivables	54.54	(113.10)	(85.20)	22.42	(27.17)
(Increase) in loans	(18,023.67)	(18,980.67)	(24,127.20)	(13,782.23)	(4,947.35)
(Increase)/decrease in other financial assets	76.14	(142.06)	(108.90)	(58.24)	(83.58)
(Increase)/decrease in other non-financial assets	(55.80)	(54.72)	(26.14)	(7.16)	8.36
Increase in other financial liabilities	515.24	101.53	507.65	545.90	254.62
Increase/(decrease) in provisions	3.95	6.64	16.37	21.23	(18.16)
Increase/(decrease) in other non-financial liabilities	(7.40)	17.28	23.64	20.55	26.88
	(14,232.64)	**(17,406.99)**	**(21,735.72)**	**(11,800.76)**	**(3,229.46)**
Income taxes paid (net of refunds)	(604.12)	(570.68)	(698.31)	(480.77)	(477.05)
Net cash (used in) operating activities (A)	**(14,836.76)**	**(17,977.67)**	**(22,434.03)**	**(12,281.53)**	**(3,706.51)**
Cash flows from investing activities					
Purchase of property, plant and equipment, capital work in progress and other intangible assets	(518.70)	(405.46)	(705.76)	(610.72)	(242.29)
Proceeds from sale of property, plant and equipment	7.62	2.03	2.41	1.75	2.76
Investment in fixed deposits	(5,775.04)	(8,371.08)	(19,076.48)	(4,984.45)	(10,039.91)
Proceeds from redemption of fixed deposits	4,176.38	7,013.19	19,209.58	4,662.71	10,007.00
Purchase of investments	(82,044.85)	(57,647.31)	(90,930.74)	(38,868.09)	(4,543.21)
Proceeds from redemptions of investments	82,752.59	60,408.79	93,643.89	33,772.07	3,285.96
Interest received on investments	1,098.88	934.90	665.54	266.55	309.11
Net cash generated from / (used in) investing activities (B)	**(303.12)**	**1,935.06**	**2,808.44**	**(5,760.18)**	**(1,220.58)**
Cash flows from financing activities					
Proceeds from issue of shares including securities premium (net off expenses)	6,761.40	6.52	64.43	4,820.91	2.97
Proceeds from issue of debt securities	5,100.00	8,210.00	12,460.00	1,850.00	10,183.00
Repayment of debt securities	(4,682.38)	(4,539.32)	(9,982.90)	(2,425.23)	(7,598.68)
Proceeds from borrowings (other than debt securities)	26,622.39	29,977.20	43,227.70	18,637.75	14,646.43
Repayment of borrowings (other than debt securities)	(19,070.77)	(14,590.15)	(20,174.97)	(5,324.93)	(10,527.10)
Payment of lease liability	(126.82)	(100.20)	(139.39)	(104.35)	(70.07)
Net cash generated from financing activities (C)	**14,603.82**	**18,964.05**	**25,454.87**	**17,454.15**	**6,636.55**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(536.06)	2,921.44	5,829.28	(587.56)	1,709.46
Add : cash and cash equivalents as at the beginning of the period/year	7,574.87	1,745.59	1,745.59	2,333.15	623.69
Cash and cash equivalents as at the end of the period/year*	**7,038.81**	**4,667.03**	**7,574.87**	**1,745.59**	**2,333.15**
*Components of cash and cash equivalents as at the end of the period/year (refer note 4)					
Balances with banks	2,513.20	2,457.05	3,145.85	1,567.63	586.91
Term deposits with original maturity of 3 months or less	4,374.68	2,111.75	4,318.31	80.05	1,669.65
Cash on hand	150.93	98.23	110.71	97.91	76.59
	7,038.81	**4,667.03**	**7,574.87**	**1,745.59**	**2,333.15**

SK Finance Limited
Restated Summary Statements
Annexure III - Restated Statement of Cash Flows(Continued)
(₹ in millions except otherwise stated)

Change in liabilities arising from financing activities

Particulars	Debt securities	Borrowings (other than debt securities)	Subordinated liabilities	Lease liability	Total
As at April 01, 2020	**12,601.41**	**12,557.12**	**404.77**	**236.83**	**25,800.13**
Issued/ taken	10,183.00	14,646.43	-	113.53	24,942.96
Repaid	(7,598.68)	(10,510.92)	(16.18)	(70.07)	(18,195.85)
Non-cash changes*	17.48	(55.25)	14.35	32.08	8.66
As at March 31, 2021	**15,203.21**	**16,637.38**	**402.94**	**312.37**	**32,555.90**
Issued/ taken	1,850.00	18,637.75	-	274.87	20,762.62
Repaid	(2,425.23)	(5,183.61)	(141.32)	(104.35)	(7,854.51)
Non-cash changes*	107.81	(53.70)	(57.96)	55.18	51.33
As at March 31, 2022	**14,735.79**	**30,037.82**	**203.66**	**538.07**	**45,515.34**
Issued/ taken	8,210.00	29,977.20	-	154.18	38,341.38
Repaid	(4,539.32)	(14,589.57)	(0.58)	(100.20)	(19,229.67)
Non-cash changes*	43.78	(12.60)	0.98	34.80	66.96
As at December 31, 2022	**18,450.25**	**45,412.85**	**204.06**	**626.85**	**64,694.01**
As at April 01, 2022	**14,735.79**	**30,037.82**	**203.66**	**538.07**	**45,515.34**
Issued/ taken	12,460.00	43,227.70	-	284.80	55,972.50
Repaid	(9,982.90)	(19,932.48)	(242.49)	(139.39)	(30,297.26)
Non-cash changes*	(63.29)	(51.22)	38.83	2.87	(72.81)
As at March 31, 2023	**17,149.60**	**53,281.82**	**-**	**686.35**	**71,117.77**
Issued/ taken	5,100.00	26,622.39	-	197.83	31,920.22
Repaid	(4,682.38)	(19,070.77)	-	(126.82)	(23,879.97)
Non-cash changes*	201.98	307.76	-	43.51	553.25
As at December 31, 2023	**17,769.20**	**61,141.20**	**-**	**800.87**	**79,711.27**

* Non-cash changes includes amortisation of transaction cost, accrued interest, exchange difference and change in lease liability on account of termination.

The above Restated Statement of Cash Flow has been prepared under the 'indirect method' as set out in Ind AS 7 - 'Statement of cash flows'.

Material accounting policies 1-3
The accompanying notes form an integral part of the Restated Summary Statements

As per our report of even date attached

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Firm Registration No: 101049W/E300004

For and on behalf of the Board of Directors of
SK Finance Limited

Amit Kabra
Partner
ICAI Membership No. 094533

Rajendra Kumar Setia
(Managing Director & CEO)
DIN - 00957374

Yash Setia
(Whole Time Director)
DIN - 09831391

Place : Gurugram
Date : April 18, 2024

Atul Arora
(Chief Financial Officer)

Anagha Bangur
(Company Secretary)
Membership No.: F10697

Place : Jaipur
Date : April 18, 2024

SK Finance Limited
Restated Summary Statements
Annexure IV - Restated Statement of Changes in Equity
(₹ in millions except otherwise stated)

A. Equity share capital

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the reporting year	58.64	58.17	58.17	52.18	50.39
Changes in equity share capital during the year	5.80	0.04	0.47	5.99	1.79
Balance at the end of the reporting year	**64.44**	**58.21**	**58.64**	**58.17**	**52.18**

Equity share capital

Particulars	Fully paid up shares		Partly paid up shares	
	Number	Amount	Number	Amount
Balance at the beginning of April 01, 2020	**2,51,94,839**	**50.39**	**-**	**-**
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of April 01, 2020	2,51,94,839	50.39	-	-
Changes in equity share capital during the year	3,750	0.01	10,17,447	1.78
Balance at the end of March 31, 2021	**2,51,98,589**	**50.40**	**10,17,447**	**1.78**
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of March 31, 2021	2,51,98,589	50.40	10,17,447	1.78
Changes in equity share capital during the year	29,94,219	5.99	-	-
Balance at the end of March 31, 2022	**2,81,92,808**	**56.39**	**10,17,447**	**1.78**
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of March 31, 2022	2,81,92,808	56.39	10,17,447	1.78
Changes in equity share capital during the period	21,042	0.04	-	-
Balance at the end of December 31, 2022	**2,82,13,850**	**56.43**	**10,17,447**	**1.78**
Balance at the beginning of April 01, 2022	**2,81,92,808**	**56.39**	**10,17,447**	**1.78**
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of April 01, 2022	2,81,92,808	56.39	10,17,447	1.78
Changes in equity share capital during the year	2,36,520	0.47	-	-
Balance at the end of March 31, 2023	**2,84,29,328**	**56.86**	**10,17,447**	**1.78**
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of March 31, 2023	2,84,29,328	56.86	10,17,447	1.78
Changes in equity share capital during the period	37,89,099	7.58	(10,17,447)	(1.78)
Balance at the end of December 31, 2023	**3,22,18,427**	**64.44**	**-**	**-**

Note 1 - refer note 22(f) for description of changes in equity shares during the period/year.

SK Finance Limited
Restated Summary Statements
Annexure IV - Restated Statement of Changes in Equity (Continued)
(₹ in millions except otherwise stated)

B. Other equity

Particulars	Reserves and surplus					Total
	Statutory reserve	Securities premium	Share options outstanding account	Retained earnings- other than remeasurement of post employment benefit obligations	Retained earnings- remeasurement of post employment benefit obligations	
Balance as at April 01, 2020	**422.39**	**6,524.78**	**26.16**	**1,765.12**	**(1.56)**	**8,736.89**
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated Balance as at April 01, 2020	**422.39**	**6,524.78**	**26.16**	**1,765.12**	**(1.56)**	**8,736.89**
Profit for the year (net of tax)	-	-	-	910.83	-	**910.83**
Other comprehensive income for the year (net of tax)	-	-	-	-	0.34	**0.34**
Total Comprehensive income for the year ended March 31, 2021	-	-	-	**910.83**	**0.34**	**911.17**
Transfer/utilizations						
Transfer to statutory reserve	182.17	-	-	(182.17)	-	-
Securities premium on fresh issue of equity share capital	-	0.26	-	-	-	**0.26**
Securities premium on transfer of ESOP Shares to employees	-	0.92	-	-	-	**0.92**
Share issue expenses	-	-	-	-	-	-
Share options exercised during the year	-	0.37	(0.37)	-	-	-
Share based payment expenses	-	-	13.35	-	-	**13.35**
Balance as at March 31, 2021	**604.56**	**6,526.33**	**39.14**	**2,493.78**	**(1.22)**	**9,662.59**
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated Balance as at April 01, 2021	**604.56**	**6,526.33**	**39.14**	**2,493.78**	**(1.22)**	**9,662.59**
Profit for the year (net of tax)	-	-	-	1,428.74	-	**1,428.74**
Other comprehensive income for the year (net of tax)	-	-	-	-	(7.23)	**(7.23)**
Total Comprehensive income for the year ended March 31, 2022	-	-	-	**1,428.74**	**(7.23)**	**1,421.51**
Transfer/utilizations						
Transfer to statutory reserve	285.75	-	-	(285.75)	-	-
Securities premium on fresh issue of equity share capital	-	4,862.77	-	-	-	**4,862.77**
Securities premium on transfer of ESOP Shares to employees	-	7.14	-	-	-	**7.14**
Share issue expenses	-	(54.99)	-	-	-	**(54.99)**
Share options exercised during the year	-	3.17	(3.17)	-	-	-
Share based payment expenses	-	-	7.20	-	-	**7.20**
Balance as at March 31, 2022	**890.31**	**11,344.42**	**43.17**	**3,636.77**	**(8.45)**	**15,906.22**
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated Balance as at April 01, 2022	**890.31**	**11,344.42**	**43.17**	**3,636.77**	**(8.45)**	**15,906.22**
Profit for the period (net of tax)	-	-	-	1,388.83	-	**1,388.83**
Other comprehensive income for the period (net of tax)	-	-	-	-	(0.34)	**(0.34)**
Total Comprehensive income for the period ended December 31, 2022	-	-	-	**1,388.83**	**(0.34)**	**1,388.49**
Transfer/utilizations						
Transfer to statutory reserve	277.77	-	-	(277.77)	-	-
Securities premium on fresh issue of equity share capital	-	-	-	-	-	-
Securities premium on transfer of ESOP Shares to employees	-	6.51	-	-	-	**6.51**
Share issue expenses	-	-	-	-	-	-
Share options exercised during the period	-	8.62	(8.62)	-	-	-
Share based payment expenses	-		87.86	-	-	**87.86**
Balance as at December 31, 2022	**1,168.08**	**11,359.55**	**122.41**	**4,747.83**	**(8.79)**	**17,389.08**

SK Finance Limited
Restated Summary Statements
Annexure IV - Restated Statement of Changes in Equity (Continued)
(₹ in millions except otherwise stated)

B. Other equity (Continued)

Particulars	Reserves and surplus					Total
	Statutory reserve	Securities premium	Share options outstanding account	Retained earnings- other than remeasurement of post employment benefit obligations	Retained earnings- remeasurement of post employment benefit obligations	
Balance as at April 01, 2022	**890.31**	**11,344.42**	**43.17**	**3,636.77**	**(8.45)**	**15,906.22**
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated Balance as at April 01, 2022	**890.31**	**11,344.42**	**43.17**	**3,636.77**	**(8.45)**	**15,906.22**
Profit for the year (net of tax)	-	-	-	2,227.86	-	**2,227.86**
Other comprehensive income for the year (net of tax)	-	-	-	-	(2.23)	**(2.23)**
Total Comprehensive income for the year ended March 31, 2023	**-**	**-**	**-**	**2,227.86**	**(2.23)**	**2,225.63**
Transfer/utilizations						
Transfer to statutory reserve	445.57	-	-	(445.57)	-	**-**
Securities premium on fresh issue of equity share capital	-	-	-	-	-	**-**
Securities premium on transfer of ESOP shares to employees	-	63.92	-	-	-	**63.92**
Share issue expenses	-	-	-	-	-	**-**
Share options exercised during the year	-	27.47	(27.47)	-	-	**-**
Share based payment expenses	-	-	82.99	-	-	**82.99**
Balance as at March 31, 2023	**1,335.88**	**11,435.81**	**98.69**	**5,419.06**	**(10.68)**	**18,278.76**
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated Balance as at April 01, 2023	**1,335.88**	**11,435.81**	**98.69**	**5,419.06**	**(10.68)**	**18,278.76**
Profit for the period (net of tax)	-	-	-	2,171.01	-	**2,171.01**
Other comprehensive income for the period (net of tax)	-	-	-	-	(13.71)	**(13.71)**
Total Comprehensive income for the period ended December 31, 2023	**-**	**-**	**-**	**2,171.01**	**(13.71)**	**2,157.30**
Transfer/utilizations						
Transfer to statutory reserve	434.20			(434.20)	-	**-**
Securities premium on fresh issue of equity share capital	-	6,770.26	-	-	-	**6,770.26**
Securities premium on transfer of ESOP shares to employees	-	31.88	-	-	-	**31.88**
Share issue expenses	-	(15.66)	-	-	-	**(15.66)**
Share options exercised during the period	-	16.24	(16.24)	-	-	**-**
Share based payment expenses			95.98			**95.98**
Balance as at December 31, 2023	**1,770.08**	**18,238.53**	**178.43**	**7,155.87**	**(24.39)**	**27,318.52**

Material accounting policies 1-3

The accompanying notes form an integral part of the Restated Summary Statements
As per our report of even date attached

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Firm Registration No: 101049W/E300004

For and on behalf of the Board of Directors of
SK Finance Limited

Amit Kabra
Partner
ICAI Membership No. 094533

Rajendra Kumar Setia
(Managing Director & CEO)
DIN - 00957374

Yash Setia
(Whole Time Director)
DIN - 09831391

Place : Gurugram
Date : April 18, 2024

Atul Arora
(Chief Financial Officer)

Anagha Bangur
(Company Secretary)
Membership No.: F10697

Place : Jaipur
Date : April 18, 2024

Note 1 – Corporate Information

SK Finance Limited ("SKFL" or "the Company") is a Public Limited Company incorporated under the provisions of the Companies Act, 1956. The Company is holding a Certificate of Registration ('CoR') and registered as a Non-Banking Financial Company (‘NBFC’) as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934 and having its registered office in G 1-2, New Market, Khasa Khoti, Jaipur-302001 (Rajasthan). The Company is a NBFC classified under ‘Middle Layer’ pursuant to Scale Based Regulations prescribed by the RBI vide its Circular Ref. No. RBI/2021-22/112 DOR CRE.REC. No.60/03.10.001/2021-22 dated October 22, 2021 read with Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 dated October 19, 2023. The Company is engaged in the business of asset financing, lending to Small and Medium Enterprises and allied activities.

Note 1A – Basis of preparation

A. Statement of compliance and basis of preparation of summary statement

The Restated Summary Statements of the Company comprises Restated Statement of Assets and Liabilities of the Company as at December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021 and the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Changes in Equity and the Restated Statement of Cash Flows for each of for the nine month periods ended December 31, 2023 and December 31, 2022 and for each of the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the summary of material accounting policy and other explanatory information to Restated Summary Statements (together referred to as “Restated Summary Statements”) has been prepared specifically for inclusion in the Draft Red Herring Prospectus (“DRHP”) to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) in connection with the proposed Initial Public Offer of the Company (the “Proposed IPO”).

These Restated Summary Statements has been approved by the Company’s Board of Directors and authorized for issue in their meeting held on April 18, 2024 and is prepared by the management of the Company to comply in all material respects with the requirements of

i) Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”);
ii) Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India (“SEBI”) on September 11, 2018, as amended (“ the SEBI ICDR Regulations”) in pursuance of the Securities and Exchange Board of India Act, 1992; and
iii) Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (“the ICAI”), as amended from time to time, (“the Guidance Note”)

These Restated Summary Statements have been compiled from

i) The audited interim financial statement of the Company as at and for the nine month periods ended December 31, 2023 and December 31, 2022 prepared in accordance with Indian Accounting Standard 34 “Interim Financial Reporting”, specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as “Ind AS”), which have been approved by the Board of Directors at their meetings held on April 18, 2024 and April 18, 2024 respectively.
ii) The audited financial statements of the Company as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as “Ind AS”), which have been approved by the Board of Directors at their meetings held on May 03, 2023, May 20, 2022 and May 05, 2021 respectively.

The accounting policies have been consistently applied by the Company in preparation of the Restated Summary Statements to all the periods presented and are consistent with those adopted in the preparation of interim financial statements as at and for the period ended December 31, 2023.

These Restated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited interim financial statements / audited financial statements mentioned above.

The Restated Summary Statements are prepared and presented on accrual and going concern basis and the relevant provisions of Act and the guidelines and directives issued by the Reserve Bank of India (RBI) to the extent applicable. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

B. Basis of measurement

These Restated Summary Statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value/amortised cost, as applicable (refer to material accounting policies), net defined (asset)/ liability present value of defined benefit obligations at fair value, investments carried at fair value and liabilities for equity-settled share-based payment arrangements at fair value. The methods used to measured fair value are discussed further in notes to Restated Summary Statements.

C. Functional and presentation currency

These Restated Summary Statements are prepared in Indian Rupees (INR or ₹), which is the Company's functional currency. All Restated Summary Statements presented in INR or ₹ has been rounded to the nearest millions and two decimals thereof, except as stated otherwise. The Company presents its Balance sheet in order of liquidity.

Note 2 – Material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these Restated Summary Statements. Accounting policies are consistently applied except where a newly-issued Ind AS initially adopted or a revision to an existing Ind AS requires a change in the accounting policy.

A. Property, plant and equipment

i. Recognition and measurement

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-financial assets and cost of assets not ready to use before such date are disclosed under capital work-in-progress. The capital work-in-progress is stated at cost less impairment, if any.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and cost of respective item can be measured reliably.

iii. Depreciation, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives in the manner prescribed in Part C of the Schedule II of the Companies Act, 2013, and is recognised in the Restated Statement of Profit and Loss (including Other Comprehensive Income). Depreciation is charged on a pro-rata basis for assets acquired/sold during the year from/to the date of acquisition/sale. The Company has estimated 5% residual value at the end of the useful life for all block of assets.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Nature of assets	Useful life as per Schedule II	Useful life adopted by the Company
Furniture and fixture	10 years	10 years
Vehicles	8 years	8 years
Office equipment	5 years	5 years
Computers and accessories	3 years	3 years
Servers and networks	6 years	6 years
Plant and equipment	15 years	15 years

Leasehold improvements are depreciated over the remaining period of lease or estimated useful life of the assets, whichever is lower.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively if appropriate.

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates prospectively.

iv. De-recognition

Property, plant and equipment are de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is recognised in other income/expense in the Restated Statement of Profit and Loss (including Other Comprehensive Income) in the period the asset is de-recognised.

B. Intangible assets

i. Recognition and measurement

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Intangible assets comprise computer software which is amortized on a straight-line basis over the estimated useful economic life. The useful life of the intangible assets are estimated at 3 to 5 years. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv. De-recognition

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is recognised in other income/expense in the Restated Statement of Profit and Loss (including Other Comprehensive Income) in the period the asset is de-recognised.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as ‘Intangible assets under development’.

C. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in Restated Statement of Profit and Loss (including Other Comprehensive Income), if any.

D. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value (except trade receivables which is at transaction price) and, in the case of financial assets not recorded at fair value through profit or loss, transaction fees or costs that are directly attributable and incremental to the origination/acquisition of the financial asset.

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis.

Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company assesses the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

- The objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

Assessment whether contractual cash flows is solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Subsequent measurement and gains and losses:

The Company classifies its financial assets in the following measurement categories:

(i) Amortised cost (AC)

A financial asset is measured at amortised cost if it meets both of the following conditions:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. EIR is being calculated by considering all costs and incomes attributable to acquisition of a financial asset reported as part of interest income in the Restated Statement of Profit and Loss (including Other Comprehensive Income). The losses if any, arising from impairment are recognised in the Restated Statement of Profit and Loss (including Other Comprehensive Income).

(ii) Fair value through profit and loss (FVTPL)

This is a residual category for classification. Any asset which does not meet the criteria for classification as at amortised cost or FVOCI, is classified as FVTPL. Financial assets at FVTPL are measured at fair value, and changes in fair value therein are recognised in the Restated Statement of Profit and Loss (including Other Comprehensive Income).

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices market indicators over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the Restated Statement of Profit and Loss (including Other Comprehensive Income). The debt component of such debentures is measured at amortised cost using yield to maturity basis.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received.

Financial liabilities

All financial liabilities are recognised initially at fair value in the case of financial liabilities not recorded at fair value through profit or loss, transaction fees or costs that are directly attributable and incremental to the origination/acquisition of the financial liabilities.

All financial liabilities are subsequently measured at amortised cost using effective interest method. Liabilities which are classified at fair value through profit or loss, including derivatives that are liabilities, shall be subsequently measured at fair value. Interest expense and foreign exchange gains and losses are recognised in Restated Statement of Profit and Loss (including Other Comprehensive Income). Any gain or loss on derecognition is also recognised in Restated Statement of Profit and Loss (including Other Comprehensive Income).

E. Derecognition of financial assets and financial liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under assignment arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company assesses the derecognition test where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred or retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in Restated Statement of Profit and Loss (including Other Comprehensive Income).

Financial liability

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The difference between the carrying value of the financial liability and the consideration paid is recognised in Restated Statement of Profit and Loss (including Other Comprehensive Income).

F. Modification of financial assets and financial liabilities

Financial assets

The Company evaluates whether the cash flows from a financial asset are modified and the modified asset is substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

In case the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as modification gain or loss in Restated Statement of Profit and Loss (including Other Comprehensive Income). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Restated Statement of Profit and Loss (including Other Comprehensive Income).

G. Impairment of financial assets

Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost and FVOCI.

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance has been measured at 12 month ECL.

At each reporting date, the Company assesses whether any financial asset carried at amortised cost and FVOCI is credit-impaired. A financial asset is credit- impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired includes the observable data such as Days Past Due ('DPD') or default event.

ECL is a probability weighted estimate of credit losses, measured as follows:

ECL has been estimated by determining the probability of default ('PD'), Exposure at Default ('EAD') and loss given default ('LGD'). PD has been computed using observed history of default and converted into forward looking PD's using suitable macro-economic variable data. For the financial assets that are credit impaired at the reporting date, the methodology is similar with PD set at 100%.

For trade receivables, the Company applies a simplified approach. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised:

- If the expected restructuring will not result in derecognition of the existing asset, expected cash flows arising from the modified financial asset are included in calculating cash shortfalls from the existing asset
- If the expected restructuring will result in derecognition of the existing asset and the recognition of modified asset, the modified asset is considered as a new financial asset. The date of the modification is treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The impairment loss allowance is measured at an amount equal to 12 month expected credit losses until there is a significant increase in credit risk. If modified financial asset is credit-impaired at initial recognition, the financial asset is recognized as originated credit impaired asset.

Criteria used for determination of movement from stage 1 (12-month ECL) to stage 2 (lifetime ECL) and stage 3 (Credit impaired)

The Company applies a three-stage approach to measure ECL on financial assets measured at amortised cost. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

- **Stage 1: 12 month ECL:**

  For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- **Stage 2: Lifetime ECL (significant impaired):**

  At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due (DPD) information and other qualitative factors to assess deterioration in credit quality of a financial asset.

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- **Stage 3: Credit impaired:**

  Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of loss allowance).

  If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the Expected Credit Loss reverts from lifetime ECL (credit impaired) to lifetime ECL (significant impaired)/12-months ECL.

- **Regulatory Stage 3:**

  Financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021. The lifetime Expected Credit Loss for these assets is calculated based on the repayment status of its overdue as of the reporting date.

Method used to compute lifetime ECL:

The Company calculates ECLs based on a probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the present value of cash flows that the entity expects to receive. The Company applies statistical techniques to estimate lifetime ECL.

Manner in which forward looking assumptions are incorporated in ECL estimates:

The Company considers its historical loss experience and adjusts it for current observable data. In addition, the Company uses reasonable forecasts of future economic conditions including judgement to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, are accounted for prospectively.

H. Write-offs

Financial assets are written off when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. Any subsequent recoveries are credited to impairment on financial instruments in Restated Statement of Profit and Loss (including Other Comprehensive Income). However, financial assets that are written-off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

I. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments such as investments etc.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:-

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

J. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Restated Statement of Assets and Liabilities where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

K. Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Derivative financial instruments are initially recognised at fair value on the date at which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The resulting gain or loss is recognised in Restated Statement of Profit and Loss (including Other Comprehensive Income).

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss.

L. Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair value hedges

Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset, liability that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the Restated Statement of Profit and Loss (including Other Comprehensive Income) in net gain/(loss) on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the Restated Statement of Assets and Liabilities and is also recognised in the Restated Statement of Profit and Loss (including Other Comprehensive Income) in net gain/(loss) on fair value changes.

The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the Restated Statement of Profit and Loss (including Other Comprehensive Income).

M. Revenue recognition

Interest income

Interest income from financial asset is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets.

The EIR is the rate that discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset adjusted for transaction fees or costs that are directly attributable. The interest income is recognised on EIR method on a time proportion basis applied on the carrying amount for financial assets.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the Restated Statement of Assets and Liabilities with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Restated Statement of Profit and Loss (including Other Comprehensive Income).

Interest income on credit impaired assets is recognised by applying the effective interest rate to the amortised cost (i.e. carrying value net of loss allowance) of the financial asset.

Delayed payment interest levied on customers for delay in repayments/non-payment of contractual cash flows is accrued on certainty of realization.

Income from investments are recognised on accrual basis as the investments are classified as fair value through profit and loss.

Fees and commission income

Revenue towards satisfaction of a performance obligation (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at amount of transaction price (net of variable consideration) allocated to that performance obligation. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Income from other financial charges including cheque bouncing charges, foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

Net gain on fair value changes

The Company classifies certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on de-recognition of financial asset measured at FVTPL and FVOCI on net basis in profit or loss.

Income from other support services is accounted on accrual basis.

Net gain/(loss) on de-recognition of financial instruments under amortised cost category

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the scheduled cash flows, on execution of the transaction, discounted at the applicable rates is recorded upfront in Restated Statement of Profit and Loss (including Other Comprehensive Income).

Income from direct assignment transactions represents the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and consideration received.

N. Employee benefits

(i) Compensated absences/ leave encashment

The Company accounts for the liability for compensated absences based on an independent actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at the Balance Sheet date. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Restated Statement of Profit and Loss (including Other Comprehensive Income) in the period in which they arise.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

a. Gratuity – Defined Benefit Plan

The Company provides for gratuity to all employees. The benefit is in the form of lump sum payments to vested employees on resignation, retirement or death while in employment or on termination of employment of on amount equivalent to 15 days basic salary payable to each completed year of service. Vesting occurs after completion of five years of service. The same is valued by an independent external actuary as at the balance sheet date using the projected unit credit method to determine the present value of defined benefit obligation and the related service costs.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Restated Statement of Changes in Equity and in the Restated Statement of Assets and Liabilities.

b. Provident Fund/Employee State Insurance Scheme - Defined Contribution Plan

In accordance with the applicable law, all employees of the Company are entitled to receive benefits under the Provident Fund Act, 1952. The Company contributes an amount, on a monthly basis, at a determined rate to the pension scheme administered by the Regional Provident Fund Commissioner ('RPFC') and the Company has no liability for future provident fund benefits other than its annual contribution. Since it is a defined contribution plan, the contributions are accounted for on an accrual basis and recognized in the Restated Statement of Profit and Loss (including Other Comprehensive Income).

(iii) Share based payment

Employees Stock Option Scheme ("ESOS") - Equity settled

The ESOS provides for grant of the equity shares of the Company to employees. The scheme provides that employees are granted an option to subscribe to the equity shares of the Company that vest in the graded manner. The option may be exercised within the specified period.

Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock options at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the graded vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

O. Taxes

Income tax

Income tax expense comprises current and deferred tax. It is recognised in Restated Statement of Profit and Loss (including Other Comprehensive Income), except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income-tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset only if the Company has a legally enforceable right to set off the recognised amounts, and it intends to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

P. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial period, adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, that have changed the number of equity shares outstanding, without a corresponding change in resources. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Q. Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company considers incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the lease liability, right-of-use asset or is recorded in Restated Statement of Profit and Loss (including Other Comprehensive Income) if the carrying amount of the right-of-use asset has been reduced to zero.

Right of use assets has been presented under Property, plant and equipment while lease liability is presented under Other Financial Liabilities in the Restated Statement of Assets and Liabilities. Lease payments made by the Company are classified as financing cash flows.

R. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Restated Summary Statements.

Contingent assets are not recognised in the Restated Summary Statements. Contingent assets are disclosed in the Restated Summary Statements where an inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and the Company recognize such assets.

S. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount in the Restated Statement of Profit and Loss (including Other Comprehensive Income).

The recoverable amount is the greater of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on pre-tax discount rate.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Restated Statement of Profit and Loss (including Other Comprehensive Income), to the extent the amount was previously charged to the Restated Statement of Profit and Loss (including Other Comprehensive Income).

T. Cash and cash equivalents

For the purpose of presentation in the Restated Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

U. Restated Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

V. Trade and other receivable

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at transaction price.

W. Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023. The material pronouncement has been disclosed as below:

Ind AS 1 Presentation of Financial Statements**:**
The amendments require the Company to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of Restated Summary Statements. The amendments have had an impact on the Company’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Restated Summary Statement.

Ind AS 12 Income taxes:
The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at April 01, 2022.

Note -3 Use of estimates and judgements

The preparation of Restated Summary Statements to be in conformity with the Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the Restated Summary Statements and the reported income and expenses during the reported period. Management believes that the estimates used in preparation of the Restated Summary Statements are prudent and reasonable. Actual results could differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgement, estimates and assumptions are required in particular for:

I. Determination of estimated useful lives of property, plant and equipment and intangible assets

Useful lives of property, plant and equipment and intangible assets are based on the life prescribed in Schedule II of the Act.

II. Measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy.

III. Recognition of deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

IV. Recognition and measurement of provisions and contingencies

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

V. Fair value of share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model.

VI. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the Restated Statement of Assets and Liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

VII. Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI (Solely Payments of Principal and Interest) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

VIII. Effective Interest Rate (EIR) method

The Company's EIR methodology recognises interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

IX. Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECL) on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVOCI). At each reporting date, the Company assesses whether the above financial assets are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

X. Determination of lease term

Ind AS 116 *Leases* requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

XI. Discount rate for lease liability and right of use assets

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. And discount rate of security deposits is generally based on the SBI deposit rate at the time of deposit.

(₹ in millions except otherwise stated)

4 Cash and cash equivalents

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Cash on hand	150.93	98.23	110.71	97.91	76.59
Balances with banks					
(i) In current account	2,513.20	2,457.05	3,145.85	1,567.63	586.91
(ii) In term deposits with original maturity of 3 months or less	4,374.68	2,111.75	4,318.31	80.05	1,669.65
Total	**7,038.81**	**4,667.03**	**7,574.87**	**1,745.59**	**2,333.15**

5 Bank balances other than cash and cash equivalents

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Freehold deposits with banks	103.46	2,340.50	1.64	869.59	1,328.10
Balances with banks to the extent held as margin money or security against the borrowin	6,093.40	3,343.70	4,621.43	3,563.86	2,522.83
Total	**6,196.86**	**5,684.20**	**4,623.07**	**4,433.45**	**3,850.93**

* Balances with banks held as security against debt securities amounts to Nil (December 31, 2022: Nil, March 31, 2023: ₹ 1,164.57 million, March 31, 2022: Nil and March 31, 2021: Nil), against borrowings amounts to ₹ 5,536.67 million (December 31, 2022: ₹ 3,146.76 million, March 31, 2023: ₹ 3,133.38 million, March 31, 2022: ₹ 3,307.49 million and March 31, 2021: ₹ 2,100.92 million) and as cash collateral for securitisation of receivables amounts to ₹ 556.73 million (December 31, 2022: ₹ 196.94 million, March 31, 2023: ₹ 323.48 million, March 31, 2022: ₹ 256.37 million and March 31, 2021: ₹ 421.91 million).

6 Derivative financial instruments

Particulars	As at December 31, 2023		As at December 31, 2022	
Part I	**Fair value assets**	**Fair value liability**	**Fair value assets**	**Fair value liability**
Currency derivatives				
Cross currency swaps	215.04	-	259.00	-
Interest rate derivatives				
Interest rate swaps	-	15.60	-	-
Embedded options on market linked debentures	-	0.04	-	10.52
Total derivative financial instruments	**215.04**	**15.64**	**259.00**	**10.52**
Part II				
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows				
Fair value hedging for cross currency swap	215.04	-	259.00	-
Undesignated derivatives	-	15.64	-	10.52
Total derivative financial instruments	**215.04**	**15.64**	**259.00**	**10.52**

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
Part I	**Fair value assets**	**Fair value liability**	**Fair value assets**	**Fair value liability**	**Fair value assets**	**Fair value liability**
Currency derivatives						
Cross currency swaps	250.81	-	47.96	-	-	-
Interest rate derivatives						
Interest rate swaps	-	-	-	-	-	-
Embedded options on market linked debentures	-	3.77	-	5.24	-	5.06
Total derivative financial instruments	**250.81**	**3.77**	**47.96**	**5.24**	**-**	**5.06**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows						
Fair value hedging for cross currency swap	250.81	-	47.96	-	-	-
Undesignated derivatives	-	3.77	-	5.24	-	5.06
Total derivative financial instruments	**250.81**	**3.77**	**47.96**	**5.24**	**-**	**5.06**

6.1 Notional amount of derivatives financial instruments cross currency swaps is ₹ 1,580.94 million (December 31, 2022: ₹ 1,764.21 million, March 31, 2023: ₹ 1,764.21 million, March 31, 2022: ₹ 1,855.84 million and March 31, 2021: Nil) and Interest rate swaps is ₹ 2,050.29 million (December 31, 2022: Nil, March 31, 2023: Nil, March 31, 2022: Nil and March 31, 2021: Nil).
6.2 Refer note 45 on financial risk management for maturity analysis of derivative financial liabilities.
6.3 The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The table above shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the period/year end and are not indicative of either the market risk or credit risk.

7 Receivables

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Other receivables					
Unsecured, considered good					
Receivables considered good - unsecured	53.56	135.42	107.51	22.31	44.73
	53.56	**135.42**	**107.51**	**22.31**	**44.73**
Less: Impairment loss allowance	(0.58)	-	-	-	-
Total	**52.98**	**135.42**	**107.51**	**22.31**	**44.73**

7.1 No other receivable are due from directors or other officers of the Company either severally or jointly with any other person, or from firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner, a director or a member.

(₹ in millions except otherwise stated)

7 Receivables (Continued)

Other receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
As at December 31, 2023						
Undisputed trade receivables – considered good	53.56	-	-	-	-	**53.56**
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivable – credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
Total	**53.56**	**-**	**-**	**-**	**-**	**53.56**
As at December 31, 2022						
Undisputed trade receivables – considered good	134.69	0.48	0.25	-	-	**135.42**
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivable – credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
Total	**134.69**	**0.48**	**0.25**	**-**	**-**	**135.42**
As at March 31, 2023						
Undisputed trade receivables – considered good	106.67	0.22	0.45	0.17	-	**107.51**
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivable – credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
Total	**106.67**	**0.22**	**0.45**	**0.17**	**-**	**107.51**
As at March 31, 2022						
Undisputed trade receivables – considered good	21.92	0.19	0.20	-	-	**22.31**
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivable – credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
Total	**21.92**	**0.19**	**0.20**	**-**	**-**	**22.31**
As at March 31, 2021						
Undisputed trade receivables – considered good	44.66	0.07	-	-	-	**44.73**
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivable – credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
Total	**44.66**	**0.07**	**-**	**-**	**-**	**44.73**

There are no unbilled and undue receivables, hence the same is not disclosed in the ageing schedule.

SK Finance Limited
Restated Summary Statements
Annexure V - Summary of material accounting policies and other explanatory information (Continued)
(₹ in millions except otherwise stated)

8 Loans

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
A. Loans - amortised cost					
(a) Term loans	87,466.34	65,657.07	70,547.42	47,401.38	34,223.61
(b) Others					
- Trade advances	388.62	297.71	281.63	163.62	88.32
- Retained interest under direct assignments	986.29	259.20	456.11	83.20	111.90
Total - Gross Loans (A)	**88,841.25**	**66,213.98**	**71,285.16**	**47,648.20**	**34,423.83**
Less: Impairment loss allowance	(2,101.45)	(1,573.21)	(1,381.23)	(1,215.18)	(1,624.86)
Total - Net Loans (A)	**86,739.80**	**64,640.77**	**69,903.93**	**46,433.02**	**32,798.97**
B. Secured/ Unsecured					
(a) Secured by tangible assets	87,681.67	65,496.83	70,631.06	47,237.05	33,803.00
(b) Unsecured	1,159.58	717.15	654.10	411.15	620.83
Total - Gross Loans (B)	**88,841.25**	**66,213.98**	**71,285.16**	**47,648.20**	**34,423.83**
Less: Impairment loss allowance	(2,101.45)	(1,573.21)	(1,381.23)	(1,215.18)	(1,624.86)
Total - Net Loans (B)	**86,739.80**	**64,640.77**	**69,903.93**	**46,433.02**	**32,798.97**
C. (i) Loans in India					
(a) Public sector	-	-	-	-	-
(b) Others	88,841.25	66,213.98	71,285.16	47,648.20	34,423.83
Total - Gross Loans (C)	**88,841.25**	**66,213.98**	**71,285.16**	**47,648.20**	**34,423.83**
Less: Impairment loss allowance	(2,101.45)	(1,573.21)	(1,381.23)	(1,215.18)	(1,624.86)
Total- Net (C) (i)	**86,739.80**	**64,640.77**	**69,903.93**	**46,433.02**	**32,798.97**
(ii) Loans outside India	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-
Total - Net (C) (ii)	-	-	-	-	-
Total - Net Loans (C) (i+ii)	**86,739.80**	**64,640.77**	**69,903.93**	**46,433.02**	**32,798.97**

8.1 The Company covers/secures the credit risk associated with the loans given to customers by creating an exclusive charge/ hypothecation/ security on the assets/vehicles as mentioned/specified in the loan agreement with the customers.

8.2 During the period/year, the Company has not given any loan or advance to promoters, directors, key managerial personnel's and the related parties (as defined under the Act), either severally or jointly with any other person that are (a) repayable on demand, (b) without specifying any terms or period of repayment.

8.3 Refer note 45 on financial risk management for credit risk of assets.

8.4 Term loans originated by the Company are hypothecated with borrowings and debts securities on the pari passu basis as security.

9 Investments

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
At fair value through profit or loss account					
Outside India	-	-	-	-	-
In India					
Mutual funds units	-	13.76	254.29	13.25	134.47
Alternative investment funds (AIF) units	-	1,490.71	44.49	1,627.38	1,476.10
Debts securities	4,367.80	3,467.67	4,713.10	6,109.43	978.19
Security receipt of ARC	228.14	41.30	249.31	68.37	-
Total	**4,595.94**	**5,013.44**	**5,261.19**	**7,818.43**	**2,588.76**

9.1 Some investments are pledged in favour of trustees for the benefit of debenture holders as security.

10 Other financial assets

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
At amortised cost					
Unsecured considered good					
Other advances recoverable	227.04	337.25	305.89	200.00	54.77
Interest receivable on direct assignments	1,081.16	208.06	464.66	57.35	114.86
Ex-gratia interest receivables	-	-	-	-	91.50
Security deposits	39.59	31.40	29.70	24.29	18.82
Total gross	**1,347.79**	**576.71**	**800.25**	**281.64**	**279.95**
Less: Impairment loss allowance	(10.62)	(3.35)	(3.44)	(1.04)	-
Total net of impairment loss allowance	**1,337.17**	**573.36**	**796.81**	**280.60**	**279.95**

SK Finance Limited
Restated Summary Statements
Annexure V - Summary of material accounting policies and other explanatory information (Continued)
(₹ in millions except otherwise stated)

11 Property, plant and equipment

Particulars	Land	Furniture and fixtures	Vehicles	Office equipment	Computers	Leasehold improvement	Plant and equipment	Right of use assets	Total
Gross Block									
Balance as at April 01, 2020	**0.89**	**81.53**	**50.35**	**41.67**	**52.42**	**56.86**	**-**	**271.10**	**554.82**
Additions	-	32.50	2.25	21.29	32.14	49.41	-	115.04	**252.63**
Disposals/adjustments	-	-	(5.67)	(0.39)	-	-	-	-	**(6.06)**
Balance as at March 31, 2021	**0.89**	**114.03**	**46.93**	**62.57**	**84.56**	**106.27**	**-**	**386.14**	**801.39**
Additions	-	40.58	15.61	47.22	67.76	115.06	-	278.38	**564.61**
Disposals/adjustments	-	(1.66)	(6.48)	(0.99)	*	(0.39)	-	-	**(9.52)**
Balance as at March 31, 2022	**0.89**	**152.95**	**56.06**	**108.80**	**152.32**	**220.94**	**-**	**664.52**	**1,356.48**
Additions	-	24.12	54.03	27.93	44.21	59.53	-	154.84	**364.66**
Disposals/adjustments	-	(0.60)	(3.99)	(0.91)	(0.19)	(0.18)	-	-	**(5.87)**
Balance as at December 31, 2022	**0.89**	**176.47**	**106.10**	**135.82**	**196.34**	**280.29**	**-**	**819.36**	**1,715.27**
Balance as at April 01, 2022	**0.89**	**152.95**	**56.06**	**108.80**	**152.32**	**220.94**	**-**	**664.52**	**1,356.48**
Additions	-	37.82	100.34	51.71	54.71	101.84	-	288.68	**635.10**
Disposals/adjustments	-	(3.39)	(4.88)	(12.57)	(0.19)	(0.51)	-	(115.01)	**(136.55)**
Balance as at March 31, 2023	**0.89**	**187.38**	**151.52**	**147.94**	**206.84**	**322.27**	**-**	**838.19**	**1,855.03**
Additions	-	35.67	44.12	25.06	53.36	99.67	2.82	200.61	**461.31**
Disposals/adjustments	-	(0.21)	(9.17)	(1.78)	(4.07)	-	-	(44.50)	**(59.73)**
Balance as at December 31, 2023	**0.89**	**222.84**	**186.47**	**171.22**	**256.13**	**421.94**	**2.82**	**994.30**	**2,256.61**
Accumulated depreciation									
Balance as at April 01, 2020	**-**	**14.25**	**12.17**	**10.21**	**20.93**	**14.84**	**-**	**61.39**	**133.79**
Depreciation for the year	-	9.92	6.89	9.36	15.46	14.10	-	53.72	**109.45**
Disposals/adjustments	-	-	(1.79)	(0.22)	-	-	-	-	**(2.01)**
Balance as at March 31, 2021	**-**	**24.17**	**17.27**	**19.35**	**36.39**	**28.94**	**-**	**115.11**	**241.23**
Depreciation for the year	-	13.55	6.70	15.56	27.63	16.29	-	67.27	**147.00**
Disposals/adjustments	-	(1.40)	(3.06)	(0.82)	-	(0.24)	-	-	**(5.52)**
Balance as at March 31, 2022	**-**	**36.32**	**20.91**	**34.09**	**64.02**	**44.99**	**-**	**182.38**	**382.71**
Depreciation for the period	-	12.13	8.71	15.88	30.15	24.29	-	80.11	**171.27**
Disposals/adjustments	-	(0.28)	(2.52)	(0.70)	(0.04)	(0.11)	-	-	**(3.65)**
Balance as at December 31, 2022	**-**	**48.17**	**27.10**	**49.27**	**94.13**	**69.17**	**-**	**262.49**	**550.33**
Balance as at April 01, 2022	**-**	**36.32**	**20.91**	**34.09**	**64.02**	**44.99**	**-**	**182.38**	**382.71**
Depreciation for the year	-	16.48	12.95	22.13	41.74	33.60	-	100.36	**227.26**
Disposals/adjustments	-	(2.77)	(3.14)	(10.70)	(0.04)	(0.33)	-	(64.37)	**(81.35)**
Balance as at March 31, 2023	**-**	**50.03**	**30.72**	**45.52**	**105.72**	**78.26**	**-**	**218.37**	**528.62**
Depreciation for the period	-	15.03	15.55	21.70	41.27	35.29	0.01	91.80	**220.65**
Disposals/adjustments	-	(0.09)	(2.82)	(1.32)	(3.58)	-	-	(32.26)	**(40.07)**
Balance as at December 31, 2023	**-**	**64.97**	**43.45**	**65.90**	**143.41**	**113.55**	**0.01**	**277.91**	**709.20**
Net carrying amount as at March 31, 2021	**0.89**	**89.86**	**29.66**	**43.22**	**48.17**	**77.33**	**-**	**271.03**	**560.16**
Net carrying amount as at March 31, 2022	**0.89**	**116.63**	**35.15**	**74.71**	**88.30**	**175.95**	**-**	**482.14**	**973.77**
Net carrying amount as at December 31, 2022	**0.89**	**128.30**	**79.00**	**86.55**	**102.21**	**211.12**	**-**	**556.87**	**1,164.94**
Net carrying amount as at March 31, 2023	**0.89**	**137.35**	**120.80**	**102.42**	**101.12**	**244.01**	**-**	**619.82**	**1,326.41**
Net carrying amount as at December 31, 2023	**0.89**	**157.87**	**143.02**	**105.32**	**112.72**	**308.39**	**2.81**	**716.39**	**1,547.41**

* Represents amounts less than ₹ 0.01 million

11.1 The Company has not carried out any revaluation of property, plant and equipment during the period/year ended December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

11.2 The title deeds of the immovable properties mentioned above are in the name of the Company.

11.3 The Company does not have any benami property, where any proceeding has been initiated or pending against the group for holding any benami property.

11.4 The Company has elected to include ROU assets pertaining to lease of buildings as part of the property, plant and equipment as permitted under paragraph 47 of Ind AS 116.

11.5 Details of immovable properties of land, whose title deeds have been pledged in favour of trustees for the benefit of debenture holders as security, has been explained in note 16.

11.6 On transition to Ind AS, the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

(₹ in millions except otherwise stated)

12 Capital work-in-progress (CWIP)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	45.29	18.30	41.76	-	4.28
Total	**45.29**	**18.30**	**41.76**	**-**	**4.28**

a) Capital work-in-progress (CWIP) ageing schedule

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at December 31, 2023					
Projects in progress	43.00	2.29	-	-	**45.29**
Projects temporarily suspended	-	-	-	-	-
Total	**43.00**	**2.29**	**-**	**-**	**45.29**
As at December 31, 2022					
Projects in progress	18.30	-	-	-	**18.30**
Projects temporarily suspended	-	-	-	-	-
Total	**18.30**	**-**	**-**	**-**	**18.30**
As at March 31, 2023					
Projects in progress	41.76	-	-	-	**41.76**
Projects temporarily suspended	-	-	-	-	-
Total	**41.76**	**-**	**-**	**-**	**41.76**
As at March 31, 2022					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
As at March 31, 2021					
Projects in progress	4.28	-	-	-	**4.28**
Projects temporarily suspended	-	-	-	-	-
Total	**4.28**	**-**	**-**	**-**	**4.28**

b) Capital work-in-progress (CWIP) completion schedule

There is no capital-work-in progress for which completion is overdue or has exceeded its cost compared to its original plan in the Company.

13 Intangible assets under development (IAUD)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Intangible assets under development	11.24	10.75	11.24	1.64	8.94
Total	**11.24**	**10.75**	**11.24**	**1.64**	**8.94**

a) Intangible assets under development (IAUD) ageing schedule

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at December 31, 2023					
Projects in progress	2.72	8.52	-	-	**11.24**
Projects temporarily suspended	-	-	-	-	-
Total	**2.72**	**8.52**	**-**	**-**	**11.24**
As at December 31, 2022					
Projects in progress	10.75	-	-	-	**10.75**
Projects temporarily suspended	-	-	-	-	-
Total	**10.75**	**-**	**-**	**-**	**10.75**
As at March 31, 2023					
Projects in progress	11.24	-	-	-	**11.24**
Projects temporarily suspended	-	-	-	-	-
Total	**11.24**	**-**	**-**	**-**	**11.24**
As at March 31, 2022					
Projects in progress	1.64	-	-	-	1.64
Projects temporarily suspended	-	-	-	-	-
Total	**1.64**	**-**	**-**	**-**	**1.64**
As at March 31, 2021					
Projects in progress	8.94	-	-	-	**8.94**
Projects temporarily suspended	-	-	-	-	-
Total	**8.94**	**-**	**-**	**-**	**8.94**

b) Intangible assets under development (IAUD) completion schedule

There is no intangible assets under development for which completion is overdue or has exceeded its cost compared to its original plan in the Company.

(₹ in millions except otherwise stated)

14 Other intangible assets

Particulars	Computer software	Total
Gross Block		
Balance as at April 01, 2020	**13.13**	**13.13**
Additions	11.39	11.39
Disposals/adjustments	(4.19)	(4.19)
Balance as at March 31, 2021	**20.33**	**20.33**
Additions	57.70	57.70
Disposals/adjustments	-	-
Balance as at March 31, 2022	**78.03**	**78.03**
Additions	13.41	13.41
Disposals/adjustments	-	-
Balance as at December 31, 2022	**91.44**	**91.44**
Balance as at April 01, 2022	**78.03**	**78.03**
Additions	69.92	**69.92**
Disposals/adjustments	-	-
Balance as at March 31, 2023	**147.95**	**147.95**
Additions	66.09	**66.09**
Disposals/adjustments	-	-
Balance as at December 31, 2023	**214.04**	**214.04**
Accumulated amortization		
Balance as at April 01, 2020	**8.07**	**8.07**
Amortization for the year	3.88	**3.88**
Disposals/adjustments	(3.43)	**(3.43)**
Balance as at March 31, 2021	**8.52**	**8.52**
Amortization for the year	11.14	**11.14**
Disposals/adjustments	-	-
Balance as at March 31, 2022	**19.66**	**19.66**
Amortization for the period	13.46	**13.46**
Disposals/adjustments	-	-
Balance as at December 31, 2022	**33.12**	**33.12**
Balance as at April 01, 2022	**19.66**	**19.66**
Amortization for the year	24.77	**24.77**
Disposals/adjustments	-	-
Balance as at March 31, 2023	**44.43**	**44.43**
Amortization for the period	36.15	**36.15**
Disposals/adjustments	-	-
Balance as at December 31, 2023	**80.58**	**80.58**
Net carrying amount as at March 31, 2021	**11.81**	**11.81**
Net carrying amount as at March 31, 2022	**58.37**	**58.37**
Net carrying amount as at December 31, 2022	**58.32**	**58.32**
Net carrying amount as at March 31, 2023	**103.52**	**103.52**
Net carrying amount as at December 31, 2023	**133.46**	**133.46**

14.1 Company has not carried out any revaluation of intangible assets during the period/year ended December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

14.2 On transition to Ind AS, the Company has elected to continue with the carrying value of all Other intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of Other intangible assets.

15 Other non-financial assets

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	60.86	31.55	18.06	34.22	22.85
Balances with statutory / government authorities	4.80	3.31	3.95	2.24	8.95
Advance against salary to staff	19.51	10.63	40.00	6.00	3.39
Capital advances	39.23	51.69	6.59	-	-
Total	**124.40**	**97.18**	**68.60**	**42.46**	**35.19**

(₹ in millions except otherwise stated)

16 Debt securities

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
At amortised cost					
Secured					
Non-convertible debentures	17,699.27	18,241.08	16,975.13	13,726.79	15,003.81
Unsecured					
Non-convertible debentures	69.93	209.17	174.47	512.79	199.40
Commercial paper	-	-	-	496.21	-
Total (A)	**17,769.20**	**18,450.25**	**17,149.60**	**14,735.79**	**15,203.21**
Debt securities in India	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Debt securities outside India	-	-	-	-	-
Total (B)	**17,769.20**	**18,450.25**	**17,149.60**	**14,735.79**	**15,203.21**

a) Nature of security

Debentures are secured by mortgage of the Company's immovable property situated at Chennai in the state of Tamil Nadu and are also secured against fixed deposits, investments and designated loans assets. The total asset cover is 100%-133% of the principal amount of the said debentures. The total amount of personal guarantee given by directors and others, against the debt securities amounts to Nil (December 31, 2022: ₹ 1,350.00 million, March 31, 2023: ₹ 1,350.00 million, March 31, 2022: ₹ 1,600.00 million and March 31, 2021: ₹ 1,600.00 million).

b) Terms of repayment schedule of secured privately placed redeemable non-convertible debentures

Maturity schedule	Interest rate range		Carrying amount	
	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
Maturity within 1 year	8.25% - 11.16%	8.70% - 11.65%	8,570.86	6,985.72
Maturity between 1 to 3 years	8.30% - 10.44%	8.25% - 11.16%	5,095.62	10,845.23
Maturity between 3 to 5 years	9.65% - 9.70%	12.05% - 12.10%	4,134.76	541.30
Total			**17,801.24**	**18,372.25**
Less: Unamortised finance cost			(101.97)	(131.17)
Total amortised cost			**17,699.27**	**18,241.08**

Maturity schedule	Interest rate range			Carrying amount		
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Maturity within 1 year	8.70% - 11.65%	8.56% - 12.25%	8.88% - 11.50%	4,559.55	3,484.98	2,198.52
Maturity between 1 to 3 years	8.25% - 10.78%	8.35% - 11.25%	8.56% - 11.71%	12,039.00	8,857.36	9,035.56
Maturity between 3 to 5 years	12.00% - 12.05%	11.40% - 12.05%	9.57% - 10.18%	525.52	1,500.71	3,225.06
Maturity greater than 5 years	-	-	11.05% - 11.10%	-	-	700.66
Total				**17,124.07**	**13,843.05**	**15,159.80**
Less: Unamortised finance cost				(148.94)	(116.26)	(155.99)
Total amortised cost				**16,975.13**	**13,726.79**	**15,003.81**

c) Terms of repayment schedule of unsecured privately placed redeemable non-convertible debentures

Maturity schedule	Interest rate range		Carrying amount	
	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
Maturity within 1 year	9.20% - 9.25%	-	70.06	-
Maturity between 1 to 3 years	-	9.20% - 9.25%	-	210.16
Total			**70.06**	**210.16**
Less: Unamortised finance cost			(0.13)	(0.99)
Total amortised cost			**69.93**	**209.17**

Maturity schedule	Interest rate range			Carrying amount		
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Maturity within 1 year	-	12.40% - 12.45%	-	-	200.07	-
Maturity between 1 to 3 years	9.20% - 9.25%	9.20% - 9.25%	12.40% - 12.45%	175.17	315.15	200.07
Total				**175.17**	**515.22**	**200.07**
Less: Unamortised finance cost				(0.70)	(2.43)	(0.67)
Total amortised cost				**174.47**	**512.79**	**199.40**

d) Terms of repayment schedule of commercial paper

Maturity schedule	Interest rate range	Carrying amount
	As at March 31, 2022	As at March 31, 2022
Maturity within 1 year	6.45% - 6.50%	496.23
Total		**496.23**
Less: Unamortised finance cost		(0.02)
Total amortised cost		**496.21**

There were no commercial paper borrowing due for the period/year ended December 31, 2023, December 31, 2022, March 31, 2023 and March 31, 2021.

e) The Company has not defaulted in the repayment of dues to its lenders.

(₹ in millions except otherwise stated)

17 Borrowings (other than debt securities)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
At amortised cost					
Secured					
Term loans					
From banks	44,332.87	28,869.01	35,324.00	18,240.94	8,525.22
From other parties	5,151.76	4,194.72	5,382.26	3,659.22	2,670.95
External commercial borrowings	1,745.10	1,948.73	1,954.55	1,880.84	752.25
Loans repayable on demand					
from banks (cash credit facilities and working capital demand loans)	1,321.42	392.24	561.62	3,208.78	941.46
Other loans					
Associated liabilities in respect of securitization transactions	8,590.05	10,008.15	10,059.39	3,048.04	3,272.07
Unsecured					
Term loans from other parties	-	-	-	-	475.43
Total (A)	**61,141.20**	**45,412.85**	**53,281.82**	**30,037.82**	**16,637.38**
Borrowings in India	59,396.10	43,464.12	51,327.27	28,156.98	15,885.13
Borrowings outside India	1,745.10	1,948.73	1,954.55	1,880.84	752.25
Total (B)	**61,141.20**	**45,412.85**	**53,281.82**	**30,037.82**	**16,637.38**

a) Nature of security

i) Term loans from banks, from other parties and external commercial borrowings are secured by way of hypothecation on book debts, receivable and fixed deposits along with personal guarantees of directors. The total amount of personal guarantee given by directors against the term loans amounting to ₹ 10,419.30 million (December 31, 2022: ₹ 11,638.35 million, March 31, 2023: ₹ 10,293.22 million, March 31, 2022: ₹ 12,219.94 million and March 31, 2021: ₹ 8,934.13 million).

ii) Cash credit facilities and working capital demand loans from banks are secured by way of hypothecation on book debts, term deposits and receivable along with personal guarantees of directors. The total amount of personal guarantee given by directors against the cash credit facilities and working capital demand loans amounting to ₹ 7.74 million (December 31, 2022: ₹ 0.03 million, March 31, 2023: ₹ 0.09 million, March 31, 2022: ₹ 283.47 million and March 31, 2021: ₹ 542.91 million).

iii) Associated liabilities in respect of securitization transactions' represents amount received in respect of securitization transactions as these transactions do not meet the derecognition criteria specified under Ind AS. These are secured by way of hypothecation of designated loans assets receivables. The Company has provided credit enhancement to the trust by way of cash collateral and bank guarantee.

b) Terms of repayment schedule of term loans from banks

Maturity schedule	Interest rate range As at December 31, 2023	Interest rate range As at December 31, 2022	Carrying amount As at December 31, 2023	Carrying amount As at December 31, 2022
Maturity within 1 year	7.75% - 10.10%	8.40% - 10.77%	1,264.71	702.36
Maturity between 1 to 3 years	7.37% - 10.45%	7.75% - 11.60%	20,262.14	10,859.92
Maturity between 3 to 5 years	7.10% - 10.45%	7.10% - 10.45%	22,004.70	17,480.37
Maturity greater than 5 years	9.10% - 9.15%	8.70% - 8.75%	1,000.50	11.17
Total			**44,532.05**	**29,053.82**
Less: Unamortised finance cost			(199.18)	(184.81)
Total amortised cost			**44,332.87**	**28,869.01**

Maturity schedule	Interest rate range As at March 31, 2023	Interest rate range As at March 31, 2022	Interest rate range As at March 31, 2021	Carrying amount As at March 31, 2023	Carrying amount As at March 31, 2022	Carrying amount As at March 31, 2021
Maturity within 1 year	8.40% - 11.00%	5.75% - 11.25%	6.32% - 11.25%	793.01	1,132.66	361.32
Maturity between 1 to 3 years	7.95% - 11.70%	7.55% - 11.00%	7.00% - 12.75%	12,743.97	9,914.80	5,223.94
Maturity between 3 to 5 years	7.10% - 11.45%	7.10% - 10.45%	8.60% - 10.30%	20,491.25	6,633.48	3,002.52
Maturity greater than 5 years	9.00% - 10.35%	8.50% - 8.90%	-	1,505.10	700.17	-
Total				**35,533.33**	**18,381.11**	**8,587.78**
Less: Unamortised finance cost				(209.33)	(140.17)	(62.56)
Total amortised cost				**35,324.00**	**18,240.94**	**8,525.22**

c) Terms of repayment schedule of term loans from other parties

Maturity schedule	Interest rate range As at December 31, 2023	Interest rate range As at December 31, 2022	Carrying amount As at December 31, 2023	Carrying amount As at December 31, 2022
Maturity within 1 year	5.15% - 11.75%	5.83% - 10.75%	541.08	85.46
Maturity between 1 to 3 years	7.50% - 9.75%	5.15% - 11.75%	4,618.35	4,120.48
Total			**5,159.43**	**4,205.94**
Less: Unamortised finance cost			(7.67)	(11.22)
Total amortised cost			**5,151.76**	**4,194.72**

Maturity schedule	Interest rate range As at March 31, 2023	Interest rate range As at March 31, 2022	Interest rate range As at March 31, 2021	Carrying amount As at March 31, 2023	Carrying amount As at March 31, 2022	Carrying amount As at March 31, 2021
Maturity within 1 year	10.25% - 11.25%	5.83% - 11.80%	10.50% - 12.00%	400.69	365.19	378.75
Maturity between 1 to 3 years	5.15% - 11.75%	5.15% - 11.75%	5.83% - 11.80%	4,298.17	3,304.53	2,002.15
Maturity between 3 to 5 years	9.50% - 9.60%	-	9.75% - 11.75%	695.83	-	300.96
Total				**5,394.69**	**3,669.72**	**2,681.86**
Less: Unamortised finance cost				(12.43)	(10.50)	(10.91)
Total amortised cost				**5,382.26**	**3,659.22**	**2,670.95**

(₹ in millions except otherwise stated)

17 Borrowings (other than debt securities) (Continued)

d) Terms of repayment schedule of external commercial borrowings

Maturity schedule	Interest rate range As at December 31, 2023	Interest rate range As at December 31, 2022	Carrying amount As at December 31, 2023	Carrying amount As at December 31, 2022
Maturity between 1 to 3 years	10.80% - 10.85%	10.80% - 10.85%	521.79	739.53
Maturity between 3 to 5 years	10.30% - 10.35%	-	1,250.65	-
Maturity over 5 years	-	10.30% - 10.35%	-	1,245.61
Total			**1,772.44**	**1,985.14**
Less: Unamortised finance cost			(27.34)	(36.41)
Total amortised cost			**1,745.10**	**1,948.73**

Maturity schedule	Interest rate range As at March 31, 2023	Interest rate range As at March 31, 2022	Interest rate range As at March 31, 2021	Carrying amount As at March 31, 2023	Carrying amount As at March 31, 2022	Carrying amount As at March 31, 2021
Maturity between 1 to 3 years	10.80% - 10.85%	-	-	751.71	-	-
Maturity between 3 to 5 years	-	10.80% - 10.85%	10.57% - 10.57%	-	781.59	752.93
Maturity over 5 years	10.30% - 10.35%	10.30% - 10.35%	-	1,237.06	1,142.06	-
Total				**1,988.77**	**1,923.65**	**752.93**
Less: Unamortised finance cost				(34.22)	(42.81)	(0.68)
Total amortised cost				**1,954.55**	**1,880.84**	**752.25**

e) Terms of repayment schedule of associated liabilities related to securitization transactions

Maturity schedule	Interest rate range As at December 31, 2023	Interest rate range As at December 31, 2022	Carrying amount As at December 31, 2023	Carrying amount As at December 31, 2022
Maturity within 1 year	8.50% - 9.10%	-	317.55	-
Maturity between 1 to 3 years	8.42% - 9.00%	9.30% - 9.35%	1,065.88	93.25
Maturity between 3 to 5 years	9.20% - 9.25%	8.42% - 9.10%	5,588.37	6,961.00
Maturity greater than 5 years	9.00% - 9.75%	9,00% - 9.75%	1,627.09	2,971.67
Total			**8,598.89**	**10,025.92**
Less: Unamortised finance cost			(8.84)	(17.77)
Total amortised cost			**8,590.05**	**10,008.15**

Maturity schedule	Interest rate range As at March 31, 2023	Interest rate range As at March 31, 2022	Interest rate range As at March 31, 2021	Carrying amount As at March 31, 2023	Carrying amount As at March 31, 2022	Carrying amount As at March 31, 2021
Maturity within 1 year	-	10.50% - 12.24%	9.00% - 12.00%	-	33.06	659.11
Maturity between 1 to 3 years	9.25% - 9.30%	8.50% - 9.30%	9.00% - 11.60%	47.83	2,524.89	2,256.93
Maturity between 3 to 5 years	8.42% - 11.00%	9.30% - 9.30%	-	7,462.79	274.99	-
Maturity greater than 5 years	9.00% - 9.75%	9.75% - 9.75%	9.70% - 9.75%	2,566.24	228.44	366.34
Total				**10,076.86**	**3,061.38**	**3,282.38**
Less: Unamortised finance cost				(17.47)	(13.34)	(10.31)
Total amortised cost				**10,059.39**	**3,048.04**	**3,272.07**

f) Terms of repayment schedule of unsecured term loans from other parties

Maturity schedule	Interest rate range As at March 31, 2021	Carrying Amount As at March 31, 2021
Maturity between 1 to 3 years	11.95% - 12.00%	477.39
Total		**477.39**
Less: Unamortised finance cost		(1.96)
Total Amortised Cost		**475.43**

There were no unsecured term loans from other parties due for the period/year ended December 31, 2023, March 31, 2023, December 31, 2022 and March 31, 2022.

g) Loans repayable on demand includes on cash credit and working capital demand loans from banks which are secured by specific charge on identified receivables and term deposits. As at December 31, 2023, the rate of interest across the cash credit and working capital demand loans was in the range of 7.95% p.a to 11.45% p.a (December 31, 2022 - 8.00% p.a to 10.45% p.a, March 31, 2023 - 6.60% p.a to 11.45% p.a, March 31, 2022 - 4.09% p.a to 10.45% p.a, March 31, 2021 - 4.09% p.a to 10.35% p.a)

h) The Company has not defaulted in the repayment of dues to its lenders.

i) The Company has utilised the borrowings for the purpose for which it was obtained except temporary deployment pending application of proceeds.

18 Subordinated liabilities

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
At amortised cost					
Unsecured					
Others (Tier II capital)					
- Redeemable subordinate debt instruments to the extent that do not qualify as equity	-	204.06	-	203.66	203.52
- From banks (subordinated debts)	-	-	-	-	199.42
Total (A)	**-**	**204.06**	**-**	**203.66**	**402.94**
Subordinated debts in India	-	204.06	-	203.66	402.94
Subordinated debts outside India	-	-	-	-	-
Total (B)	**-**	**204.06**	**-**	**203.66**	**402.94**

(₹ in millions except otherwise stated)

18 Subordinated liabilities (Continued)

a) Terms of repayment schedule of redeemable subordinate debt instruments to the extent that do not qualify as equity

Maturity schedule	Interest rate range As at December 31, 2023	Interest rate range As at December 31, 2022	Carrying amount As at December 31, 2023	Carrying amount As at December 31, 2022
Maturity within 1 year	-	12.70% - 12.75%	-	204.12
Total			**-**	**204.12**
Less: Unamortised finance cost			-	(0.06)
Total amortised cost			**-**	**204.06**

Maturity schedule	Interest rate range As at March 31, 2023	Interest rate range As at March 31, 2022	Interest rate range As at March 31, 2021	Carrying amount As at March 31, 2023	Carrying amount As at March 31, 2022	Carrying amount As at March 31, 2021
Maturity within 1 year	-	12.70% - 12.75%	-	-	203.98	-
Maturity between 1 to 3 years	-	-	13.50% - 13.50%	-	-	204.14
Total				**-**	**203.98**	**204.14**
Less: Unamortised finance cost				-	(0.32)	(0.62)
Total amortised cost				**-**	**203.66**	**203.52**

b) Terms of repayment schedule of from banks (subordinated debts)

Maturity schedule	Interest rate range As at March 31, 2023	Interest rate range As at March 31, 2022	Interest rate range As at March 31, 2021	Carrying Amount As at March 31, 2023	Carrying Amount As at March 31, 2022	Carrying Amount As at March 31, 2021
Maturity within 1 year	-	-	13.98% - 13.98%	-	-	200.00
Total				**-**	**-**	**200.00**
Less: Unamortised finance cost				-	-	(0.58)
Total Amortised Cost				**-**	**-**	**199.42**

There were no banks (subordinated debts) borrowing due for the period ended December 31, 2023 and December 31, 2022.

c) Redeemable subordinate debt instruments to the extent that do not qualify as equity

The Company had issued and allotted NCD @13.50% having face value of ₹ 10,00,000/- each, aggregating up to ₹ 200,000,000/- on January 31, 2017 , which had redeemed on February 03, 2023. These debentures were privately placed and also formed part of Tier- II capital as per RBI guidelines and the same were listed on BSE (WDM).

d) From banks (subordinated debts)

The Company had issued and allotted bonds @13.98% having face value of Rs. 10,00,000/- each, aggregating up to Rs.200,000,000/- on September 24, 2015, which were redeemed on September 30, 2021. These debentures were privately placed and also form part of Tier- II capital as per RBI guidelines.

e) The Company has not defaulted in the repayment of dues to its lenders.

(₹ in millions except otherwise stated)

19 Other financial liabilities

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Lease liability (refer note 40)	800.87	626.85	686.35	538.07	312.37
Creditors for other expenses	422.77	330.72	417.66	296.79	271.76
Advances received from customers	116.58	120.05	103.36	65.67	47.11
Pending remittance on assignments	555.31	104.27	327.29	127.64	95.69
Temporary credit balance in bank accounts	0.49	0.01	-	6.50	17.62
Security and other deposits received	64.62	23.39	37.56	169.29	17.84
Unclaimed dividend	*	*	*	*	*
Total	**1,960.64**	**1,205.29**	**1,572.22**	**1,203.96**	**762.39**

* Represents amounts less than ₹ 0.01 million

20 Provisions

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits					
Gratuity (refer note 41)	127.88	93.36	92.04	77.42	47.20
Compensated absences (refer note 41)	-	-	13.58	8.85	8.18
Total	**127.88**	**93.36**	**105.62**	**86.27**	**55.38**

21 Other non-financial liabilities

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Statutory dues payables	98.75	99.80	106.16	82.52	61.86
Total	**98.75**	**99.80**	**106.16**	**82.52**	**61.86**

22 Equity share capital

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Authorized					
15,00,00,000 (December 31, 2022: 15,00,00,000, March 31, 2023: 15,00,00,000, March 31, 2022: 15,00,00,000 and March 31, 2021: 2,87,50,000) equity shares of ₹ 2 each fully paid up with voting rights	300.00	300.00	300.00	300.00	57.50
Issued and subscribed					
3,22,18,427 (December 31, 2022: 2,92,31,297, March 31, 2023: 2,94,46,775, March 31, 2022: 2,92,10,255 and March 31, 2021: 2,62,16,036) equity shares of ₹ 2 each	64.44	58.46	58.89	58.42	52.43
Paid up (fully paid)					
3,22,18,427 (December 31, 2022: 2,82,13,850, March 31, 2023: 2,84,29,328 , March 31, 2022: 2,81,92,808 and March 31, 2021: 2,51,98,589) equity shares of ₹ 2 each	64.44	56.43	56.86	56.39	50.40
Paid up (partly paid)					
Nil (December 31, 2022: 10,17,447, March 31, 2023: 10,17,447, March 31, 2022: 10,17,447 and March 31, 2021: 10,17,447) equity shares of ₹ 2 each (partly paid up ₹ 1.75 each)	-	1.78	1.78	1.78	1.78

(₹ in millions except otherwise stated)

22 Equity share capital (Continued)

a. Reconciliation of number of shares outstanding at the beginning and at the end of the period/year :

Particulars	As at December 31, 2023		As at December 31, 2022		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs 2 each, fully paid-up										
As at the beginning of the period/year	2,84,29,328	56.86	2,81,92,808	56.39	2,81,92,808	56.39	2,51,98,589	50.40	2,51,94,839	50.39
Add : Issued during the period/year	27,71,652	5.54	21,042	0.04	2,36,520	0.47	29,94,219	5.99	3,750	0.01
Add : Converted into fully paid up during the period/year	10,17,447	2.04	-	-	-	-	-	-	-	-
As at the end of the period/year	**3,22,18,427**	**64.44**	**2,82,13,850**	**56.43**	**2,84,29,328**	**56.86**	**2,81,92,808**	**56.39**	**2,51,98,589**	**50.40**
Equity shares of Rs 2 each, partly paid-up										
As at the beginning of the period/year	10,17,447	1.78	10,17,447	1.78	10,17,447	1.78	10,17,447	1.78	-	-
Add : Issued during the period/year	-	-	-	-	-	-	-	-	10,17,447	1.78
Add : Converted into fully paid up during the period/year	(10,17,447)	(1.78)	-	-	-	-	-	-	-	-
As at the end of the period/year	**-**	**-**	**10,17,447**	**1.78**	**10,17,447**	**1.78**	**10,17,447**	**1.78**	**10,17,447**	**1.78**

b. Rights, preferences and restrictions attached to equity shares

The Company has only one class of outstanding equity shares having a face value of ₹ 2 per share. In respect of every equity share (whether fully paid or partly paid), voting right shall be in the same proportion as the capital paid up on such equity share. During the period/year the Company has not declared and paid any dividend. In the event of the liquidation of the Company, the holder of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to capital paid upon such equity share.

c. Details of shares held by each shareholder holding more than 5% shares in the Company

Particulars	As at December 31, 2023		As at December 31, 2022		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
Equity shares										
Rajendra Kumar Setia	1,08,23,979	33.60%	1,12,57,463	38.24%	1,12,57,463	37.96%	1,12,57,463	38.27%	1,13,44,994	43.00%
Norwest Venture Partners X – Mauritius	80,17,460	24.88%	71,28,818	24.49%	71,28,818	24.31%	71,28,818	24.51%	62,76,482	24.06%
Baring Private Equity India AIF	7,80,272	2.42%	13,58,414	4.67%	13,58,414	4.63%	13,58,414	4.67%	15,40,400	5.90%
Evolvence Coinvest	8,27,065	2.57%	12,17,201	4.18%	12,17,201	4.15%	12,17,201	4.19%	18,99,647	7.28%
TPG Growth IV	60,55,974	18.80%	55,14,119	18.95%	55,14,119	18.81%	55,14,119	18.96%	43,89,035	16.82%
Total	**2,65,04,750**	**82.27%**	**2,64,76,015**	**90.53%**	**2,64,76,015**	**89.87%**	**2,64,76,015**	**90.60%**	**2,54,50,558**	**97.06%**

d. Number of shares reserved for share options

Particulars	As at December 31,	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Equity shares of ₹ 2 fully paid up					
Number of shares reserved for ESOPs (refer note 42)	5,79,088	9,87,263	7,46,735	3,83,875	4,02,750

(₹ in millions except otherwise stated)

22 Equity share capital (Continued)

e. Details of shareholding of promoters and promoter groups (Face value ₹ 2 per share)

Promoter name	As at December 31, 2023			As at December 31, 2022		
	Nos.	% Holding	% Changes during the period	Nos.	% Holding	% Changes during the period
Promoter:						
Rajendra Kumar Setia	1,08,23,979	33.60%	-3.85%	1,12,57,463	38.24%	0.00%
Rajendra Kumar Setia HUF	62,500	0.19%	0.00%	62,500	0.21%	0.00%
Promoter Group:						
Bhajan Devi Setia	650	0.00%	0.00%	650	0.00%	0.00%
Yash Setia	650	0.00%	0.00%	650	0.00%	0.00%
Raj Kumar Setia	1,11,306	0.35%	93.39%	57,556	0.20%	0.00%
Shalini Setia	650	0.00%	0.00%	650	0.00%	0.00%
Sameer Arora	92,250	0.29%	139.61%	2,250	0.01%	0.00%
Sanjeev Arora	2,250	0.01%	50.00%	2,250	0.01%	Nil
	1,10,94,235	**34.45%**		**1,13,83,969**	**38.67%**	

Promoter name	As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	Nos.	% Holding	% Changes during the year	Nos.	% Holding	% Changes during the year	Nos.	% Holding	% Changes during the year
Promoter:									
Rajendra Kumar Setia	1,12,57,463	37.96%	0.00%	1,12,57,463	38.27%	0.00%	1,13,44,994	43.00%	9.85%
Rajendra Kumar Setia HUF	62,500	0.21%	0.00%	62,500	0.21%	0.00%	62,500	0.24%	0.00%
Promoter Group:									
Bhajan Devi Setia	650	0.00%	0.00%	650	0.00%	0.00%	650	0.00%	0.00%
Yash Setia	650	0.00%	0.00%	650	0.00%	0.00%	650	0.00%	0.00%
Raj Kumar Setia	57,556	0.20%	0.00%	57,556	0.20%	Nil	-	-	-
Shalini Setia	650	0.00%	0.00%	650	0.00%	0.85%	650	0.00%	0.00%
Sameer Arora	38,500	0.13%	1611.11%	2,250	0.01%	Nil	-	-	-
Sanjeev Arora	1,500	0.01%	Nil	-	0.00%	Nil	-	-	-
	1,14,19,469	**38.51%**		**1,13,81,719**	**38.70%**		**1,14,09,444**	**43.24%**	

f. During the period ended December 31, 2023, the Company has issued 26,46,305 (December 31, 2022: Nil, March 31, 2023: Nil, March 31, 2022: 29,80,344 and March 31, 2021: Nil) fully paid equity shares of ₹ 2/- each and have also allotted 1,25,347 (December 31, 2022: 21,042, March 31, 2023: 2,36,520, March 31, 2022: 13,875 and March 31, 2021: 3,750) shares to employees in accordance with the Company's employees stock option scheme(s). Also, during December 31, 2023 called ₹ 0.25 per share on 10,17,447 shares from partly paid to fully paid equity share and during March 31, 2021 the Company has issued 10,17,447 share (partly paid up), of face value of ₹ 2 each at a premium of ₹ 723.59 per equity share, with ₹ 2 paid up issue of shares (including a premium of ₹ 0.25 per partly paid up equity share) on private placement basis.

g. Shares allotted as fully paid-up without payment being received in cash / by way of bonus shares:-

The Company has not issued bonus shares or shares for consideration other than cash during the five year period immediately preceding the reporting dates. Refer note 97(a) for bonus issue and sub-division of shares post December 31, 2023.

h. Shares bought back :-

The Company has not bought back any of its securities during the five year period immediately preceding the reporting dates.

SK Finance Limited
Restated Summary Statements
Annexure V - Summary of material accounting policies and other explanatory information (Continued)
(₹ in millions except otherwise stated)

23 Other equity

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Securities premium	18,238.53	11,359.55	11,435.81	11,344.42	6,526.33
Share options outstanding account	178.43	122.41	98.69	43.17	39.14
Statutory reserve	1,770.08	1,168.08	1,335.88	890.31	604.56
Retained earnings- other than remeasurement of post employment benefit obligations	7,155.87	4,747.83	5,419.06	3,636.77	2,493.78
Retained earnings- remeasurement of post employment benefit obligations	(24.39)	(8.79)	(10.68)	(8.45)	(1.22)
Total	**27,318.52**	**17,389.08**	**18,278.76**	**15,906.22**	**9,662.59**

23.1 Nature and purpose of reserve

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

Share options outstanding account

In accordance with resolution approved by the shareholders, the Company has reserved shares options, for issuance to the eligible employees through ESOP scheme. The shareholders of the Company have approved stock option scheme on September 11, 2018 as amended from time to time. The administrator (i.e. nomination and remuneration committee ('NRC') of the Company's board of directors) has the power to grant the options in pursuance to the ESOP scheme, each option consist of one equity share.

Such option vest at a definite date, save for specific incidents, prescribed in the schemes as framed/ approved by the Company. Such options are exercisable for a period following vesting at the discretion of the NRC, subject to the conditions prescribed in the ESOP scheme as amended from time to time.

Statutory reserve

This is a statutory reserve created in accordance with section 45 IC(1) of the RBI Act, 1934 which requires the Company to transfer a specified sum (not less than 20% of its profit after tax) to reserve fund based on its net profit as per the restated statement of profit and loss (including other comprehensive income). As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC.

Retained earnings- other than remeasurement of post employment benefit obligations

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Retained earnings- remeasurement of post employment benefit obligations

The Company recognises change on account of remeasurement of the net defined benefit liability / asset as part of retained earnings.

23.2 Other equity movement

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i) Securities premium					
Opening balance	**11,435.81**	**11,344.42**	**11,344.42**	**6,526.33**	**6,524.78**
Addition during the period/year	6,818.38	15.13	91.39	4,873.08	1.55
Deduction during the period/year	(15.66)	-	-	(54.99)	-
Closing balance	**18,238.53**	**11,359.55**	**11,435.81**	**11,344.42**	**6,526.33**
(ii) Share options outstanding account					
Opening balance	**98.69**	**43.17**	**43.17**	**39.14**	**26.16**
Addition during the period/year	95.98	87.86	82.99	7.20	13.35
Transfer to securities premium	(16.24)	(8.62)	(27.47)	(3.17)	(0.37)
Closing balance	**178.43**	**122.41**	**98.69**	**43.17**	**39.14**
(iii) Statutory reserve					
Opening balance	**1,335.88**	**890.31**	**890.31**	**604.56**	**422.39**
Transfer from retained earnings	434.20	277.77	445.57	285.75	182.17
Closing balance	**1,770.08**	**1,168.08**	**1,335.88**	**890.31**	**604.56**
(iv) Retained earnings- other than remeasurement of post employment benefit obligations					
Opening balance	**5,419.06**	**3,636.77**	**3,636.77**	**2,493.78**	**1,765.12**
Net profit for the period/year	2,171.01	1,388.83	2,227.86	1,428.74	910.83
Transfer to statutory reserve	(434.20)	(277.77)	(445.57)	(285.75)	(182.17)
Closing balance	**7,155.87**	**4,747.83**	**5,419.06**	**3,636.77**	**2,493.78**
(v) Retained earnings- remeasurement of post employment benefit obligations					
Opening balance	**(10.68)**	**(8.45)**	**(8.45)**	**(1.22)**	**(1.56)**
Other comprehensive income for the period/year	(13.71)	(0.34)	(2.23)	(7.23)	0.34
Closing balance	**(24.39)**	**(8.79)**	**(10.68)**	**(8.45)**	**(1.22)**

(₹ in millions except otherwise stated)

24 Interest income

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Financial assets measured at amortised cost					
Interest income on financial assets measured at amortised cost	10,747.83	7,924.97	11,127.47	7,154.10	6,090.18
Interest on deposits with banks	311.19	217.09	303.34	263.56	288.98
Financial assets measured at fair value through profit or loss (FVTPL)					
Income on investment	643.66	466.27	674.41	304.90	1.72
Total	**11,702.68**	**8,608.33**	**12,105.22**	**7,722.56**	**6,380.88**

25 Fees and commission income

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Foreclosure and other charges	443.77	275.19	394.76	247.35	145.06
Total	**443.77**	**275.19**	**394.76**	**247.35**	**145.06**

26 Net gain on fair value changes

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain on financial instruments at fair value through profit or loss					
On trading portfolio					
-Investments	126.06	100.88	155.91	133.63	79.75
-Derivative contracts	(32.57)	39.08	54.10	10.30	50.12
Total net gain on fair value changes	**93.49**	**139.96**	**210.01**	**143.93**	**129.87**
Fair value changes:					
-Realized	127.90	82.97	153.44	129.60	76.78
-Unrealized	(34.41)	56.99	56.57	14.33	53.09
Total net gain on fair value changes	**93.49**	**139.96**	**210.01**	**143.93**	**129.87**

27 Net gain on de-recognition of financial instruments under amortised cost category

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Gain on derecognition of financial instruments	847.23	188.88	317.69	29.98	72.76
	847.23	**188.88**	**317.69**	**29.98**	**72.76**

28 Other income

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Income from support services	56.87	57.69	107.82	62.82	66.08
Net gain on derecognition of property, plant and equipment	0.21	-	-	-	-
Liability no longer required written back (refer note 41)	4.71	8.20	-	-	30.12
Miscellaneous income	3.30	5.67	6.91	0.23	0.15
Total	**65.09**	**71.56**	**114.73**	**63.05**	**96.35**

SK Finance Limited
Restated Summary Statements
Annexure V - Summary of material accounting policies and other explanatory information (Continued)
(₹ in millions except otherwise stated)

29 Finance costs

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
At amortised cost					
Interest on debt securities	1,377.27	1,341.65	1,856.40	1,601.80	1,698.44
Interest on borrowings	4,024.42	2,411.22	3,513.89	1,760.54	1,152.38
Interest on subordinated liabilities	-	19.51	21.64	39.61	52.73
Interest on lease liability (refer note 40)	53.90	34.80	59.24	55.18	32.08
Other borrowing costs	43.57	14.35	23.05	6.93	18.80
Other interest expenses	-	0.56	0.58	4.09	15.70
Total	**5,499.16**	**3,822.09**	**5,474.80**	**3,468.15**	**2,970.13**

30 Impairment on financial instruments

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
At amortised cost					
Loans	691.32	362.15	343.95	(321.26)	448.92
Bad debts written-off (net of recoveries)	417.74	471.78	573.51	484.11	478.96
Total	**1,109.06**	**833.93**	**917.46**	**162.85**	**927.88**

31 Employee benefits expenses

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	2,373.00	1,802.39	2,445.10	1,841.36	1,074.48
Contribution to provident and other funds	164.90	123.94	170.96	130.06	83.24
Staff welfare expenses	109.50	77.20	104.09	47.30	8.79
Gratuity and compensated absence (refer note 41)	25.12	21.05	24.91	23.30	13.54
Share based payments to employees (refer note 42)	95.98	87.86	82.99	7.20	13.35
Total	**2,768.50**	**2,112.44**	**2,828.05**	**2,049.22**	**1,193.40**

32 Depreciation and amortization

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment (refer note 11)	128.85	91.16	126.90	79.73	55.73
Depreciation on right of use assets (refer note 11)	91.80	80.11	100.36	67.27	53.72
Amortization of intangible assets (refer note 14)	36.15	13.46	24.77	11.14	3.88
Total	**256.80**	**184.73**	**252.03**	**158.14**	**113.33**

33 Other expenses

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent, taxes and energy costs	53.61	31.08	40.97	25.70	20.59
Repairs and maintenance	11.23	7.74	12.03	10.71	10.34
Communication costs	57.25	44.44	66.16	47.80	29.10
Printing and stationery	23.07	22.79	27.83	17.44	10.62
Advertisement and publicity expenses	15.93	14.93	26.56	14.62	6.47
Business promotion expenses	29.07	17.63	22.56	11.35	2.92
Director's fees, allowances and expenses	3.28	2.16	3.03	3.72	1.99
Auditor's fees and expenses (refer note 36)	7.36	8.75	10.84	6.62	5.17
Legal and professional charges	100.40	91.46	137.70	135.71	73.92
Collection expenses	41.51	40.41	73.48	70.51	45.05
Travelling expenses	128.51	80.56	144.86	93.72	44.20
Net loss on derecognition of property, plant and equipment	-	0.18	2.15	2.24	2.05
Other expenditure	209.53	127.96	173.61	133.42	114.59
Expenses towards corporate social responsibility (refer note 37)	29.25	19.68	26.20	18.92	19.01
Total	**710.00**	**509.77**	**767.98**	**592.48**	**386.02**

(₹ in millions except otherwise stated)

34 Tax expenses

(A) Amounts recognized in restated statement of profit and loss (including other comprehensive income)

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax expense					
Current period	679.64	457.23	588.28	364.37	429.54
Tax related to earlier years	-	(12.56)	(12.56)	(46.56)	89.53
Total current tax expense (A)	**679.64**	**444.67**	**575.72**	**317.81**	**519.07**
Deferred tax (asset) / liability, net					
Origination and reversal of temporary differences	**(41.91)**	(12.54)	98.51	29.48	(195.74)
Deferred tax (income) / expense (B)	**(41.91)**	**(12.54)**	**98.51**	**29.48**	**(195.74)**
Total tax expense for the period/year (A)+(B)	**637.73**	**432.13**	**674.23**	**347.29**	**323.33**

(B) Amounts recognized in other comprehensive income

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Items that will not be reclassified to profit or (loss)					
Remeasurements of the defined benefit plans					
Before tax	(18.32)	(0.45)	(2.98)	(9.67)	0.46
Tax (expense) / benefit	4.61	0.11	0.75	2.44	(0.12)
Net of tax	**(13.71)**	**(0.34)**	**(2.23)**	**(7.23)**	**0.34**

(C) Reconciliation of effective tax rate

Particulars	For the period ended December 31, 2023		For the period ended December 31, 2022	
	Amount	**% terms**	**Amount**	**% terms**
Profit before tax as per restated statement of profit and loss (including other comprehensive income)	**2,808.74**		**1,820.96**	
Enacted Tax Rate is 25.168%	706.90	25.17%	458.30	25.17%
Add/(less) : Non-deductible expenses for tax purposes				
CSR expenses	7.36	0.26%	4.95	0.27%
Tax related to earlier years	-	0.00%	(12.56)	-0.69%
Tax effect of expenses that are not deductible for tax purposes	(76.53)	-2.72%	(18.56)	-1.02%
Total adjustments	**(69.17)**	**-2.46%**	**(26.17)**	**-1.44%**
Total tax expense	**637.73**	**22.71%**	**432.13**	**23.73%**

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
	Amount	**% terms**	**Amount**	**% terms**	**Amount**	**% terms**
Profit before tax as per restated statement of profit and loss (including other comprehensive income)	**2,902.09**		**1,776.03**		**1,234.16**	
Enacted Tax Rate is 25.168%	730.40	25.17%	446.99	25.17%	310.61	25.17%
Add/(less) : Non-deductible expenses for tax purposes						
CSR expenses	6.59	0.23%	4.76	0.27%	4.78	0.39%
Tax related to earlier years	(12.56)	-0.43%	(46.56)	-2.62%	-	0.00%
Tax effect of expenses that are not deductible for tax purposes	(50.20)	-1.73%	(57.90)	-3.26%	7.94	0.64%
Total adjustments	**(56.17)**	**-1.94%**	**(99.70)**	**-5.61%**	**12.72**	**1.03%**
Total tax expense	**674.23**	**23.23%**	**347.29**	**19.55%**	**323.33**	**26.20%**

34(C.1) The Company has elected to exercise the option permitted under section 115BAA of the income-tax act, 1961, as introduced by the taxation laws (amendment) ordinance, 2019.

(D) Movement in deferred tax balances

Particulars	Net balance March 31, 2023	Recognized in profit or loss	Recognized in OCI	Net balance December 31, 2023	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
Expected credit loss (ECL)	315.05	210.07	-	525.12	525.12	-
Unamortized processing fee	9.54	-31.35	-	(21.81)	-	21.81
Employee benefits	26.60	0.99	4.61	32.20	32.20	-
Fair valuation impact on investments	(1.37)	1.37	-	-	-	-
Lease liability	172.74	28.82	-	201.56	201.56	-
Right to use asset	(151.08)	-22.03	-	(173.11)	-	173.11
Interest receivable on direct assignments	(116.95)	-155.16	-	(272.11)	-	272.11
Depreciation on property, plant and equipment	(0.90)	4.74	-	3.84	3.84	-
Other adjustments	10.39	4.46	-	14.85	14.85	-
Total	**264.02**	**41.91**	**4.61**	**310.54**	**777.57**	**467.03**

(₹ in millions except otherwise stated)

34 Tax expenses (Continued)

(D) Movement in deferred tax balances (Continued)

Particulars	Net balance March 31, 2022	Recognized in profit or loss	Recognized in OCI	Net balance March 31, 2023	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
Expected credit loss (ECL)	307.48	7.57	-	315.05	315.05	-
Unamortized processing fee	17.82	(8.28)	-	9.54	9.54	-
Employee benefits	21.72	4.13	0.75	26.60	26.60	-
Fair valuation impact on investments	(1.76)	0.39	-	(1.37)	-	1.37
Lease liability	135.42	37.32	-	172.74	172.74	-
Right to use asset	(118.01)	(33.07)	-	(151.08)	-	151.08
Interest receivable on direct assignments	(14.43)	(102.52)	-	(116.95)	-	116.95
Depreciation on property, plant and equipment	(0.92)	0.02	-	(0.90)	-	0.90
Other adjustments	14.46	(4.07)	-	10.39	10.39	-
Total	**361.78**	**(98.51)**	**0.75**	**264.02**	**534.32**	**270.30**

Particulars	Net balance March 31, 2022	Recognized in profit or loss	Recognized in OCI	Net balance December 31, 2022	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
Expected credit loss (ECL)	307.48	63.46	-	370.94	370.94	-
Unamortized processing fee	17.82	(3.08)	-	14.74	14.74	-
Employee benefits	21.72	1.67	0.11	23.50	23.50	-
Fair valuation impact on investments	(1.76)	(4.28)	-	(6.04)	-	6.04
Lease liability	135.42	22.34	-	157.76	157.76	-
Right to use asset	(118.01)	(17.17)	-	(135.18)	-	135.18
Interest receivable on direct assignments	(14.43)	(37.93)	-	(52.36)	-	52.36
Depreciation on property, plant and equipment	(0.92)	0.90	-	(0.02)	-	0.02
Other adjustments	14.46	(13.37)	-	1.09	1.09	-
Total	**361.78**	**12.54**	**0.11**	**374.43**	**568.03**	**193.60**

Particulars	Net balance March 31, 2021	Recognized in profit or loss	Recognized in OCI	Net balance March 31, 2022	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
Expected credit loss (ECL)	391.33	(83.85)	-	307.48	307.48	-
Unamortized processing fee	11.41	6.41	-	17.82	17.82	-
Employee benefits	13.94	5.34	2.44	21.72	21.72	-
Fair valuation impact on investments	(0.75)	(1.01)	-	(1.76)	-	1.76
Lease liability	78.62	56.80	-	135.42	135.42	-
Right to use asset	(65.35)	(52.66)	-	(118.01)	-	118.01
Interest receivable on direct assignments	(28.91)	14.48	-	(14.43)	-	14.43
Depreciation on property, plant and equipment	1.14	(2.06)	-	(0.92)	-	0.92
Other adjustments	(12.61)	27.07	-	14.46	14.46	-
Total	**388.82**	**(29.48)**	**2.44**	**361.78**	**496.90**	**135.12**

Particulars	Net balance March 31, 2020	Recognized in profit or loss	Recognized in OCI	Net balance March 31, 2021	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
Expected credit loss (ECL)	315.73	75.60	-	391.33	391.33	-
Unamortized processing fee	12.62	(1.21)	-	11.41	11.41	-
Employee benefits	23.04	(8.98)	(0.12)	13.94	13.94	-
Fair valuation impact on investments	(17.06)	16.31	-	(0.75)	-	0.75
Lease liability	61.93	16.69	-	78.62	78.62	-
Right to use asset	(50.89)	(14.46)	-	(65.35)	-	65.35
Interest receivable on direct assignments	(139.91)	111.00	-	(28.91)	-	28.91
Depreciation on property, plant and equipment	(2.02)	3.16	-	1.14	1.14	-
Other adjustments	(10.24)	(2.37)	-	(12.61)	-	12.61
Total	**193.20**	**195.74**	**(0.12)**	**388.82**	**496.44**	**107.62**

34(D.1) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(₹ in millions except otherwise stated)

35 Earnings per equity share (EPS)

Basic EPS is calculated by dividing the profit for the period/year attributable to equity holders by the weighted average number of equity shares outstanding during the period/year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up.

Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the period/year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Profit for the period/year, attributable to equity shareholders	2,171.01	1,388.83	2,227.86	1,428.74	910.83
(ii) Weighted average number of equity shares for basic earnings per share	122.09	116.36	116.46	113.24	100.80
(iii) Effect of dilution	1.63	2.48	2.12	1.90	0.96
(iv) Weighted average number of equity shares for diluted earnings per share	123.72	118.84	118.58	115.14	101.76
Earnings per share (basic) (i/ii)*	17.78	11.94	19.13	12.62	9.04
Earnings per share (diluted) (i/iv)*	17.55	11.69	18.79	12.41	8.95
Face value per share	2	2	2	2	2

* The Board of Directors of the Company in its meeting held on February 01, 2024 and shareholders of the Company in the Extraordinary General Meeting held on March 11, 2024 approved the sub-division of shares from ₹ 2 per share to ₹ 1 per share and also approved the bonus share in the ratio of 1:1. The number of shares used for the calculation of earnings per share, and the earnings per share (including that in the comparative periods), have been adjusted for pursuant to Paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

36 Payment to auditors

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
a) As auditor:					
Audit fees	4.94	5.96	6.75	4.75	3.65
Limited review	2.30	1.74	2.62	1.64	0.55
b) For other services:					
Certification fees	-	0.93	0.93	0.16	0.65
c) For reimbursement of expenses	0.12	0.12	0.54	0.07	0.32
Total	**7.36**	**8.75**	**10.84**	**6.62**	**5.17**

37 Corporate social responsibility (CSR)

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Amount required to be spent by the Company during the financial year	39.00	26.20	26.20	18.92	18.96
b. Amount spent during the period/year	-	-	-	-	-
(i) Construction/acquisition of any asset	-	-	-	-	-
(ii) On purposes other than (i) above	27.42	12.14	22.14	1.71	19.01

c. Pursuant to Section 135 (5) & (6) of companies act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the shortfall/excess computation needs to be done at the annual accounts stage. The Company has transferred in March 31, 2023 ₹ 4.06 million (March 31, 2022: ₹ 17.21 million, March 31, 2021: Nil) in a separate bank account as "unspent CSR account", which will be spent over the period of 3 years.

d. Details of related party transactions in relation to CSR expenditure as per Ind AS 24, related party disclosures (refer note 39).

e. The Company has undertaken CSR activities as per schedule VII of the Companies Act, 2013.

38 Contingent liabilities and commitments

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Contingent liabilities:-					
(a) Claims against the company not acknowledged as debt;					
- Indirect tax matter	175.03	163.58	166.40	135.55	130.44
- Direct tax matter	3.35	3.35	3.35	3.35	-
(b) Guarantees:-					
- Corporate guarantees towards securitization transaction	65.77	99.10	99.10	33.33	50.00
- towards law suits, claims and proceedings, including collection and repossession related matters, which arise in the ordinary course of business	0.53	1.03	1.05	0.97	0.87
(c) Other money for which the company is contingently liable	7.50	-	-	-	-
Contingent liabilities (d=a+b+c)	**252.18**	**267.06**	**269.90**	**173.20**	**181.31**
(ii) Commitments:-					
(a) Estimated amount of contracts remaining to be executed on capital account and not provided	-	-	-	-	-
(b) Other commitments	-	-	-	-	10.00
	-	**-**	**-**	**-**	**10.00**

(₹ in millions except otherwise stated)

38 Contingent liabilities and commitments (Continued)

i) Demand raised by the office of commissioner, central excise, Jaipur for the period December 2010 to June 2017 (net of amount paid under protest and provided), for non-payment of service tax on services rendered towards collection of receivables and liquidity facilities in respect of securitization / direct assignments transactions is ₹ 153.47 million. Company has filed an appeal against this order with the CESTAT, New Delhi and has deposited an amount equal to 7.5% of the tax demand i.e. ₹ 5.11 million under protest.
ii) The assistant commissioner, income tax, through an order dated March 31, 2022, has confirmed the demand of income tax of ₹ 3.35 million from the Company and thereby reducing the amount of refund with the same in relation to under reporting of income. The Company has filed the appeal for the same on April 23, 2022 to commissioner of income-tax (appeals).
iii) The Company's pending litigations comprises of claims against the Company by the customer and proceedings pending with other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in the Restated Summary Statements. The Company do not expect the outcome of these proceedings to have a materially adverse effect on its Restated Summary Statements.
iv) Demand raised by the office of commissioner, central goods and service tax, Jaipur for the financial year 2017-18 and 2018-19 for non-payment of GST on deemed commission for personal guarantee given by director on various loan taken is ₹ 21.56 million. The order for financial year 2017-18 and 2018-19 was received on August 31, 2022 and the corresponding appeal has been filled with commissioner (appeals) CGST, Jaipur on November 30, 2022.

39 Related party disclosure

Related party disclosures, as required by notified Ind AS 24 - 'Related party disclosures' are given below:

A. Names of related parties

Particulars	
a) Names of the related parties where control exists	
The Company has no subsidiary and holding Company.	
b) Key management personnel	
Rajendra Kumar Setia	Managing Director & CEO
Shalini Setia	Whole-time Director (Upto January 30, 2023)
Yash Setia	Whole-time Director (Since January 30, 2023)
Atul Arora	Chief Financial Officer
Anagha Bangur	Company Secretary
Amar Lal Daultani	Independent Director
Anand Raghavan	Independent Director
Akshay Tanna	Nominee Director (Upto June 13, 2023)
Debanshi Basu	Nominee Director (Since November 09, 2020)
Simit Batra	Nominee Director (Since June 13, 2023)
Gaurav Trehan	Nominee Director (Upto May 22, 2020)
Munish Dayal	Nominee Director (Upto November 09, 2020)
c) Relatives of key management personnel and promoter group	
Arjun Das Setia	Father of Managing Director & CEO
Bhajan Devi Setia	Mother of Managing Director & CEO
Shalini Setia	Wife of Managing Director & CEO
Raj Kumar Setia	Brother of Managing Director & CEO
Sameer Arora	Brother of Whole-time Director (Upto January 30, 2023)/Promoter group
Sanjeev Arora	Brother of Whole-time Director (Upto January 30, 2023)/Promoter group
Yash Setia	Son of Managing Director & CEO
d) Entities controlled or jointly controlled by individual having significant influence or their relatives	
Infrasoft Technologies Limited - Company	
SK Foundation - Trust	
Rajendra Kumar Setia HUF	
Shubham Leasing & Financial Company - Sole proprietorship	

Disclosure has been made only when there have been any transactions with those parties.

B. Key management personnel compensation

The table below describes the compensation to key management personnel under Ind AS 24:

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Short-term employee benefits	**77.51**	**45.57**	**55.47**	**44.13**	**31.06**
ii) Post-employment benefits	-	-	-	-	-
iii) Other long-term benefits	-	-	-	-	-
iv) Termination benefits	-	-	-	-	-
v) Share-based payment *	-	-	-	-	-

* The above details does not include employee stock option plan cost charged in Restated Statement of Profit and Loss (including other comprehensive income) as the same is calculated for the Company as a whole, the said expense/ liability pertaining specifically to key managerial personnel are not known.
39(B.1) As liability for gratuity and compensated absences is provided on actuarial basis, and calculated for the Company as a whole, the said expense/ liability pertaining specifically to key managerial personnel are not known, and hence, not included in the above table.
39(B.2) Gross remuneration comprises salary, medical reimbursement, leave travel concession, allowances and performance bonus but excludes non monetary value of other perquisites computed on the basis of the Income Tax Act and Rules.

(₹ in millions except otherwise stated)

39 Related party disclosure (Continued)

C. Transactions/balances with related parties

Name of the related party	Nature of transactions	As at and for the period ended				
		December 31, 2023	December 31, 2022	March 31, 2023	March 31, 2022	March 31, 2021
i) Transactions during the period/year						
Directors						
Rajendra Kumar Setia (Managing Director & CEO)	Salary	49.62	33.92	39.56	29.55	22.66
Shalini Setia (Whole-time Director - Upto January 30, 2023)	Salary	-	0.88	0.97	1.17	1.17
Yash Setia (Whole-time Director - Since January 30, 2023)	Salary	13.52	-	1.01	-	-
Amar lal Daultani (Independent Director)	Sitting Fees	1.66	1.08	1.54	1.86	0.79
Anand Raghavan (Independent Director)	Sitting Fees	1.61	1.08	1.49	1.86	0.84
Munish Dayal (Nominee Director)	Sitting Fees	-	-	-	-	0.36
Rajendra Kumar Setia (Managing Director & CEO)	Insurance Expenses	0.51	0.51	0.51	0.47	0.47
Shalini Setia (Whole-time Director - Upto January 30, 2023)	Rent	-	3.10	3.45	3.94	3.76
Rajendra Kumar Setia (Managing Director & CEO)	Issue of Share Capital #	736.21	-	-	220.00	2.03
Rajendra Kumar Setia (Managing Director & CEO)	Personal Guarantee received for Borrowings	3,500.00	1,000.00	1,000.00	7,050.00	7,615.00
Rajendra Kumar Setia (Managing Director & CEO) and Shalini Setia (Whole-time Director - Upto January 30, 2023) (Jointly)	Personal Guarantee received for Borrowings	-	2,000.00	2,000.00	1,500.00	795.00
Relative of directors						
Raj Kumar Setia (Brother of Managing Director & CEO)	Salary	18.23	7.27	9.10	6.65	3.85
Mr. Sameer Arora (Brother of Whole-time Director - Upto January 30, 2023) (Promoter Group - Since January 30, 2023)	Salary	-	8.05	10.04	8.39	5.94
Mr. Sanjeev Arora (Brother of Whole-time Director - Upto January 30, 2023) (Promoter Group - Since January 30, 2023)	Salary	-	-	-	1.04	1.04
Yash Setia (Son of Managing Director & CEO - Upto January 30, 2023)	Salary	-	1.77	2.11	1.63	1.47
Shalini Setia (Wife of Managing Director & CEO - Since January 30, 2023)	Rent	3.25	-	0.70	-	-
Mr. Sanjeev Arora (Brother of Whole-time Director - Upto January 30, 2023) (Promoter Group - Since January 30, 2023)	Legal and professional Charges	-	-	-	0.36	-
Mr. Sameer Arora (Brother of Whole-time Director - Upto January 30, 2023) (Promoter Group - Since January 30, 2023)	Issue of Share Capital	-	-	9.04	-	-
Mr. Sanjeev Arora (Brother of Whole-time Director - Upto January 30, 2023) (Promoter Group - Since January 30, 2023)	Issue of Share Capital	-	0.56	0.56	-	-
Raj Kumar Setia (Brother of Managing Director & CEO)	Issue of Share Capital ##	65.84	-	-	-	-
Key management personnel (excluding directors)						
Atul Arora (Chief Financial Officer)	Salary	9.16	7.12	8.87	8.21	4.26
Anagha Bangur (Company Secretary)	Salary	1.94	1.49	2.03	1.48	0.98
Atul Arora (Chief Financial Officer)	Issue of Share Capital	13.45	-	8.37	-	-
Anagha Bangur (Company Secretary)	Issue of Share Capital	0.19	-	0.56	-	-
Atul Arora (Chief Financial Officer)	Number of ESOP grant (in million)	-	0.04	0.04	-	-
Anagha Bangur (Company Secretary)	Number of ESOP grant (in million)	-	*	*	-	-
Entities controlled or jointly controlled by individual having significant influence or their relatives						
Shubham Leasing & Financial Company (Sole proprietorship)	Commission	-	-	-	0.17	0.91
Infrasoft Private Limited (Private Company)	Information Technology Expenses	1.58	0.53	0.84	0.65	1.00
SK Foundation (Trust)	CSR Expenses	27.23	20.79	30.34	0.41	17.67
SK Foundation (Trust)	Donation	1.50	1.30	1.70	0.17	-

SK Finance Limited
Restated Summary Statements
Annexure V - Summary of material accounting policies and other explanatory information (Continued)
(₹ in millions except otherwise stated)

39 Related party disclosure (Continued)

C. Transactions/balances with related parties (Continued)

Name of the related party	Nature of transactions	As at and for the period ended				
		December 31, 2023	December 31, 2022	March 31, 2023	March 31, 2022	March 31, 2021
ii) Outstanding balances						
Directors						
Rajendra Kumar Setia (Managing Director & CEO)	Equity share capital	21.65	22.26	22.26	22.26	22.44
Yash Setia (Whole-time Director - Since January 30, 2023)	Equity share capital	*	-	*	-	-
Shalini Setia (Whole-time Director - Upto January 30, 2023)	Equity share capital	-	*	-	*	*
Rajendra Kumar Setia (Managing Director & CEO)	Salary Payable	-	-	-	-	1.22
Shalini Setia (Whole-time Director - Upto January 30, 2023)	Salary Payable	-	-	-	-	0.10
Relative of directors						
Bhajan Devi Setia (Mother of Managing Director & CEO)	Equity share capital	*	*	*	*	*
Shalini Setia (Wife of Managing Director & CEO - Since January 30, 2023)	Equity share capital	*	-	*	-	-
Yash Setia (Son of Managing Director & CEO - Upto January 30, 2023)	Equity share capital	-	*	-	*	*
Raj Kumar Setia (Brother of Managing Director & CEO)	Equity share capital	0.22	0.12	0.12	0.12	-
Mr. Sameer Arora (Brother of Whole-time Director - Upto January 30, 2023) (Promoter Group - Since January 30, 2023)	Equity share capital	-	*	0.08	*	-
Mr. Sanjeev Arora (Brother of Whole-time Director - Upto January 30, 2023) (Promoter Group - Since January 30, 2023)	Equity share capital	-	*	*	-	-
Mr. Sanjeev Arora (Brother of Whole-time Director - Upto January 30, 2023) (Promoter Group - Since January 30, 2023)	Legal and professional charges payable	-	-	-	0.15	-
Raj Kumar Setia (Brother of Managing Director & CEO)	Salary Payable	-	-	-	-	0.48
Mr. Sameer Arora (Brother of Whole-time Director - Upto January 30, 2023) (Promoter Group - Since January 30, 2023)	Salary Payable	-	-	-	-	0.38
Mr. Sanjeev Arora (Brother of Whole-time Director - Upto January 30, 2023) (Promoter Group - Since January 30, 2023)	Salary Payable	-	-	-	-	0.09
Yash Setia (Son of Managing Director & CEO - Upto January 30, 2023)	Salary Payable	-	-	-	-	0.12
Raj Kumar Setia (Brother of Managing Director & CEO)	Advance salary	-	1.15	-	-	-
Mr. Sameer Arora (Brother of Whole-time Director - Upto January 30, 2023) (Promoter Group - Since January 30, 2023)	Advance salary	-	0.43	-	0.35	-
Key management personnel (excluding directors)						
Atul Arora (Chief Financial Officer)	Equity share capital	0.18	0.01	0.08	0.01	0.01
Anagha Bangur (Company Secretary)	Equity share capital	0.01	-	0.01	-	-
Atul Arora (Chief Financial Officer)	Salary Payable	-	-	-	-	0.36
Anagha Bangur (Company Secretary)	Salary Payable	-	-	-	-	0.08
Entities controlled or jointly controlled by individual having significant influence or their relatives						
Rajendra Kumar Setia HUF	Equity share capital	0.13	0.13	0.13	0.13	0.13
Shubham Leasing & Financial Company (Sole proprietorship)	Commission Payable	-	-	-	-	0.29
Infrasoft Private Limited (Private Company)	Information Technology Expenses payable	-	-	-	-	0.05

* Represents amounts less than ₹ 0.01 million

The issue of share capital includes receipt of pending call money of partly paid up shares during the period ended December 31, 2023.

The issue of share capital includes the sweat equity share issued during the period ended December 31, 2023.

39(C.1) The above details does not include employee stock option plan cost charged in Restated Statement of Profit and Loss (including other comprehensive income).

39(C.2) As liability for gratuity and compensated absences is provided on actuarial basis, and calculated for the Company as a whole, the said expense/ liability pertaining specifically to key managerial personnel are not known, and hence, not included in the above table.

39(C.3) Gross remuneration comprises salary, medical reimbursement, leave travel concession, allowances and performance bonus but excludes non monetary value of other perquisites computed on the basis of the Income Tax Act and Rules.

D. Personal guarantees provided by directors

Details of personal gurantees given by the directors for borrowings as at December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021 is stated under note 16 and 17.

E. Terms and conditions of transactions with related parties

All transactions with these related parties are priced on an arm’s length basis. Outstanding amount as at the end of the period/year are unsecured and to be settled in cash.

(₹ in millions except otherwise stated)

40 Leases

Lease in the capacity of lessee:

The Company's lease asset primarily consist of leases for office premises having lease term upto 25 years with an option to extend the lease or terminate on mutual agreement between lessee and lessor. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

The table below provides details for the changes in the carrying value of right of use assets

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening balance	619.82	482.14	482.14	271.03	209.71
Additions	200.61	154.84	288.68	278.38	115.04
Depreciation (refer note 11)	(91.80)	(80.11)	(100.36)	(67.27)	(53.72)
Adjustment/Deletion (refer note 11)	(12.24)	-	(50.64)	-	-
Closing balance	**716.39**	**556.87**	**619.82**	**482.14**	**271.03**

The table below provides details for the changes in the lease liabilities

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening balance	686.35	538.07	538.07	312.37	236.83
Additions	197.83	154.18	284.80	274.87	113.53
Finance cost accrued during the period (refer note 29)	53.90	34.80	59.24	55.18	32.08
Payment of lease liabilities (refer restated statement of cash flow)	(126.82)	(100.20)	(139.39)	(104.35)	(70.07)
Adjustment/Deletion	(10.39)	-	(56.37)	-	-
Closing balance	**800.87**	**626.85**	**686.35**	**538.07**	**312.37**
Current	96.43	82.41	85.00	63.13	40.57
Non-current	704.44	544.44	601.35	474.94	271.80

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Within one year	168.31	137.22	147.52	117.11	79.82
One to three years	299.65	245.31	259.36	217.44	142.77
Three to five years	397.00	196.40	222.49	166.50	109.30
More than five years	273.96	293.27	357.59	277.08	131.48
Closing balance	**1,138.92**	**872.20**	**986.96**	**778.13**	**463.37**

(₹ in millions except otherwise stated)

41 Employee benefits

A. The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined contribution plans:

The Company makes provident fund contributions to recognized provident fund for employees. The Company has recognized ₹ 164.9 million (December 31, 2022: ₹ 123.94 million, March 31, 2023: ₹ 170.96 million, March 31, 2022: ₹ 130.06 million and March 31, 2021: ₹ 83.24 million) for provident fund and national pension fund contributions in the restated statement of profit and loss (including other comprehensive income).

(ii) Defined benefit plan:

Gratuity :-

The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation is actuarially determined based on the projected unit credit method as at Restated Summary Statements dates.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognized in the company's Restated Summary Statements as at summary statements date:

Particulars	**As at December 31, 2023**	**As at December 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Present value of defined benefit obligation (A)	127.88	93.36	92.04	77.42	47.20
Fair value of plan assets (B)	-	-	-	-	-
Net liability recognized in the restated statement of assets and liabilities (A-B)	**127.88**	**93.36**	**92.04**	**77.42**	**47.20**

B. Movement in net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability and its components.

Particulars	**Defined benefit obligation**				
	As at December 31, 2023	**As at December 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Opening balance	92.04	77.42	77.42	47.20	35.20
Included in profit or loss:					
Current service cost	20.39	17.19	14.05	18.34	11.54
Past service cost	-	-	-	-	-
Interest cost	4.73	3.86	5.08	3.07	2.01
	117.16	**98.47**	**96.55**	**68.61**	**48.75**
Included in OCI					
Remeasurement loss (gain):					
Actuarial loss (gain) arising from:					
Demographic assumptions	-	-	0.11	(0.34)	(0.21)
Financial assumptions	0.42	(2.59)	(0.96)	(1.13)	0.92
Experience adjustment	17.90	3.04	3.83	11.14	(1.17)
Return on plan assets excluding interest income	-	-	-	-	-
	18.32	**0.45**	**2.98**	**9.67**	**(0.46)**
Other					
Contributions paid by the employer					
Benefits paid	(7.60)	(5.56)	(7.49)	(0.86)	(1.09)
Liabilities settled	-	-	-	-	-
Closing balance	**127.88**	**93.36**	**92.04**	**77.42**	**47.20**

C. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages)

Particulars	**As at December 31, 2023**	**As at December 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Discount rate	7.11%	7.43%	7.15%	6.90%	6.57%
Salary increase rate	7.00%	7.00%	7.00%	7.00%	7.00%
Attrition Rate	10% - 46%	9% - 45%	10% - 46%	9% - 45%	8.00% - 42.00%
Retirement Age (in years)	60.00	60.00	60.00	60.00	60.00
Pre-retirement mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Disability	Nil	Nil	Nil	Nil	Nil

Assumptions regarding future mortality have been based on published statistics and mortality tables.

(₹ in millions except otherwise stated)

41 Employee benefits (Continued)

C. Defined benefit obligations (Continued)

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below :

Particulars	Discount rate (100 bps)		Future salary growth (100 bps)		Attrition (100 bps)	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
As at December 31, 2023	118.11	139.16	138.51	118.50	126.57	129.21
As at December 31, 2022	86.20	101.67	100.63	86.89	92.96	93.71
As at March 31, 2023	85.38	99.71	98.68	86.08	91.53	92.53
As at March 31, 2022	71.30	84.55	83.68	71.87	76.84	78.00
As at March 31, 2021	43.13	51.99	51.49	43.45	46.73	47.68

D. Expected maturity analysis of the defined benefit plans in future years

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Expected contributions / additional provision next year	20.39	22.92	14.04	18.35	11.54
Average duration of defined benefit obligations	5.99 years	7 years	7 years	8 years	8 years
Expected total benefit payments					
Year 1	8.63	7.86	8.39	6.20	3.74
Year 2	9.79	8.42	8.85	6.97	3.68
Year 3	10.46	8.73	8.96	7.08	3.97
Year 4	13.64	10.35	10.29	7.00	4.53
Year 5	12.36	8.22	8.27	7.33	3.47
Next 5 years	59.03	36.65	35.58	28.82	16.58

E. Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such entity is exposed to various risk as follows:

Salary increases : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Discount rate : Reduction in discount rate in subsequent valuations can increase the plan’s liability.

Mortality & disability : Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals : Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan’s liability.

F. Compensated absences

The Company has created provision for compensated absences on estimate basis for un-availed leave for the periods/years ended December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021. Amount recognised in the restated statement of profit and loss (including other comprehensive income) for compensated absences is as under :

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Liability no longer required written back (refer note 28)	4.71	8.20	-	-	30.12
Compensated absences	-	-	13.58	8.85	-

G. The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(₹ in millions except otherwise stated)

42 Share Based Payment

A Share option plans (equity-settled)

The Company had formulated and implemented a policy i.e. Employee Stock Option Plan 2018 approved by the shareholders on September 11, 2018 which was amended and replaced by "Amended and Restated Employee Stock Option Plan 2018" ("Plan") by the shareholders on October 31, 2018. Further, the shareholders of the Company recently amended the scheme on March 11, 2022. The Nomination and Remuneration Committee (NRC) of the Board of Directors of the Company, inter alia, administers and monitors the Plan in accordance with the provisions of Companies Act, 2013 and rules made thereunder. It was further classified in two schemes (i.e. ESOP-I and ESOP-II).

Out of options granted, 25% shares will vest at the end of eighteen months from the date of grant, 25% at the end of the thirty months , 25% at the end of the forty-two months and balance 25% at the end of fifty-four months. The fair value of the options will be estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the ESOP were granted.

Such option vest at definite date, save for specific incidents, prescribed in the schemes as framed/ approved by NRC. Such options are exercisable for a period following vesting at the discretion of the NRC, subject to a maximum of 7 years from the date of vesting for ESOP Schemes.

The fair value of the option is determined using a Black-Scholes options pricing model. During the period/year ended December 31, 2023 ₹ 95.98 million (December 31, 2022: ₹ 87.86 million, March 31, 2023: ₹ 82.99 million, March 31, 2022: ₹ 7.2 million and March 31, 2021: ₹ 13.35 million) has recognized to the Company's restated statement of profit and loss (including other comprehensive income) in respect of equity-settled share-based payments transactions.

B Movement of share options

Movement in the options outstanding under the Employees Stock Option Plan for the period ended December 31, 2023

Scheme reference	Grant date	Balance as at April 01, 2023	Granted during the period	Exercised during the period	Lapsed/cancelled/ adjusted during the period	Balance as at December 31, 2023	Weighted average exercise price
ESOP - I (a)	**15-Oct-18**	1,24,660	-	(1,22,847)	-	1,813	249.35
ESOP - II (a)	**02-Apr-19**	3,125	-	-	-	3,125	596.29
ESOP - II (c)	**05-Nov-20**	18,750	-	(2,500)	(5,000)	11,250	596.29
ESOP - I (b) and II (d)	**05-Aug-22**	6,00,200	-	-	(56,400)	5,43,800	1,200.00
ESOP - I (c) and II (e)	**05-May-23**	-	21,600	-	(2,500)	19,100	1,200.00
		7,46,735	**21,600**	**(1,25,347)**	**(63,900)**	**5,79,088**	

The total options exercisable as at December 31, 2023 is 8,688.
The weighted average remaining contractual life of options as at December 31, 2023 is 4.56 years.

Movement in the options outstanding under the Employees Stock Option Plan for the period ended December 31, 2022

Scheme reference	Grant date	Balance as at April 01, 2022	Granted during the period	Exercised during the period	Lapsed/cancelled/ adjusted during the period	Balance as at December 31, 2022	Weighted average exercise price
ESOP - I (a)	15-Oct-18	3,46,375	-	(17,292)	(820)	3,28,263	249.35
ESOP - II (a)	02-Apr-19	12,500	-	-	-	12,500	596.29
ESOP - II (c)	05-Nov-20	25,000	-	(3,750)	-	21,250	596.29
ESOP - I (b) and II (d)	05-Aug-22	-	6,25,250	-	-	6,25,250	1,200.00
		3,83,875	**6,25,250**	**(21,042)**	**(820)**	**9,87,263**	

The total options exercisable for the period ended December 31, 2022 is 2,61,500.
The weighted average remaining contractual life of options as at December 31, 2022 is 4.05 years.

Movement in the options outstanding under the Employees Stock Option Plan for the year ended March 31, 2023

Scheme reference	Grant date	Balance as at April 01, 2022	Granted during the year	Exercised during the year	Lapsed/cancelled/ adjusted during the year	Balance as at March 31, 2023	Weighted average exercise price
ESOP - I (a)	15-Oct-18	3,46,375	-	(2,20,895)	(820)	1,24,660	249.35
ESOP - II (a)	02-Apr-19	12,500	-	(9,375)	-	3,125	596.29
ESOP - II (c)	05-Nov-20	25,000	-	(6,250)	-	18,750	596.29
ESOP - I (b) and II (d)	05-Aug-22	-	6,25,250	-	(25,050)	6,00,200	1,200.00
		3,83,875	**6,25,250**	**(2,36,520)**	**(25,870)**	**7,46,735**	

The total options exercisable for the year ended March 31, 2023 is 38,886.
The weighted average remaining contractual life of options as at March 31, 2023 is 4.86 years.

(₹ in millions except otherwise stated)

42 Share Based Payment (Continued)

B Movement of share options (Continued)

Movement in the options outstanding under the Employees Stock Option Plan for the year ended March 31, 2022

Scheme reference	Grant date	Balance as at April 01, 2021	Granted during the year	Exercised during the year	Lapsed/cancelled/ adjusted during the year	Balance as at March 31, 2022	Weighted average exercise price
ESOP - I (a)	15-Oct-18	3,51,250	-	(6,875)	2,000	3,46,375	249.35
ESOP - II (a)	02-Apr-19	12,500	-	-	-	12,500	596.29
ESOP - II (b)	01-Aug-19	14,000	-	(7,000)	(7,000)	-	596.29
ESOP - II (c)	05-Nov-20	25,000	-	-	-	25,000	596.29
		4,02,750	**-**	**(13,875)**	**(5,000)**	**3,83,875**	

The total options exercisable for the year ended March 31, 2022 is 2,10,944.
The weighted average remaining contractual life of options as at March 31, 2022 is 2.46 years.

Movement in the options outstanding under the Employees Stock Option Plan for the year ended March 31, 2021

Scheme reference	Grant date	Balance as at April 01, 2020	Granted during the year	Exercised during the year	Lapsed/cancelled/ adjusted during the year	Balance as at March 31, 2021	Weighted average exercise price
ESOP - I (a)	15-Oct-18	3,79,250	-	(3,750)	(24,250)	3,51,250	249.35
ESOP - II (a)	02-Apr-19	12,500	-	-	-	12,500	596.29
ESOP - II	01-Aug-19	14,000	-	-	-	14,000	596.29
ESOP - II (c)	05-Nov-20	-	25,000	-	-	25,000	596.29
		4,05,750	**25,000**	**(3,750)**	**(24,250)**	**4,02,750**	

The total options exercisable for the year ended March 31, 2021 is 94,438.
The weighted average remaining contractual life of options as at March 31, 2021 is 3.71 years.

C Fair value of share options

The fair value of options granted is estimated using the Black Scholes Option Pricing Model after applying the key assumption which are tabulated below.

Scheme	**ESOP - I (a)**	**ESOP - II (a)**	**ESOP - II (b)**	**ESOP - II (c)**	**ESOP - I (b) and II (d)**	**ESOP - I (c) and II (e)**
Grant Date	15-Oct-18	02-Apr-19	01-Aug-19	05-Nov-20	05-Aug-22	05-May-23
Exercise price (₹)	249.35	596.29	596.29	596.29	1,200.00	1,200.00
Expected life of the option (Years)	4.50 to 7.50	4.50 to 7.50	4.50 to 7.50	1.50 to 4.50	4.50 to 7.50	4.00 to 6.76
Annual Dividend yield	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility	0.30	0.30	0.30	0.47	0.46	0.44
Risk free rate	7.81% to 7.98%	7.81% to 7.98%	7.81% to 7.98%	3.82% to 5.01%	6.89% to 7.49%	7.02% to 7.09%
Fair value per share options (₹)	97.35 to 131.86	232.65 to 315.15	232.65 to 315.15	175.71 to 301.46	518.10 to 670.93	678.82 to 948.64
Market price (₹)	249.40	596.29	596.29	636.30	1,240.04	1,573.04

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

(₹ in millions except otherwise stated)

43 Transfer of financial assets

43.1 Transfer of financial assets that do not result in derecognition

The Company has transferred its receivables through securitization agreement with a first loss default guarantee (FLDG) such as corporate guarantee, cash collateral, subscription to subordinated pass through certificates (PTCs) etc.. The Company has also agreed to provide servicing assistance to the transferee pursuant to the terms of servicing agreement.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind-AS 109 and recognises an associated liability for the consideration received.

The Company had no ability to use these assets during the tenure of the receivables in view of the legal transfer pursuant to securitisation agreement.

The following table sets out the carrying amount of the financial assets transferred that are not derecognized in their entirety and associated liabilities:

Particulars	**As at December 31, 2023**	**As at December 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Securitisation					
Carrying amount of assets	11,055.90	11,055.58	11,821.38	3,594.61	4,166.07
Carrying amount of associated liabilities	8,590.05	10,008.15	10,059.39	3,048.04	3,272.07
Fair value of assets (A)	11,291.75	11,414.95	12,140.59	3,730.58	4,305.42
Fair value of associates liabilities (B)	8,569.12	10,031.29	10,074.79	3,054.19	3,269.68
Net position at fair value (A-B)	**2,722.63**	**1,383.66**	**2,065.80**	**676.39**	**1,035.74**

43.2 Transfer of financial assets that are derecognised

During the period/year, the Company has assigned (earlier measured at amortised cost) by way of direct assignment as per the agreed terms of the deals. Since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the books of accounts. The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition during the period/year:

Particulars	**As at December 31, 2023**	**As at December 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Direct assignment					
Carrying amount of transferred assets measured at amortised cost	8,059.11	2,751.23	5,218.48	553.38	527.01
Carrying amount of exposures retained by the company at amortised cos	892.77	275.12	521.85	55.34	52.70
Gain on sale of the derecognised financial assets	847.23	188.88	621.16	45.28	72.76

Since the Company transferred the above financial asset in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognized on the date of derecognition itself as interest strip receivable and correspondingly recognised as gain on derecognition of financial asset.

43.3 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

(₹ in millions except otherwise stated)

44 Fair values of financial instruments

A. Categories of financial assets and financial liabilities:

The following table shows the carrying amounts of financial assets and financial liabilities which are classified as fair value through profit and loss (FVTPL), fair value through other comprehensive income (FVTOCI) and

Particulars	As at December 31, 2023				As at December 31, 2022			
	FVTPL	FVTOCI	Amortised cost	Total	FVTPL	FVTOCI	Amortised cost	Total
Financial assets								
Cash and cash equivalents	-	-	7,038.81	**7,038.81**	-	-	4,667.03	**4,667.03**
Bank balance other than cash and cash equivalent	-	-	6,196.86	**6,196.86**	-	-	5,684.20	**5,684.20**
Derivative financial instrument	215.04	-	-	**215.04**	259.00	-	-	**259.00**
Receivables								
Other receivables	-	-	52.98	**52.98**	-	-	135.42	**135.42**
Loans	-	-	86,739.80	**86,739.80**	-	-	64,640.77	**64,640.77**
Investments	4,595.94	-	-	**4,595.94**	5,013.44	-	-	**5,013.44**
Other financial assets	-	-	1,337.17	**1,337.17**	-	-	573.36	**573.36**
Total	**4,810.98**	**-**	**1,01,365.62**	**1,06,176.60**	**5,272.44**	**-**	**75,700.78**	**80,973.22**
Financial liabilities								
Derivative financial instruments	15.64	-	-	**15.64**	10.52	-	-	**10.52**
Debt securities	-	-	17,769.20	**17,769.20**	-	-	18,450.25	**18,450.25**
Borrowings (other than debt securities)	-	-	61,141.20	**61,141.20**	-	-	45,412.85	**45,412.85**
Subordinated liabilities	-	-	-	**-**	-	-	204.06	**204.06**
Other financial liabilities	-	-	1,960.64	**1,960.64**	-	-	1,205.29	**1,205.29**
Total	**15.64**	**-**	**80,871.04**	**80,886.68**	**10.52**	**-**	**65,272.45**	**65,282.97**

Particulars	As at March 31, 2023				As at March 31, 2022				As at March 31, 2021			
	FVTPL	FVTOCI	Amortised cost	Total	FVTPL	FVTOCI	Amortised cost	Total	FVTPL	FVTOCI	Amortised cost	Total
Financial assets												
Cash and cash equivalents	-	-	7,574.87	**7,574.87**	-	-	1,745.59	**1,745.59**	-	-	2,333.15	**2,333.15**
Bank balance other than cash and cash equivalent	-	-	4,623.07	**4,623.07**	-	-	4,433.45	**4,433.45**	-	-	3,850.93	**3,850.93**
Derivative financial instrument	250.81	-	-	**250.81**	47.96	-	-	**47.96**	-	-	-	**-**
Receivables												
Other receivables	-	-	107.51	**107.51**	-	-	22.31	**22.31**	-	-	44.73	**44.73**
Loans	-	-	69,903.93	**69,903.93**	-	-	46,433.02	**46,433.02**	-	-	32,798.97	**32,798.97**
Investments	5,261.19	-	-	**5,261.19**	7,818.43	-	-	**7,818.43**	2,588.76	-	-	**2,588.76**
Other financial assets	-	-	796.81	**796.81**	-	-	280.60	**280.60**	-	-	279.95	**279.95**
Total	**5,512.00**	**-**	**83,006.19**	**88,518.19**	**7,866.39**	**-**	**52,914.97**	**60,781.36**	**2,588.76**	**-**	**39,307.73**	**41,896.49**
Financial liabilities												
Derivative financial instruments	3.77	-	-	**3.77**	5.24	-	-	**5.24**	5.06	-	-	**5.06**
Debt securities	-	-	17,149.60	**17,149.60**	-	-	14,735.79	**14,735.79**	-	-	15,203.21	**15,203.21**
Borrowings (other than debt securities)	-	-	53,281.82	**53,281.82**	-	-	30,037.82	**30,037.82**	-	-	16,637.38	**16,637.38**
Subordinated liabilities	-	-	-	**-**	-	-	203.66	**203.66**	-	-	402.94	**402.94**
Other financial liabilities	-	-	1,572.22	**1,572.22**	-	-	1,203.96	**1,203.96**	-	-	762.39	**762.39**
Total	**3.77**	**-**	**72,003.64**	**72,007.41**	**5.24**	**-**	**46,181.23**	**46,186.47**	**5.06**	**-**	**33,005.92**	**33,010.98**

(₹ in millions except otherwise stated)

44 Fair values of financial instruments (Continued)

B. Fair value hierarchy:

Fair values of financial assets and financial liabilities measured as fair value, including their levels in the fair value hierarchy, are presented below.

Particulars	As at December 31, 2023				As at December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial instruments	-	215.04	-	**215.04**	-	259.00	-	**259.00**
Investments								
Security receipt of ARC	-	228.14	-	**228.14**	-	41.30	-	**41.30**
Mutual funds units	-	-	-	**-**	-	13.76	-	**13.76**
Alternative investment funds (AIF) units	-	-	-	**-**	-	1,490.71	-	**1,490.71**
Debts securities	-	4,367.80	-	**4,367.80**	-	3,467.67	-	**3,467.67**
Total	**-**	**4,810.98**	**-**	**4,810.98**	**-**	**5,272.44**	**-**	**5,272.44**
Financial liabilities								
Derivative financial instruments	-	15.64	-	**15.64**	-	10.52	-	**10.52**
Total	**-**	**15.64**	**-**	**15.64**	**-**	**10.52**	**-**	**10.52**

Particulars	As at March 31, 2023				As at March 31, 2022				As at March 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets												
Derivative financial instruments	-	250.81	-	**250.81**	-	47.96	-	**47.96**	-	-	-	**-**
Investments												
Security receipt of ARC	-	249.31	-	**249.31**	-	68.37	-	**68.37**	-	-	-	**-**
Mutual funds units	-	254.29	-	**254.29**	-	13.25	-	**13.25**	-	134.47	-	**134.47**
Alternative investment funds (AIF) units	-	44.49	-	**44.49**	-	1,627.38	-	**1,627.38**	-	1,476.10	-	**1,476.10**
Debts securities	-	4,713.10	-	**4,713.10**	-	6,109.43	-	**6,109.43**	-	-	978.19	**978.19**
Total	**-**	**5,512.00**	**-**	**5,512.00**	**-**	**7,866.39**	**-**	**7,866.39**	**-**	**1,610.57**	**978.19**	**2,588.76**
Financial liabilities												
Derivative financial instruments	-	3.77	-	**3.77**	-	5.24	-	**5.24**	-	5.06	-	**5.06**
Total	**-**	**3.77**	**-**	**3.77**	**-**	**5.24**	**-**	**5.24**	**-**	**5.06**	**-**	**5.06**

Financial instruments measured at amortised cost

Particulars	As at December 31, 2023			As at December 31, 2022		
	Carrying amount	Fair value	Fair value hierarchy	Carrying amount	Fair value	Fair value hierarchy
Financial assets						
Loans	86,739.80	90,940.13	Level 3	64,640.77	67,621.00	Level 3
Total	**86,739.80**	**90,940.13**		**64,640.77**	**67,621.00**	
Financial liabilities						
Debt securities	17,769.20	17,900.66	Level 3	18,450.25	18,768.56	Level 3
Borrowings (other than debt securities)	61,141.20	61,877.87	Level 3	45,412.85	46,096.46	Level 3
Subordinated liabilities	-	-		204.06	202.30	Level 3
Total	**78,910.40**	**79,778.53**		**64,067.16**	**65,067.32**	

Particulars	As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	Carrying amount	Fair value	Fair value hierarchy	Carrying amount	Fair value	Fair value hierarchy	Carrying amount	Fair value	Fair value hierarchy
Financial assets									
Loans	69,903.93	72,873.61	Level 3	46,433.02	48,327.33	Level 3	32,798.97	34,335.88	Level 3
Total	**69,903.93**	**72,873.61**		**46,433.02**	**48,327.33**		**32,798.97**	**34,335.88**	
Financial liabilities									
Debt securities	17,149.60	17,487.22	Level 3	14,735.79	15,509.50	Level 3	15,203.21	15,316.60	Level 3
Borrowings (other than debt securities)	53,281.82	54,255.74	Level 3	30,037.82	30,618.10	Level 3	16,637.38	16,667.39	Level 3
Subordinated liabilities	-	-	-	203.66	203.44	Level 3	402.94	400.92	Level 3
Total	**70,431.42**	**71,742.96**		**44,977.27**	**46,331.04**		**32,243.53**	**32,384.91**	

The financial assets and liabilities, such as cash and cash equivalents, bank balances other than cash and cash equivalents, other receivable, other financial assets and liabilities approximate their carrying amounts largely due to the short term maturity of these instruments.

44 Fair values of financial instruments (Continued)

C. Measurement of fair values

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The categories used are as follows:

Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Company has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in Level 2.The mutual funds and alternative investment funds are valued at the closing NAV.

Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in Level 3. That is Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Instrument type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investments in mutual funds	The investment in mutual funds are valued using the closing NAV.	Not applicable	Not applicable
Investments in alternative investment funds	The investment in alternative investment funds are valued using the closing NAV.	Not applicable	Not applicable
Investments in debt securities	Fair value is based on market-observable data such as secondary market prices for its traded debt and where no data is available, it is estimated using prevailing bond rate on Restated Summary Statements date. The Company has liquid debt instruments.	Not applicable	Not applicable
Investments in security receipts	The Investment in security receipts are valued using the closing NAV.	Not applicable	Not applicable
Derivative financial instrument (assets)	Cross currency interest rate swap (CCIRS) held for the purpose of hedging foreign currency denominated External Commercial Borrowings are accounted as a derivative financial instrument. CCIRS is being considered under Level 2 for fair valuation which is performed through discounted cash flow method by deriving future forward rates from published zero coupon yield curve. All future cash flows for both the paying and receiving legs in the swap contract are discounted to present value using these forward rates and accordingly arrived at the valuation for a point of time. The fair value of Interest Rate Swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.	Not applicable	Not applicable
Derivative financial instrument (liabilities)	The fair values have been calculated based on Monte Carlo simulation model by an independent merchant banker.	Not applicable	Not applicable

Financial instruments not measured at fair value

Instrument type	Valuation technique
Loans	The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. This fair value is then reduced by impairment allowance which is already calculated incorporating probability of defaults and loss given defaults to arrive at fair value net of risk.
Debt securities, Borrowings other than debt securities and Subordinated liabilities	The fair values of the Company's debt securities, borrowings other debt securities and subordinated liabilities are calculated based on a discounted cash flow model and for the purpose of disclosures are classified under Level 3.

Transfer between fair value hierarchy levels

There were no significant changes in the classification and no significant movements between the fair value hierarchy classifications of assets and liabilities.

45 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
A) Credit risk ;
B) Liquidity risk ; and
C) Market risk

A. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee. The risk management committee of board exercises supervisory power in connection with the risk management of the Company, developing and monitoring risk management policies, monitoring of the exposures, reviewing adequacy of risk management process, ensuring compliance with the statutory/regulatory framework of the risk management process.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Management believes that an effective risk management process is the key to sustained operations thereby protecting value for all stakeholders, identifying and mitigating and continuously monitoring risks to business, achieving business objectives, improving governance processes and preparing for unplanned circumstances. Management ensures effective risk management by implementing following steps:

1. Adheres to procedures described in various policies approved by the board from time to time by implementing adequate financial controls.
2. Communicates various policies to the stakeholders through suitable training and communication and periodical review of its relevance in changing business atmosphere.
3. Identifies risks and promotes proactive approach for treating such risks.
4. Allocates adequate and timely resources to mitigate, manage and minimize the risks and their adverse impact on outcomes.
5. Strives towards strengthening the risk management system through continuous learning and improvement.
6. Complies with all relevant laws and regulations across the areas of operations of the Company.
7. Optimizes risk situations to manage adverse exposure on deliverables and bring them in line with acceptable risk appetite of the Company in consonance with business objectives.
8. Engages internal auditors to periodically review various aspects of the internal control systems. The reports of the internal auditors are reviewed by the audit committee.
9. The Company has implemented adequate internal financial controls.
10. The Company has a board approved asset liability management policy.

(₹ in millions except otherwise stated)

45 Financial risk management (Continued)

B. Credit risk

Credit risk is the risk of actual or probable financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances now or in future. The sanction and renewal of any credit facility to a particular borrower requires appropriate credit approval by concerned authority. The appropriate authority has been entrusted with the task of verifying the credentials of the customer as per set processes and guidelines. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for group of counterparties and by monitoring exposures in relation to such limits. Credit worthiness of borrowers is regularly reviewed and monitored by line credit risk managers, who are responsible for maintaining the portfolio quality as per given risk – return targets. Further the Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The gross carrying amounts of following financial assets represent the maximum credit risk exposure:-

Particulars	**As at December 31, 2023**	**As at December 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Loans	87,464.82	65,656.79	70,547.42	47,401.38	34,223.61
Others	1,376.43	557.19	737.74	246.82	200.22
Total	**88,841.25**	**66,213.98**	**71,285.16**	**47,648.20**	**34,423.83**

i. Credit quality analysis

The following table sets out the information about the credit quality of financial assets measured at amortised cost.

Particulars	**As at December 31, 2023**					**As at December 31, 2022**				
	Stage 1	**Stage 2**	**Stage 3**	**Regulatory Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Regulatory Stage 3**	**Total**
Gross Loans										
Neither past due nor impaired	73,439.29	-	-	50.93	**73,490.22**	54,417.31	-	-	40.22	**54,457.53**
Past due but not impaired										
01-30 days past due	6,993.39	-	-	145.35	**7,138.74**	5,981.98	-	-	120.21	**6,102.19**
31-90 days past due	-	2,992.90	-	1,333.02	**4,325.92**	-	2,288.88	-	996.09	**3,284.97**
Impaired (more than 90 days)	-	-	2,509.94	-	**2,509.94**	-	-	1,812.10	-	**1,812.10**
Others	1,233.94	93.56	38.65	10.28	**1,376.43**	423.78	69.84	63.57	-	**557.19**
	81,666.62	**3,086.46**	**2,548.59**	**1,539.58**	**88,841.25**	**60,823.07**	**2,358.72**	**1,875.67**	**1,156.52**	**66,213.98**
Expected credit loss ratio	0.57%	10.21%	43.59%	13.82%	2.37%	1.04%	8.60%	30.63%	13.89%	2.38%
Impairment loss allowance	(462.45)	(315.23)	(1,111.02)	(212.75)	**(2,101.45)**	(635.18)	(202.78)	(574.61)	(160.64)	**(1,573.21)**
Net Loans	**81,204.17**	**2,771.23**	**1,437.57**	**1,326.83**	**86,739.80**	**60,187.89**	**2,155.94**	**1,301.06**	**995.88**	**64,640.77**

Particulars	**As at March 31, 2023**					**As at March 31, 2022**				
	Stage 1	**Stage 2**	**Stage 3**	**Regulatory Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Regulatory Stage 3**	**Total**
Gross Loans										
Neither past due nor impaired	61,340.71	-	-	41.98	**61,382.69**	38,209.00	-	-	-	**38,209.00**
Past due but not impaired										
01-30 days past due	5,130.21	-	-	111.19	**5,241.40**	4,462.83	-	-	-	**4,462.83**
31-90 days past due	-	1,881.03	-	683.62	**2,564.65**	-	3,397.07	-	-	**3,397.07**
Impaired (more than 90 days)	-	-	1,358.68	-	**1,358.68**	-	-	1,332.48	-	**1,332.48**
Others	654.64	61.02	22.08	-	**737.74**	204.62	23.92	18.28	-	**246.82**
	67,125.56	**1,942.05**	**1,380.76**	**836.79**	**71,285.16**	**42,876.45**	**3,420.99**	**1,350.76**	**-**	**47,648.20**
Expected credit loss ratio	0.99%	8.76%	32.26%	12.27%	1.94%	1.11%	10.33%	28.58%	-	2.55%
Impairment loss allowance	(663.00)	(170.09)	(445.45)	(102.69)	**(1,381.23)**	(475.62)	(353.51)	(386.05)	-	**(1,215.18)**
Net Loans	**66,462.56**	**1,771.96**	**935.31**	**734.10**	**69,903.93**	**42,400.83**	**3,067.48**	**964.71**	**-**	**46,433.02**

(₹ in millions except otherwise stated)

45 Financial risk management (Continued)

B. Credit risk (Continued)

i. Credit quality analysis (Continued)

Particulars	As at March 31, 2021				
	Stage 1	Stage 2	Stage 3	Regulatory Stage 3	Total
Gross Loans					
Neither past due nor impaired	24,307.75	-	-	-	**24,307.75**
Past due but not impaired					
01-30 days past due	4,584.85	-	-	-	**4,584.85**
31-90 days past due	-	3,947.44	-	-	**3,947.44**
Impaired (more than 90 days)	-	-	1,383.57	-	**1,383.57**
Others	188.76	8.36	3.10	-	**200.22**
	29,081.36	**3,955.80**	**1,386.67**	-	**34,423.83**
Expected credit loss ratio	1.59%	10.88%	52.85%	-	**4.72%**
Impairment loss allowance	(461.78)	(430.26)	(732.82)	-	**(1,624.86)**
Net Loans	**28,619.58**	**3,525.54**	**653.85**	-	**32,798.97**

ii. Collaterals held and concentrations of credit risk

Collaterals held

Maximum exposure to credit risk

The maximum exposure to credit risk of loans is their carrying amount. The maximum exposure is before considering the effect of mitigation through collateral.

Narrative description of collateral

Collateral primarily include vehicles purchased by retail loan customers and in case of MSME customer, collateral primarily includes the property.

Quantitative information of collateral

The Company monitors its exposure to loan portfolio using the Loan To Value (LTV) ratio, which is calculated as the ratio of the gross amount of the loan to the value of the collateral. The value of the collateral for retail loans except loan against property is derived by writing down the asset cost at origination by 12.50% p.a on reducing balance basis.

Quantitative information of collateral - secured loans

Collateral coverage	Collateral value of loans				
	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Less than 50% coverage	16.16	16.37	3.73	-	25.84
51% to 70% coverage	105.99	108.10	30.51	44.91	29.41
71% to 90% coverage	537.15	386.89	297.15	380.17	726.38
91% to 100% coverage	1,776.59	1,616.17	1,506.83	1,030.55	1,650.78
More than 100% coverage	1,81,497.70	1,17,124.24	1,26,398.30	82,499.75	52,229.48
Total	**1,83,933.59**	**1,19,251.77**	**1,28,236.52**	**83,955.38**	**54,661.89**

Quantitative information of collateral - credit impaired assets

Collateral coverage	Collateral value of loans							
	As at December 31, 2023		As at December 31, 2022		As at March 31, 2023		As at March 31, 2022	As at March 31, 2021
	Stage 3	Regulatory Stage 3	Stage 3	Regulatory Stage 3	Stage 3	Regulatory Stage 3	Stage 3	Stage 3
Less than 50% coverage	9.56	0.12	7.73	0.86	3.60	-	-	2.33
51% to 70% coverage	96.32	-	95.78	1.94	29.39	0.55	44.91	6.65
71% to 90% coverage	453.26	1.73	279.38	18.96	242.24	9.10	291.84	397.57
91% to 100% coverage	347.51	60.78	255.29	39.56	255.31	28.66	193.68	234.40
More than 100% coverage	3,249.12	3,080.67	2,119.79	2,351.74	3,513.89	1,746.92	1,375.12	1,163.02
Total	**4,155.77**	**3,143.30**	**2,757.97**	**2,413.06**	**4,044.43**	**1,785.23**	**1,905.55**	**1,803.97**

Concentration of credit risk

Company's loan portfolio is predominantly to finance retail vehicle loans. The Company manages concentration of risk primarily by geographical region in India. The following tables show the geographical concentrations of loans:

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
A - Northern state	73,662.59	54,899.21	58,984.92	39,641.36	28,949.93
B - Western state	15,178.66	11,314.77	12,300.24	8,006.84	5,473.90
Total	**88,841.25**	**66,213.98**	**71,285.16**	**47,648.20**	**34,423.83**

(₹ in millions except otherwise stated)

45 Financial risk management (Continued)

B. Credit risk (Continued)

iii. Amounts arising from ECL

a Inputs, assumptions and techniques used for estimating impairment

Inputs considered in the ECL model:
In assessing the impairment of financial loans under expected credit loss (ECL) model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.
The Company categorizes loan assets into stages primarily based on the months past due status.
Stage 1 : 0-30 days past due
Stage 2 : 31-90 days past due
Stage 3 : More than 90 days past due
The Company applies the general approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for advances other than stage 1. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience and using forward looking economic variables of the Company.
Assessment of significant increase in credit risk (SICR):
The credit risk on a financial asset of the Company is assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Accordingly the financial assets shall be classified as stage 2, if on the reporting date, it has been past due for more than 30 days.
In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due information, early warning signals (EWS) in terms of unusual events including incidents and frauds, repossession of an asset, etc. and forecast information to assess deterioration in credit quality of a financial asset.
Definition of default
The Company considers a financial asset to be in "default" and therefore stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.
Exposure at default
"Exposure at default" (EAD) represents the gross carrying amount of the assets subject to impairment.
Estimations and assumptions considered in the ECL model
The Company has made the following assumptions in the ECL Model:
a. "Loss given default" (LGD) is common for all three stages and is based on loss experiences in past. Actual cash flows on the past portfolio are discounted at contractual interest rate for arriving loss rate.
b. "Probability of Default" (PD) is applied on stage 1 and stage 2 on portfolio basis and for stage 3 PD at 100%. This is calculated as an average historical movement of default rates and future adjustment for macro-economic factor.
Policy for write-off of financial assets
Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts.

b An analysis of changes in gross carrying amount as follows:

Particulars	Stage 1	Stage 2	Stage 3	Regulatory stage 3	Total
Gross Loans					
Balance as at April 1, 2020	**25,418.66**	**3,061.96**	**1,195.43**	**-**	**29,676.05**
Transfer to/from stage 1	(763.53)	(764.72)	1,528.25	-	-
Transfer to/from stage 2	(3,002.03)	3,042.33	(40.30)	-	-
Transfer to/from stage 3	859.26	(475.38)	(383.88)	-	-
New financial assets originated during the year	17,117.41	180.34	7.16	-	**17,304.91**
Matured or repaid or derecognized	(10,545.33)	(1,087.63)	(486.74)	-	**(12,119.70)**
Write-offs	(3.08)	(1.10)	(433.25)	-	**(437.43)**
Balance as at March 31, 2021	**29,081.36**	**3,955.80**	**1,386.67**	**-**	**34,423.83**
Transfer to/from stage 1	621.68	(579.10)	(42.58)	-	-
Transfer to/from stage 2	(1,863.92)	1,901.36	(37.44)	-	-
Transfer to/from stage 3	(554.67)	(468.83)	1,023.50	-	-
New financial assets originated during the year	31,808.93	363.26	92.55	-	**32,264.74**
Matured or repaid or derecognized	(16,213.47)	(1,746.38)	(847.69)	-	**(18,807.54)**
Write-offs	(3.46)	(5.12)	(224.25)	-	**(232.83)**
Balance as at March 31, 2022	**42,876.45**	**3,420.99**	**1,350.76**	**-**	**47,648.20**
Transfer to/from stage 1	447.94	(405.15)	(42.79)	-	-
Transfer to/from stage 2	(1,358.71)	1,369.25	(10.54)	-	-
Transfer to/from stage 3	(656.22)	(485.98)	1,142.20	-	-
Transfer to/from regulatory stage 3	(553.00)	(514.50)	(25.60)	1,093.10	-
New financial assets originated during the period	40,037.77	396.18	96.28	63.42	**40,593.65**
Matured or repaid or derecognized	(19,967.80)	(1,418.63)	(357.37)	-	**(21,743.80)**
Write-offs	(3.36)	(3.44)	(277.27)	-	**(284.07)**
As at December 31, 2022	**60,823.07**	**2,358.72**	**1,875.67**	**1,156.52**	**66,213.98**
Balance as at April 01, 2022	**42,876.45**	**3,420.99**	**1,350.76**	**-**	**47,648.20**
Transfer to/from stage 1	418.70	(384.56)	(34.14)	-	-
Transfer to/from stage 2	(1,010.18)	1,014.95	(4.77)	-	-
Transfer to/from stage 3	(633.97)	(387.24)	1,021.21	-	-
Transfer to/from regulatory stage 3	(417.76)	(266.13)	(18.40)	702.29	-
New financial assets originated during the year	55,379.83	542.61	171.57	134.50	**56,228.51**
Matured or repaid or derecognized	(29,483.83)	(1,995.13)	(828.52)	-	**(32,307.48)**
Write-offs	(3.68)	(3.44)	(276.95)	-	**(284.07)**
Balance as at March 31, 2023	**67,125.56**	**1,942.05**	**1,380.76**	**836.79**	**71,285.16**
Transfer to/from stage 1	270.21	(178.34)	(27.68)	(64.19)	-
Transfer to/from stage 2	(2,168.13)	2,186.57	(3.03)	(15.41)	-
Transfer to/from stage 3	(1,001.64)	(336.23)	1,536.25	(198.38)	-
Transfer to/from regulatory stage 3	(935.01)	(287.26)	(15.31)	1,237.58	-
New financial assets originated during the period	49,614.60	584.41	89.35	106.48	**50,394.84**
Matured or repaid or derecognized	(31,237.89)	(824.74)	(326.96)	(363.29)	**(32,752.88)**
Write-offs	(1.08)	-	(84.79)	-	**(85.87)**
As at December 31, 2023	**81,666.62**	**3,086.46**	**2,548.59**	**1,539.58**	**88,841.25**

(₹ in millions except otherwise stated)

45 Financial risk management (Continued)

B. Credit risk (Continued)

iii. Amounts arising from ECL (Continued)

c Impairment loss allowance:

The following table shows reconciliations from the opening to the closing balance of the loss allowances::

Particulars	Stage 1	Stage 2	Stage 3	Regulatory stage 3	Total
Impairment loss allowance - Gross Loans					
Balance as at April 01, 2020	459.74	238.49	477.72	-	**1,175.95**
Transfer to/from stage 1	(366.72)	(8.65)	375.37	-	-
Transfer to/from stage 2	(264.27)	268.20	(3.93)	-	-
Transfer to/from stage 3	11.51	(264.69)	253.18	-	-
New financial assets originated or impact of changes in credit risk during the year	949.92	339.67	41.30	-	**1,330.89**
Matured or repaid or derecognized	(328.40)	(142.76)	(410.82)	-	**(881.98)**
Balance as at March 31, 2021	**461.78**	**430.26**	**732.82**	**-**	**1,624.86**
Transfer to/from stage 1	25.16	(23.86)	(1.30)	-	-
Transfer to/from stage 2	(193.22)	198.06	(4.84)	-	-
Transfer to/from stage 3	(185.21)	(134.25)	319.46	-	-
New financial assets originated or impact of changes in credit risk during the year	680.19	140.25	2.11	-	**822.55**
Matured or repaid or derecognized	(313.08)	(256.95)	(662.20)	-	**(1,232.23)**
Balance as at March 31, 2022	**475.62**	**353.51**	**386.05**	**-**	**1,215.18**
Transfer to/from stage 1	22.13	(19.68)	(2.45)	-	-
Transfer to/from stage 2	(155.26)	156.16	(0.90)	-	-
Transfer to/from stage 3	(218.13)	(144.15)	362.28	-	-
Transfer to/from regulatory stage 3	(65.72)	68.78	(3.06)	-	-
New financial assets originated or impact of changes in credit risk during the period	776.98	(54.03)	48.04	160.64	**931.63**
Matured or repaid or derecognized	(200.44)	(157.81)	(215.35)	-	**(573.60)**
As at December 31, 2022	**635.18**	**202.78**	**574.61**	**160.64**	**1,573.21**
Balance as at March 31, 2022	**475.62**	**353.51**	**386.05**	**-**	**1,215.18**
Transfer to/from stage 1	21.38	(19.37)	(2.01)	-	-
Transfer to/from stage 2	(140.87)	141.21	(0.34)	-	-
Transfer to/from stage 3	(244.81)	(119.97)	364.78	-	-
Transfer to/from regulatory stage 3	(61.66)	(24.44)	(1.77)	87.87	-
New financial assets originated or impact of changes in credit risk during the year	861.17	59.80	27.48	14.82	**963.27**
Matured or repaid or derecognized	(247.83)	(220.65)	(328.74)	-	**(797.22)**
Balance as at March 31, 2023	**663.00**	**170.09**	**445.45**	**102.69**	**1,381.23**
Transfer to/from stage 1	9.74	(6.55)	(0.79)	(2.40)	-
Transfer to/from stage 2	(289.55)	291.26	(0.23)	(1.48)	-
Transfer to/from stage 3	(442.92)	(137.82)	662.92	(82.18)	-
Transfer to/from regulatory stage 3	(141.52)	(41.56)	(1.83)	184.91	-
New financial assets originated or impact of changes in credit risk during the period	1,063.11	111.32	147.52	55.76	**1,377.71**
Matured or repaid or derecognized	(399.41)	(71.51)	(142.02)	(44.55)	**(657.49)**
Balance as at December 31, 2023	**462.45**	**315.23**	**1,111.02**	**212.75**	**2,101.45**

C Liquidity risk

Liquidity risk is risk that the Company will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its financial liabilities when they are due, under both normal and stressed condition in a timely manner, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has obtained fund based working capital loans from various banks. Further, the Company has access to funds from debt market through non-convertible debentures and other debt instruments including term loans. Short term facilities including cash credits and working capital demand loans are renewed on yearly basis and are revolving in nature. The Company also manages liquidity by raising funds through securitization transaction.

The Company uses debt funds and fixed deposit receipts to manage/ invest its available surplus. The Company has also taken the overdraft facilities on its investments in fixed deposits, and used as a working capital in an ordinary courses of business.

The asset liability management committee (ALCO) of the Company defines its risk management strategy and set the overall policies and procedures. The Liquidity risk management strategies are reviewed by the ALCO to align with changes to the external environments, including regulatory changes, business conditions and market developments.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the period ended December 31, 2023 & December 31, 2022 and year ended March 31, 2023 & March 31, 2022. The amounts are gross and undiscounted.

Particulars	Carrying amount	Total	On demand	0 - 12 months	1-3 years	3-5 years	5+ years
As at December 31, 2023							
Non-derivative financial liabilities							
Debt securities	17,769.20	**17,769.20**	-	11,202.24	4,540.58	2,026.38	-
Borrowings (other than debt securities)	61,141.20	**61,141.20**	1,321.41	23,832.25	29,547.07	6,388.18	52.29
Other financial liabilities	1,960.64	**1,960.64**	1,022.26	-	2.18	18.75	917.45
Derivative financial liabilities							
Market linked derivative	15.64	**15.64**	-	-	9.96	5.68	-

Particulars	Carrying amount	Total	On demand	0 - 12 months	1-3 years	3-5 years	5+ years
As at December 31, 2022							
Non-derivative financial liabilities							
Debt securities	18,450.25	**18,450.25**	-	9,443.22	9,007.03	-	-
Borrowings (other than debt securities)	45,412.85	**45,412.85**	392.24	18,051.94	21,282.46	5,303.85	382.36
Other financial Liabilities	1,205.29	**1,205.29**	555.05	-	-	-	650.24
Derivative financial liabilities							
Market linked derivative	10.52	**10.52**	-	5.24	5.28	-	-

(₹ in millions except otherwise stated)

45 Financial risk management (Continued)

C Liquidity risk (Continued)

Maturity profile of financial liabilities (Continued)

Particulars **As at March 31, 2023**	**Carrying amount**	**Total**	**On demand**	**0 - 12 months**	**1-3 years**	**3-5 years**	**5+ years**
Non-derivative financial liabilities							
Debt securities	17,149.60	**17,149.60**	-	7,177.02	9,972.58	-	-
Borrowings (other than debt securities)	53,281.82	**53,281.82**	561.62	20,925.48	26,014.36	5,535.51	244.85
Other financial Liabilities	1,572.22	**1,572.22**	848.30	5.78	60.64	72.06	585.44
Derivative financial liabilities							
Market linked derivative	3.77	**3.77**	-	1.03	2.74	-	-

Particulars **As at March 31, 2022**	**Carrying amount**	**Total**	**On demand**	**0 - 12 months**	**1-3 years**	**3-5 years**	**5+ years**
Non-derivative financial liabilities							
Debt securities	14,735.79	**14,735.79**	-	7,186.44	7,024.35	525.00	-
Borrowings (other than debt securities)	30,037.82	**30,037.82**	3,208.78	10,706.83	13,215.41	2,556.32	350.48
Subordinated liabilities	203.66	**203.66**	-	203.66	-	-	-
Other financial liabilities	1,203.96	**1,203.96**	699.90	5.70	84.85	84.51	329.00
Derivative financial liabilities							
Market linked derivative	5.24	**5.24**	-	1.29	3.95	-	-

The following are the remaining contractual maturities of financial liabilities at the year ended March 31, 2021. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Particulars **As at March 31, 2021**	**Carrying amount**	**Total**	**On demand**	**0 - 12 months**	**1-3 years**	**3-5 years**	**5+ years**
Non-derivative financial liabilities							
Debt securities	15,203.21	**18,827.44**	-	4,213.73	10,970.27	3,088.27	555.17
Borrowings (other than debt securities)	16,637.38	**15,310.72**	941.46	6,008.52	7,315.70	1,045.04	-
Subordinated liabilities	402.94	**467.98**	-	240.98	227.00	-	-
Other financial liabilities	762.39	**913.39**	450.02	79.82	142.77	109.30	131.48
Derivative financial liabilities							
Market linked derivative	5.06	**5.06**	5.06	-	-	-	-

D Market risk

i. Interest rate risk

Interest rate risk consists primarily of risk inherent in ALM activities and relates to the potential adverse impact of changes in market interest rates on future net interest income (NII). Interest rate risk arises from mismatches in re-pricing of interest rate sensitive assets (RSA) and rate sensitive liabilities (RSL).

Board of directors of the Company is responsible for management of its interest rate risk and sets the overall policy and risk limits. In order to manage/mitigate interest rate risk, the Company has defined interest rate sensitive gap tolerance limits for each time bucket which is approved by the Board. Treasury is entrusted with the responsibility of managing interest rate risk within the prescribed overall risk limits and the same is monitored by ALCO. Further, the Company undertakes NII analysis to assess the impact of changes in interest rate on the earnings of the Company.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows:

Particulars	**As at December 31, 2023**	**As at December 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Fixed-rate instruments					
Financial assets	1,06,176.60	80,973.22	88,518.19	60,781.36	41,896.49
Financial liabilities	35,535.88	34,372.40	32,319.02	26,960.41	23,581.30
Variable-rate instruments					
Financial assets	-	-	-	-	-
Financial liabilities	45,350.80	30,910.57	39,688.39	19,226.06	9,429.67
Total Net	**25,289.92**	**15,690.25**	**16,510.78**	**14,594.89**	**8,885.52**

Fair value sensitivity analysis for fixed-rate instruments

The Company do not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	**As at December 31, 2023**	**As at December 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Variable rate instruments					
100 bp increase	453.51	309.11	396.88	192.26	94.30
100 bp decrease	(453.51)	(309.11)	(396.88)	(192.26)	(94.30)
Cash Flow Sensitivity					
100 bp increase	**453.51**	**309.11**	**396.88**	**192.26**	**94.30**
100 bp decrease	**(453.51)**	**(309.11)**	**(396.88)**	**(192.26)**	**(94.30)**

ii. Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company manages this foreign currency risk by entering into cross currency swaps and forward contract. When a derivative is entered into for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment. The Company holds derivative financial instruments such as cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

(₹ in millions except otherwise stated)

45 Financial risk management (Continued)

D Market risk (Continued)

ii. Foreign currency risk (Continued)

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows:

Particulars	Currency	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Financial liabilities in ₹	**USD**	1,745.10	1,948.73	1,954.55	1,880.84	752.25

Cash flow sensitivity analysis for foreign currency risk

The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment. Thus, there is no sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. This analysis assumes that all other variables remain constant.

iii. Price risk exposure

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

iv. Hedging Policy

The Company hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Fair Value Hedge

The impact of the hedging instrument and hedged item on the restated statement of assets and liabilities and restated statement of profit and loss (including other comprehensive income)

Hedging Instrument

The Notional value and Carrying amount for derivative has been shown under note 6. The change in fair value of the derivative has been shown under note 26.

Hedge Ratio

The foreign exchange forward and currency swap contracts are denominated in the same currency as the highly probable future foreign currency principal and interest payments, therefore the hedge ratio is 1:1. The notional amount of interest rate swap is equal to the portion of variable rate loans that is being hedged, and therefore the hedge ratio for interest rate swap is also 1:1.

(₹ in millions except otherwise stated)

46 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities according to be when they are expected to be recovered or settled.

Particulars	As at December 31, 2023			As at December 31, 2022			As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	Within 12 months	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
ASSETS															
Financial assets															
Cash and cash equivalents	7,038.81	-	**7,038.81**	4,667.03	-	**4,667.03**	7,574.87	-	**7,574.87**	1,745.59	-	**1,745.59**	2,333.15	-	**2,333.15**
Bank balance other than cash and cash equivalents	3,169.41	3,027.45	**6,196.86**	5,431.01	253.19	**5,684.20**	4,292.25	330.82	**4,623.07**	4,125.23	308.22	**4,433.45**	3,034.28	816.65	**3,850.93**
Derivative financial instruments	-	215.04	**215.04**	-	259.00	**259.00**	-	250.81	**250.81**	-	47.96	**47.96**	-	-	**-**
Receivables															
Other receivables	52.98	-	**52.98**	135.42	-	**135.42**	107.51	-	**107.51**	22.31	-	**22.31**	44.73	-	**44.73**
Loans	28,712.50	58,027.30	**86,739.80**	21,955.01	42,685.76	**64,640.77**	23,751.76	46,152.17	**69,903.93**	17,327.70	29,105.32	**46,433.02**	12,437.69	20,361.28	**32,798.97**
Investments	2,924.06	1,671.88	**4,595.94**	3,931.76	1,081.68	**5,013.44**	4,350.77	910.42	**5,261.19**	7,554.75	263.68	**7,818.43**	2,588.76	-	**2,588.76**
Other financial assets	227.31	1,109.86	**1,337.17**	327.37	245.99	**573.36**	419.78	377.03	**796.81**	160.35	120.25	**280.60**	148.42	131.53	**279.95**
Total financial assets	**42,125.07**	**64,051.53**	**1,06,176.60**	**36,447.60**	**44,525.62**	**80,973.22**	**40,496.94**	**48,021.25**	**88,518.19**	**30,935.93**	**29,845.43**	**60,781.36**	**20,587.03**	**21,309.46**	**41,896.49**
Non-financial assets															
Current tax assets (net)	-	147.33	**147.33**	26.70	199.58	**226.28**	-	222.85	**222.85**	26.70	73.57	**100.27**	-	-	**-**
Deferred tax assets (net)	-	310.54	**310.54**	-	374.43	**374.43**	-	264.02	**264.02**	-	361.78	**361.78**	-	388.82	**388.82**
Property, plant and equipment	-	1,547.41	**1,547.41**	-	1,164.94	**1,164.94**	-	1,326.41	**1,326.41**	-	973.77	**973.77**	-	560.16	**560.16**
Capital work-in-progress	-	45.29	**45.29**	-	18.30	**18.30**	-	41.76	**41.76**	-	-	**-**	-	4.28	**4.28**
Intangible assets under development	-	11.24	**11.24**	-	10.75	**10.75**	-	11.24	**11.24**	-	1.64	**1.64**	-	8.94	**8.94**
Other intangible assets	-	133.46	**133.46**	-	58.32	**58.32**	-	103.52	**103.52**	-	58.37	**58.37**	-	11.81	**11.81**
Other non-financial assets	81.50	42.90	**124.40**	28.82	68.36	**97.18**	51.64	16.96	**68.60**	35.73	6.73	**42.46**	31.29	3.90	**35.19**
Total non-financial assets	**81.50**	**2,238.17**	**2,319.67**	**55.52**	**1,894.68**	**1,950.20**	**51.64**	**1,986.76**	**2,038.40**	**62.43**	**1,475.86**	**1,538.29**	**31.29**	**977.91**	**1,009.20**
Total assets	**42,206.57**	**66,289.70**	**1,08,496.27**	**36,503.12**	**46,420.30**	**82,923.42**	**40,548.58**	**50,008.01**	**90,556.59**	**30,998.36**	**31,321.29**	**62,319.65**	**20,618.32**	**22,287.37**	**42,905.69**
LIABILITIES															
Financial liabilities															
Derivatives financial instruments	-	15.64	**15.64**	5.24	5.28	**10.52**	1.03	2.74	**3.77**	1.29	3.95	**5.24**	5.06	-	**5.06**
Debt securities*	11,202.24	6,566.96	**17,769.20**	9,443.22	9,007.03	**18,450.25**	7,177.02	9,972.58	**17,149.60**	7,186.44	7,549.35	**14,735.79**	4,405.63	10,797.58	**15,203.21**
Borrowings (other than debt securities)	25,153.66	35,987.54	**61,141.20**	18,444.18	26,968.67	**45,412.85**	21,487.10	31,794.72	**53,281.82**	13,915.61	16,122.21	**30,037.82**	8,390.52	8,246.86	**16,637.38**
Subordinated liabilities	-	-	**-**	204.06	-	**204.06**	-	-	**-**	203.66	-	**203.66**	203.56	199.38	**402.94**
Other financial liabilities	1,022.26	938.38	**1,960.64**	555.05	650.24	**1,205.29**	854.08	718.14	**1,572.22**	705.60	498.36	**1,203.96**	449.36	313.03	**762.39**
Sub total	**37,378.16**	**43,508.52**	**80,886.68**	**28,651.75**	**36,631.22**	**65,282.97**	**29,519.23**	**42,488.18**	**72,007.41**	**22,012.60**	**24,173.87**	**46,186.47**	**13,454.13**	**19,556.85**	**33,010.98**
Non-Financial liabilities															
Current tax liabilities (Net)	-	-	**-**	-	-	**-**	-	-	**-**	-	-	**-**	62.70	-	**62.70**
Provisions	11.87	116.01	**127.88**	4.55	88.81	**93.36**	7.49	98.13	**105.62**	2.03	84.24	**86.27**	11.29	44.09	**55.38**
Other non-financial liabilities	98.75	-	**98.75**	99.80	-	**99.80**	106.16	-	**106.16**	82.52	-	**82.52**	61.86	-	**61.86**
Sub total	**110.62**	**116.01**	**226.63**	**104.35**	**88.81**	**193.16**	**113.65**	**98.13**	**211.78**	**84.55**	**84.24**	**168.79**	**135.85**	**44.09**	**179.94**
Total Liabilities	**37,488.78**	**43,624.53**	**81,113.31**	**28,756.10**	**36,720.03**	**65,476.13**	**29,632.88**	**42,586.31**	**72,219.19**	**22,097.15**	**24,258.11**	**46,355.26**	**13,589.98**	**19,600.94**	**33,190.92**

* Debt securities includes put options of Nil (December 31, 2022: ₹ 525.00 million, March 31, 2023: ₹ 525.00 million, March 31, 2022: ₹ 860.00 million and March 31, 2021: ₹ 1,110.00 million), which is considered in the current year maturities due to earliest maturity date of embedded options on debt securities irrespective of exercise of put option by the investor.

(₹ in millions except otherwise stated)

47 Capital Management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt & borrowing as may be appropriate. The Company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio of the Company.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI), as per RBI, NBFCs are required to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of its aggregate risk weighted assets. Further, the total of Tier II capital cannot exceed 100% of Tier I capital at any point of time. The capital management process of the Company ensures to maintain the minimum CRAR at all the times. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with capital requirements required by regulator, maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

Particulars	**As at December 31, 2023**	**As at December 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Tier I capital	24,652.71	15,898.80	16,500.67	15,355.04	9,051.45
Tier II capital	15.35	395.79	375.31	324.69	228.25
Total Capital funds	**24,668.06**	**16,294.59**	**16,875.98**	**15,679.73**	**9,279.70**
Risk weighted assets	80,983.34	60,092.96	64,656.20	51,540.91	33,531.80
Tier I Capital ratio	30.44%	26.46%	25.52%	29.79%	26.99%
Total Capital ratio	30.46%	27.12%	26.10%	30.42%	27.67%

Tier I capital comprises of shareholders' equity and retained earnings. Tier II Capital comprises of general provision and loss reserves (12 month expected credit losses). Credit enhancement relating to securitisation transactions have been adjusted against Tier I and Tier II capital in accordance with RBI circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. Tier 1 and Tier II capital have been reported based on restated summary statements of the Company and as prescribed by RBI guidelines. Risk weighted assets represents the weighted sum of Company's credit exposures based on their risk as prescribed by RBI guidelines.

48 Segment reporting

The managing director (MD) of the Company has been identified as the chief operating decision maker (CODM) as defined by the Ind AS 108, "operating segments". The Company's operating segments are established in the manner consistent with the components of the Company that are evaluated regularly by the CODM. The Company is engaged primarily in the business of financing and there are no reportable segments as per Ind AS 108. Presently, the Company's operations are predominantly confined in India. There are no individual customer contributing more than 10% of Company's total revenue. All non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets of the Company are located in India.

49 Revenue from contracts with customers

a) The Company has recognized following amounts relating to revenue in the restated statement of profit and loss (including other comprehensive income):

Particulars	**As at December 31, 2023**	**As at December 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Fees and commission income (refer note 25)	443.77	275.19	394.76	247.35	145.06
Income from support services (refer note 28)	56.87	57.69	107.82	62.82	66.08
Total revenue	**500.64**	**332.88**	**502.58**	**310.17**	**211.14**

b) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition:

Particulars	**As at December 31, 2023**	**As at December 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Primary geographical market					
India	500.64	332.88	502.58	310.17	211.14
Total	**500.64**	**332.88**	**502.58**	**310.17**	**211.14**
Major products/service lines					
Income from support services (refer note 28)	56.87	57.69	107.82	62.82	66.08
Fees and commission income (refer note 25)	443.77	275.19	394.76	247.35	145.06
Total	**500.64**	**332.88**	**502.58**	**310.17**	**211.14**
Timing of revenue recognition					
At a point in time	500.64	332.88	502.58	310.17	211.14
Over a period of time	-	-	-	-	-
	500.64	**332.88**	**502.58**	**310.17**	**211.14**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Particulars	**As at December 31, 2023**	**As at December 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Contracts assets	-	-	-	-	23.08
Contracts liabilities	-	-	-	-	-
Other receivables	52.98	135.42	107.51	22.31	21.65

(₹ in millions except otherwise stated)

50 Details of dues under micro, small and medium enterprises

Dues to micro, small and medium enterprises as defined under the micro, small and medium enterprises development act (MSMED), to the extent identified and information available with the Company pursuant to section 22 of the micro, small and medium enterprises development act (MSMED), 2006, details are mentioned below:

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Principal amount due to suppliers under MSMED Act, as at the period/year end	0.12	0.54	10.21	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the period/year end	-	-	-	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the period/year	-	-	-	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-	-	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-	-	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-	-	-	-
Interest accrued and remaining unpaid at the period/year end to suppliers under MSMED Act	-	-	-	-	-

51 Analytical Ratios

Ratio	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Capital to risk weighted assets ratio(CRAR) Numerator : Tier I capital+Tier II capital Denominator: Total risk weighted assets	30.46%	27.12%	26.10%	30.42%	27.67%
Tier I CRAR Numerator : Tier I capital Denominator: Total risk weighted assets	30.44%	26.46%	25.52%	29.79%	26.99%
Tier II CRAR Numerator : Tier II capital Denominator: Total risk weighted assets	0.02%	0.66%	0.58%	0.63%	0.68%
Liquidity Coverage Ratio Numerator : High quality liquid assets amount (HQLA) Denominator: Total net cash flow amount	158.94%	87.18%	94.85%	223.39%	Not Applicable

Ratio	% Variance (December 31, 2023 v/s March 31, 2023)	Reasons for variance (if above 25%)	% Variance (December 31, 2022 v/s March 31, 2022)	Reasons for variance (if above 25%)
Capital to risk weighted assets ratio(CRAR)	16.70%	Not Applicable	-10.87%	Not Applicable
Tier I CRAR	19.28%	Not Applicable	-11.19%	Not Applicable
Tier II CRAR	-96.73%	Decrease on account of Reduction in General Provision.	4.55%	Not Applicable
Liquidity Coverage Ratio	67.58%	Increase in HQLA on account of higher liquidity maintained and decrease in in borrowings outflow.	-60.97%	Decrease in HQLA on account of higher borrowings outflow.

Ratio	% Variance (March 31, 2023 v/s March 31, 2022)	Reasons for variance (if above 25%)	% Variance (March 31, 2022 v/s March 31, 2021)	Reasons for variance (if above 25%)	% Variance (March 31, 2021 v/s March 31, 2020)	Reasons for variance (if above 25%)
Capital to risk weighted assets ratio(CRAR)	-14.20%	Not Applicable	9.93%	Not Applicable	-12.56%	Not Applicable
Tier I CRAR	-14.34%	Not Applicable	10.37%	Not Applicable	-11.81%	Not Applicable
Tier II CRAR	-7.86%	Not Applicable	-7.45%	Not Applicable	-34.55%	Decrease on account of Reduction in General
Liquidity Coverage Ratio	-57.54%	Decrease in HQLA on account of higher borrowings outflow.	Not Applicable		Not Applicable	

52 Other Statutory Information

(i) The Company does not have any investment property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with registrar of companies beyond the statutory period for borrowings.

(iii) The Company, being a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India ('RBI') as a 'Middle Layer' NBFC as per the Scale Based Regulations prescribed by the RBI, the provisions of section 2(87) read with companies (restriction on number of layers) Rules 2017 are not applicable.

(iv) The quarterly statement of current assets submitted to banks/ financial institutions which are provided as security against the borrowings are in agreement with the books of account.

(v) There have been no significant events, except as disclosed in note 97, after the reporting date require disclosure in these Restated Summary Statements.

(vi) The Company has not entered any transactions with companies that were struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(vii) The Company has not traded or invested in crypto currency or virtual currency during the financial period/year.

(viii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(ix) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(x) During the period/year, no scheme of arrangements in relation to the Company has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013. Accordingly, aforesaid disclosure are not applicable to the Company.

(xi) Security deposit for securitisation cases is maintained as cash collateral deposits with banks under lien with respective trustee.

(xii) The Company has not been declared wilful defaulter by any bank or financial institution or other lenders.

(xiii) The Company has changed the name from "Ess Kay Fincorp Limited" to "SK Finance Limited". The same is in effect from September 07, 2021.

(₹ in millions except otherwise stated)

RBI disclosures from Notes 53 to 93 have been prepared as per RBI Circulars / Notification / Master Direction / Scale Based Regulation etc. basis Ind-AS Restated Summary Statements

53 Capital adequacy ratio

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
CRAR (%)	30.46%	27.12%	26.10%	30.42%	27.67%
CRAR-Tier- I capital (%)	30.44%	26.46%	25.52%	29.79%	26.99%
CRAR-Tier- II capital (%)	0.02%	0.66%	0.58%	0.63%	0.68%
Amount of subordinated debt raised as Tier-II capital (₹)	-	204.06	-	203.66	402.94
Amount raised by issue of perpetual debt instruments (₹)	-	-	-	-	-

54 Investments

	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(1)	Value of investments					
	(i) Gross value of investments					
	(a) In India	4,595.94	5,013.44	5,261.19	7,818.43	2,588.76
	(b) Outside India	-	-	-	-	-
	(ii) Provision for depreciation					
	(a) In India	-	-	-	-	-
	(b) Outside India	-	-	-	-	-
	(iii) Net value of investments					
	(a) In India	4,595.94	5,013.44	5,261.19	7,818.43	2,588.76
	(b) Outside India	-	-	-	-	-
(2)	Movement of provisions held towards depreciation on investments					
	(i) Opening balances	-	-	-	-	-
	(ii) Add: provision made during the period/year	-	-	-	-	-
	(iii) Less : Write-off / write-back of excess provisions during the period/year	-	-	-	-	-
	(iv) Closing balance	-	-	-	-	-

55 Derivatives

The Company has market linked derivatives contracts as at December 31, 2023 amounting to ₹ 0.04 million (December 31, 2022: ₹ 10.52 million, March 31, 2023: ₹ 3.77 million, March 31, 2022: ₹ 5.24 million and March 31, 2021: ₹ 5.06 million).

a) Forward Rate Agreement / Interest Rate Swap

S No	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
i)	The notional principal of swap agreements	3,631.23	1,764.21	1,764.21	1,855.84	-
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-	-	-	-
iii)	Collateral required by the applicable NBFC upon entering into swaps	-	-	-	-	-
iv)	Concentration of credit risk arising from the swaps*	-	-	-	-	-
v)	The fair value of the swap book	199.44	259.00	250.81	47.96	-

*Counter - party for all swaps entered into by the Company are scheduled commercial banks.
The Company has hedged its foreign currency borrowings through cross currency swaps

b) Exchange traded interest rate (IR) derivatives

The Company has not traded into any exchange traded interest rate derivative during the period/year ended December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures

i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company do not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.

ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run over the life of the underlying instrument, irrespective of profit or loss. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions are quarterly monitored and reviewed. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.

iv) Refer note 2 for detailed accounting policies on derivatives and hedge accounting.

Quantitative Disclosures

S No	Particulars	As at December 31, 2023		As at December 31, 2022	
		Currency Derivatives*	Interest Rate Derivatives#	Currency Derivatives*	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount) For hedging	3,631.23	2,050.29	1,764.21	-
(ii)	Marked to Market Positions				
	a) Asset (+)	215.04	-	259.00	-
	b) Liability (-)	-	(15.60)	-	-
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures	-	-	-	-

S No	Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
		Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount) For hedging	1,764.21	-	1,855.84	-	-	-
(ii)	Marked to Market Positions						
	a) Asset (+)	250.81	-	47.96	-	-	-
	b) Liability (-)	-	-	-	-	-	-
(iii)	Credit Exposure	-	-	-	-	-	-
(iv)	Unhedged Exposures	-	-	-	-	-	-

* Cross currency swap
\# Interest rate swap

(₹ in millions except otherwise stated)

56 Disclosure pursuant to RBI notification: Details of securitisation transactions

S No	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	14	12	13	8	15
2	Total amount of securitized assets as per books of the SPEs	11,364.78	11,479.59	12,141.12	3,481.81	3,269.31
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet					
	a) Off-balance sheet exposures					
	First loss	-	-	-	-	-
	Others	65.77	99.10	99.10	33.33	50.00
	b) On-balance sheet exposures					
	First loss	702.76	379.76	476.26	267.47	411.80
	(Cash collateral term deposits with banks)					
	Others*	2,860.34	1,805.50	2,163.96	786.31	842.04
4	Amount of exposures to securitization transactions other than MRR					
	a) Off-balance sheet exposures					
	i) Exposure to own securitizations					
	First loss	-	-	-	-	-
	Others	-	-	-	-	-
	ii) Exposure to third party securitizations					
	First loss	-	-	-	-	-
	Others	-	-	-	-	-
	b) On-balance sheet exposures					
	i) Exposure to own securitizations					
	First loss	-	-	-	-	-
	Others	-	-	-	-	-
	ii) Exposure to third party securitizations					
	First loss	-	-	-	-	-
	Others	-	-	-	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	23,274.18	15,047.72	17,805.10	6,267.73	7,310.01
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-	-	-	-
7	Performance of facility provided					
	Credit enhancement facility					
	- Fixed deposit					
	(a) Amount paid	-	-	-	-	-
	(b) Repayment received	-	-	-	-	-
	(c) Outstanding amount	702.76	379.76	476.26	267.47	411.80
	- Corporate guarantee					
	(a) Amount paid			-	-	-
	(b) Repayment received			-	-	-
	(c) Outstanding amount	65.77	99.10	99.10	33.33	50.00
8	Average default rate of portfolios observed in the past	1.33%	3.44%	3.09%	3.36%	3.64%
9	Amount and number of additional/top up loan given on same underlying asset			-	-	
10	Investor complaints					
	(a) Directly/Indirectly received and;	NIL	NIL	NIL	NIL	NIL
	(b) Complaints outstanding	NIL	NIL	NIL	NIL	NIL

* MRR including securitization investments

57 Disclosure pursuant to RBI notification : Loans not in default/stressed loans transferred and acquired to/from other entities

a) Details of loans (not in default) transferred through assignment

S No	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i)	Amount of loan accounts assigned (₹)	8,059.11	2,751.23	5,218.48	553.38	527.01
(ii)	Retention of beneficial economic interest (MRR)	10%-15%	10%	10%	10%	10%
(iii)	Weighted average maturity (Residual Maturity)	44 Months	29 Months	35 Months	26 Months	28 Months
(iv)	Weighted average holding period	15 Months	13 Months	15 Months	10 Months	15 Months
(v)	Coverage of tangible security coverage	100%	100%	100%	100%	100%
(vi)	Rating-wise distribution of rated loans	Unrated	Unrated	Unrated	Unrated	Unrated

b) Details of loans (not in default) acquired through assignment

S No	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i)	Amount of loan accounts assigned (₹)	-	45.58	67.67	32.57	93.11
(ii)	Retention of beneficial economic interest (MRR)	-	10%	10%	10%	10%
(iii)	Weighted average maturity (residual maturity)	-	23 Months	24 Months	15 Months	9 Months
(iv)	Weighted average holding period	-	22 Months	24 Months	18 Months	20 Months
(v)	Coverage of tangible security coverage	-	100%	100%	100%	100%
(vi)	Rating-wise distribution of rated loans	-	Unrated	Unrated	Unrated	Unrated

c) Details of stressed loans transferred

S No	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
		To asset reconstruction companies (ARC)				
		NPA*	NPA*	NPA*	NPA*	NPA*
(i)	No. of accounts	-	-	4,185.00	4,289.00	-
(ii)	Aggregate principal outstanding of loans transferred	-	-	857.23	725.97	-
(iii)	Weighted average residual tenor of the loans transferred	-	-	less than 3 year	less than 1 year	-
(iv)	Net book value of loans transferred (at the time of transfer)	-	-	673.47	207.87	-
(v)	Aggregate consideration	-	-	600.00	250.00	-
(vi)	Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-

*Including written off loans for the period/year ended December 31, 2023 Nil (December 31, 2022: Nil, March 31, 2023: ₹ 101.20 million, March 31, 2022: ₹ 434.30 million and March 31, 2021: Nil).
The Company has not reversed any amount of provision in Restated Statement of Profit and Loss (including other comprehensive income) on account of sale of stressed loans.
The Company has not transferred any SMA (special mentioned accounts) loan during the period/year ended December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

(₹ in millions except otherwise stated)

57 Disclosure pursuant to RBI notification : Loans not in default/stressed loans transferred and acquired to/from other entities (Continued)

d) Details of stressed loans acquired

The Company has not acquired any stressed loan during the period/year ended December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

e) Details of ratings of SRs outstanding

Rating	Rating Agency	Recovery Rating	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
					Gross Value of outstanding SRs		
RR1+	India Rating & Research	More than 150%	12.93	-	60.44	-	-
RR1	India Rating & Research	100%-150%	-	83.43	-	-	-
RR2	India Rating & Research	75%-100%	279.75	-	-	-	-

58 Asset liability management

Maturity pattern of certain items of assets and liabilities as per RBI guidelines.

As at December 31, 2023

Particulars	Liabilities			Assets		
	Foreign currency liability	Borrowings from banks	Market borrowings	Advances	Deposits*	Investments
1 to 7 days	-	331.19	133.90	2,988.71	3,013.08	0.53
8 to 14 days	-	1,721.55	1,285.70	46.96	500.42	-
15 to 30/31 days	-	849.04	424.11	220.59	861.52	837.70
Over one month to 2 months	-	1,476.95	850.08	1,897.26	10.73	759.82
Over 2 months upto 3 months	60.04	2,019.70	704.91	2,247.18	35.79	996.65
Over 3 months to 6 months	150.09	5,894.51	4,057.19	7,834.62	1,203.91	195.75
Over 6 months to 1 year	203.91	10,565.02	5,628.01	13,806.50	1,918.64	133.62
Over 1 year to 3 years	785.30	28,435.13	4,867.22	40,408.49	3,001.89	839.10
Over 3 years to 5 years	545.76	7,860.11	8.69	15,843.52	25.56	193.93
Over 5 years	-	52.29	-	3,547.42	-	638.84
Total	**1,745.10**	**59,205.49**	**17,959.81**	**88,841.25**	**10,571.54**	**4,595.94**

As at December 31, 2022

Particulars	Liabilities			Assets		
	Foreign currency liability	Borrowings from banks	Market borrowings	Advances	Deposits*	Investments
1 to 7 days	-	168.94	110.70	2,178.43	620.20	1,179.86
8 to 14 days	-	309.13	1,608.87	29.96	1,567.05	-
15 to 30/31 days	-	587.79	2,032.13	70.88	1,657.05	931.90
Over one month to 2 months	-	899.23	1,179.35	1,426.97	10.30	1,038.55
Over 2 months upto 3 months	3.82	1,299.04	887.49	1,726.41	8.75	459.28
Over 3 months to 6 months	94.88	5,148.97	1,755.52	6,014.98	1,697.62	318.37
Over 6 months to 1 year	91.64	6,607.88	5,306.10	10,794.57	1,981.79	3.79
Over 1 year to 3 years	1,002.04	17,032.12	12,255.31	30,690.65	203.94	852.13
Over 3 years to 5 years	449.10	4,813.08	41.67	11,233.52	49.25	60.03
Over 5 years	307.25	75.11	-	2,047.61	-	169.53
Total	**1,948.73**	**36,941.29**	**25,177.14**	**66,213.98**	**7,795.95**	**5,013.44**

As at March 31, 2023

Particulars	Liabilities			Assets		
	Foreign currency liability	Borrowings from banks	Market borrowings	Advances	Deposits*	Investments
1 to 7 days	-	168.63	72.49	2,303.26	1,763.05	228.49
8 to 14 days	-	266.71	96.63	29.14	858.49	62.60
15 to 30/31 days	-	1,567.96	532.36	96.17	2,152.97	964.92
Over one month to 2 months	-	964.89	712.72	1,684.07	1,004.69	2,138.82
Over 2 months upto 3 months	115.86	2,992.58	434.67	2,663.79	764.59	309.60
Over 3 months to 6 months	-	3,276.38	2,356.70	5,722.87	1,994.13	265.10
Over 6 months to 1 year	147.78	8,982.32	5,975.45	11,532.75	72.64	381.24
Over 1 year to 3 years	997.13	21,676.03	13,313.78	33,559.24	255.32	366.52
Over 3 years to 5 years	449.10	5,059.59	26.81	11,682.98	75.50	47.28
Over 5 years	244.69	0.16	-	2,010.89	-	496.62
Total	**1,954.56**	**44,955.25**	**23,521.61**	**71,285.16**	**8,941.38**	**5,261.19**

As at March 31, 2022

Particulars	Liabilities			Assets		
	Foreign currency liability	Borrowings from banks	Market borrowings	Advances	Deposits*	Investments
1 to 7 days	-	149.24	99.13	1,309.98	346.69	-
8 to 14 days	-	183.38	580.63	12.79	0.52	1,054.18
15 to 30/31 days	-	710.56	191.35	763.79	11.61	2,319.73
Over one month to 2 months	-	1,260.58	507.19	1,262.03	2,324.90	1,769.24
Over 2 months upto 3 months	67.80	1,089.14	292.26	1,531.33	254.47	2.35
Over 3 months to 6 months	-	1,576.89	1,493.56	4,425.98	1,072.06	-
Over 6 months to 1 year	91.65	6,963.89	6,048.45	8,330.38	195.03	2,409.25
Over 1 year to 3 years	647.24	11,771.45	7,821.08	22,513.73	284.53	263.68
Over 3 years to 5 years	723.68	1,832.64	525.00	6,228.90	23.69	-
Over 5 years	350.48	-	-	1,269.29	-	-
Total	**1,880.85**	**25,537.77**	**17,558.65**	**47,648.20**	**4,513.50**	**7,818.43**

(₹ in millions except otherwise stated)

58 Asset liability management(Continued)
As at March 31, 2021

Particulars	Liabilities			Assets		
	Foreign currency liability	Borrowings from banks	Market borrowings	Advances	Deposits*	Investments
1 to 7 days	-	143.89	81.09	797.84	450.70	-
8 to 14 days	-	188.95	54.56	7.89	750.06	200.00
15 to 30/31 days	-	331.01	298.10	622.09	1,584.79	-
Over one month to 2 months	-	383.99	232.38	872.33	1,082.59	-
Over 2 months upto 3 months	-	603.99	941.77	1,013.83	292.13	493.63
Over 3 months to 6 months	-	1,006.63	1,142.51	3,369.95	59.01	-
Over 6 months to 1 year	-	3,590.42	4,005.48	6,100.67	484.65	1,895.13
Over 1 year to 3 years	294.74	5,561.71	10,414.54	16,029.28	792.96	-
Over 3 years to 5 years	457.51	949.74	1,120.52	4,555.04	-	-
Over 5 years	-	-	440.00	1,054.91	23.69	-
Total	**752.25**	**12,760.33**	**18,730.95**	**34,423.83**	**5,520.58**	**2,588.76**

* Deposit is in the form of term deposits with banks.
The Company has no foreign currency assets.

59 Disclosure on Restructured Accounts
The Company has not restructured any non-performing financial assets during the period/year ended December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

60 Exposure to real estate sector

S. No.	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i)	Direct exposure					
a)	Residential mortgages- Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	-	-	-	-	-
b)	Commercial real estate- Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-	-	-	-
c)	Investments in mortgage-backed Securities (MBS) and other securitized exposures-					
	i. Residential	-	-	-	-	-
	ii. Commercial real estate	-	-	-	-	-
(ii)	Indirect exposure Fund based and non-fund-based exposures on national housing bank and housing finance companies.	-	-	115.36	374.69	-
Total Exposure to real estate sector		**-**	**-**	**115.36**	**374.69**	**-**

The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption. The same has been relied upon by auditors.

61 Exposure to capital market

S. No.	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-	-	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-	-	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-	-	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-	-	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-	-	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter’s contribution to the equity of new companies in anticipation of raising resources	-	-	-	-	-
(vii)	Bridge loans to companies against expected equity flows / issues	-	-	-	-	-
(viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-	-	-	-
(ix)	Financing to stockbrokers for margin trading	-	-	-	-	-
(x)	All exposures to Alternative Investment Funds:					
a)	Category I	-	-	-	-	-
b)	Category II	-	680.23	44.49	403.73	75.00
c)	Category III	-	810.48	-	1,223.65	1,401.10
Total Exposure to Capital Market		**-**	**1,490.71**	**44.49**	**1,627.38**	**1,476.10**

The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption. The same has been relied upon by auditors.

(₹ in millions except otherwise stated)

62 Sectoral exposure

S No	Sectors	As at December 31, 2023 Total exposure	As at December 31, 2023 Gross NPAs	As at December 31, 2023 % of Gross NPAs to total exposure in that sector	As at December 31, 2022 Total exposure	As at December 31, 2022 Gross NPAs	As at December 31, 2022 % of Gross NPAs to total exposure in that sector
1	Agriculture and Allied Activities	-	-	-	-	-	-
2	Industry	-	-	-	-	-	-
3	Services	-	-	-	-	-	-
4	Personal Loans	15,598.71	499.31	3.20%	10,470.99	371.15	3.54%
5	Others						
	Auto loans	73,242.54	3,588.86	4.90%	55,742.99	2,661.04	4.77%

S No	Sectors	As at March 31, 2023 Total exposure	As at March 31, 2023 Gross NPAs	As at March 31, 2023 % of Gross NPAs to total exposure in that sector	As at March 31, 2022 Total exposure	As at March 31, 2022 Gross NPAs	As at March 31, 2022 % of Gross NPAs to total exposure in that sector
1	Agriculture and Allied Activities	-	-	-	-	-	-
2	Industry	-	-	-	-	-	-
3	Services	-	-	-	-	-	-
4	Personal Loans	11,372.15	258.75	2.28%	5,784.06	72.86	1.26%
5	Others						
	Auto loans	59,913.01	1,958.80	3.27%	41,864.14	1,277.90	3.05%

S No	Sectors	As at March 31, 2021 Total exposure	As at March 31, 2021 Gross NPAs	As at March 31, 2021 % of Gross NPAs to total exposure in that sector
1	Agriculture and Allied Activities	-	-	-
2	Industry	-	-	-
3	Services	-	-	-
4	Personal Loans	3,431.36	93.29	2.72%
5	Others			
	Auto loans	30,992.47	1,293.38	4.17%

The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption. The same has been relied upon by auditors.

63 Intra-group exposures

The Company does not have any intra-group exposures for the period/year ended December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

64 Unhedged foreign currency exposure

The Company has nil unhedged foreign currency exposure as at December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021. Refer note 45 for policies to manage induce currency risk.

65 Related Party Transactions

Refer note 39 of Restated Summary Statements for related party disclosures.

The Company does not have entered into any transactions related to borrowings, deposits, placement of deposits, advances & investment during the period/year with director's, KMP & their relative's. Hence there is no outstanding balance related to mentioned transactions during the periods/years.

66 Disclosure of complaints

a. Summary information on complaints received by the NBFCs from customers and from the offices of ombudsman

S. No	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
i) Complaints received by the NBFC from its customers						
1	No. of complaints pending at the beginning of the period/year	123	3	3	-	9
2	No. of complaints received during the period/year	4,599	687	2,116	115	377
3	No. of complaints disposed during the period/year	4,618	646	1,996	112	386
3.1	Of which, No. of complaints rejected by the NBFC*	704	92	228	-	-
4	No. of complaints pending at the end of the period/year**	104	44	123	3	-

S. No	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022
ii) Maintainable complaints received by the NBFC from office of ombudsman #					
1	No. of maintainable complaints received by the NBFC from office of ombudsman	9	48	66	17
1.1	Of 5, No. of complaints resolved in favour of the NBFC by office of ombudsman	9	48	66	17
1.2	Of 5, No. of complaints resolved through conciliation/mediation/advisories issued by office of ombudsman	-	-	-	-
1.3	Of 5, No. of complaints resolved after passing of awards by office of ombudsman against the NBFC	-	-	-	-
2	Number of awards unimplemented within the stipulated time (other than those appealed)	-	-	-	-

* Represents number of complaints submitted by internal ombudsman to RBI vide circular no. RBI/2021-2022/126 dated November 15, 2021.

** These complaints were resolved subsequently.

As per RBI Circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19,2022 and RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22,2021, NBFCs are required to provide disclosures in accordance with Scale Based Regulation(SBR) framework in their annual financial statements, starting with financial year ended March 31, 2023. These are not applicable for financial year ended March 31, 2021 and hence not provided.

(₹ in millions except otherwise stated)

66 Disclosure of complaints (Continued)

b. Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	No. of complaints pending at the beginning of the period/year	No. of complaints received during the period/year	% change in the no. of complaints received over the previous year	No. of complaints pending at the end of the period/year	Out of 5, no. of complaints pending beyond 30 days
1	2	3	4	5	6
As at December 31, 2023					
Loans & Advances related	29	925	99.35%	14	-
CIC Updation related	6	204	-21.84%	-	-
Mismatch in details related	19	452	74.52%	11	-
Foreclosure related	16	704	178.26%	21	-
Customer documents related	11	563	197.88%	14	-
Others	42	1,751	153.77%	44	-
Total	**123**	**4,599**	**117.34%**	**104**	**-**
As at December 31, 2022					
Loans & Advances related	1	114	500.00%	8	-
CIC Updation related	-	151	4933.33%	9	-
Mismatch in details related	-	87	411.76%	10	-
Foreclosure related	1	41	127.78%	4	-
Customer documents related	-	38	171.43%	1	-
Others	1	256	481.82%	12	-
Total	**3**	**687**	**497.39%**	**44**	**-**
As at March 31, 2023					
Loans & Advances related	1	464	2342.11%	29	-
CIC Updation related	-	261	8600.00%	6	-
Mismatch in details related	-	259	1423.53%	19	-
Foreclosure related	1	253	1305.56%	16	-
Customer documents related	-	189	1250.00%	11	-
Others	1	690	1468.18%	42	-
Total	**3**	**2,116**	**1740.00%**	**123**	**-**
As at March 31, 2022					
Loans & Advances related	-	19	-87.82%	1	-
CIC Updation related	-	3	-90.00%	-	-
Mismatch in details related	-	17	-52.78%	-	-
Foreclosure related	-	18	-5.26%	1	-
Customer documents related	-	14	-53.33%	-	-
Others	-	44	-58.49%	1	-
Total	**-**	**115**	**-69.50%**	**3**	**-**
As at March 31, 2021					
Loans & Advances related	4	156	60.82%	-	-
CIC Updation related	-	30	-21.05%	-	-
Mismatch in details related	-	36	-12.20%	-	-
Foreclosure related	-	19	111.11%	-	-
Customer documents related	1	30	-16.67%	-	-
Others	4	106	39.47%	-	-
Total	**9**	**377**	**26.94%**	**-**	**-**

The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption. The same has been relied upon by auditors.

67 Breach of covenant

The Company has no instances of breach of covenant in respect of loans availed and debt securities issued as at December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

68 Divergence in asset classification and provisioning

RBI vide its circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022, has directed NBFCs shall make suitable disclosures, if either or both of the following conditions are satisfied:-
(a) the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or
(b) the additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period.

There has been no material divergence observed by the RBI for the financial year 2021-22 (as per assessment by the RBI during financial year 2022-23) in respect of the NBFC's asset classification and provisioning under the extant prudential norms on income recognition asset classification and provisioning (IRACP) which require such disclosures. The NBFC has not been subjected to any assessment by the RBI during the financial year 2021-22 in respect of financial year 2020-21. Currently an RBI inspection is on-going for FY 2022-23 and report is awaited from RBI.

69 Disclosure on modified opinion

The auditor have expressed an unmodified opinion for the period/year ended December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

70 Income and expenditure of exceptional nature

The Compnay has not booked any income or expenditure of exceptional nature during the period/year ended December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

71 Details of financing of parent company products

These details are not applicable since the Company is not a subsidiary of any company.

72 Details of single borrower limit ('SGL') / group borrower limits ('GBL') exceeded by NBFC's

The Company has not exceeded the single borrower limits / group borrowers limits during the period/year ended December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

73 Unsecured advances

The Company has not given any unsecured advances against intangible securities such as charge over the rights licenses, authority, etc. during the period/year ended December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

74 Registration obtained from other financial sector regulators

The Company is not registered under any other regulator other than Reserve Bank of India.

75 Details of penalties imposed by RBI and other regulators

No penalty was levied during the period/year ended December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

(₹ in millions except otherwise stated)

76 Details of ratings assigned by credit rating agencies and migration of ratings during the period/year

S.No.	Products	For the period ended December 31, 2023	For the period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	Non-convertible debentures	CARE AA-/Stable	CARE A+/Stable	CARE A+/Positive	CARE A+	CARE A
		CRISIL A+/Positive	CRISIL A +/Stable	CRISIL A+/Stable	CRISIL A+	CRISIL A
		ICRA AA-/Stable	ICRA A+/Stable	ICRA A+/Positive	ICRA A+	-
		India Rating and Research AA-/Stable	-	-	-	-
		-	-	-	-	BWR A
(ii)	Market Linked debentures	CARE PP-MLD AA-/Stable	CARE PP MLD A+/Stable	CARE PP-MLD A+/Positive	CARE PP-MLD A+/Stable	CARE PP-MLD A/Stable
		CRISIL PPMLD A+/Positive	CRISIL PPMLD A+/Stable	CRISIL PP-MLD A+/Stable	CRISIL PP-MLD A+/Stable	CRISIL PP-MLD A/Stable
		ICRA PP MLD AA-/Stable	ICRA PP MLD A+/Stable	ICRA PP MLD A+/Positive	ICRA PP MLD A+/Stable	-
		Acuite Rating and Research PPMLD AA-/Stable	Acuite Rating and Research PPMLD AA-/Stable	Acuite Rating and Research AA-/Stable	-	-
(iii)	Structured non-convertible debentures	-	Withdrawn	Withdrawn	ICRA A+(CE)/Stable	ICRA AA+(CE)/Stable
(iv)	Subordinated bonds	Withdrawn	CARE A+/Stable	CARE A+/Positive	CARE A+	CARE A
(v)	Loan facility	CARE AA-/Stable	CARE A+/Stable	CARE A+/Positive	CARE A+	CARE A
		-	CRISIL A+/Stable	CRISIL A+/Stable	CRISIL A+	CRISIL A
		-	ICRA A+/Stable	Withdrawn	ICRA A+	-
		India Rating and Research AA-/Stable	India Rating and Research A+/Stable	India Rating and Research A+/Stable	India Rating and Research A+	-
		-	Acuite Rating and Research AA-/Stable	Acuite Rating and Research AA-/Stable	Acuite Rating and Research AA-	-
		-	-	-	-	BWR A
(vi)	Commercial paper	India Rating and Research A1+	India Rating and Research A1+	India Rating and Research A1+	India Rating and Research A1+	-
		-	CRISIL A1+/Stable	-	-	-
		-	Acuite Rating and Research A1+	Acuite Rating and Research A1+	Acuite Rating and Research A1+	-

77 Remuneration of non-executive directors

Name of Director		Nature of payment	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
1	Mr. Amar Lal Daultani	Sitting fees	1.66	1.08	1.54	1.86	0.79
2	Mr. Anand Raghavan	Sitting fees	1.61	1.08	1.49	1.86	0.84
3	Mr. Munish Dayal	Sitting fees	-	-	-	-	0.36

78 Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head expenditure in Restated Statement of Profit and Loss (including other comprehensive income)	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provisions for depreciation on investment	-	-	-	-	-
Provision towards NPA	775.63	349.20	331.19	(262.97)	255.10
Provision made towards Income tax / deferred tax	637.73	432.13	674.23	347.29	323.33
Other provision and contingencies (refer note 31)	25.12	21.05	24.91	23.30	13.54
Provision for standard assets	(84.31)	12.95	12.76	(58.29)	193.82

79 Draw down from reserves

The Company has not made any draw down from reserves during the period/year ended December 31, 2023 and , December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021 except as shown in note 23.

80 Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties during the period/year ended December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

81 Consolidated financial statements

The Company has no subsidiaries for consolidation.

82 Concentration of advances, exposures and NPA's

i) Concentration of advances

S.No.	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
1	Total advances to twenty largest borrowers	140.92	100.09	108.46	79.14	61.24
2	Percentage of advances to twenty largest borrowers to total advances	0.16%	0.15%	0.15%	0.17%	0.18%

ii) Concentration of exposures*

S.No.	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
1	Total exposure to twenty largest borrowers / customers	4,654.08	4,773.37	4,939.11	6,177.90	1,012.28
2	Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers/ customers	5.10%	7.00%	6.60%	11.74%	3.00%

* Exposure comprises of loan and investment exposure.

(₹ in millions except otherwise stated)

82 Concentration of advances, exposures and NPA's (Continued)

iii) Concentration of NPA's

S.No.	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
1	Total exposure to top four NPA accounts	14.08	17.26	10.62	9.73	9.26

iv) Sector wise NPA % of NPAs to total advances in that sector

S.No.	Sector	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
1	Agriculture & allied activities	0.00%	0.00%	0.00%	0.00%	0.00%
2	MSME	0.00%	0.00%	0.00%	0.00%	0.00%
3	Corporate borrowers	0.00%	0.00%	0.00%	0.00%	0.00%
4	Services	0.00%	0.00%	0.00%	0.00%	0.00%
5	Unsecured personal loans	0.00%	0.00%	0.00%	0.00%	0.00%
6	Auto loans	4.90%	4.77%	3.27%	3.05%	4.17%
7	Other personal loans	3.20%	3.54%	2.28%	1.26%	2.72%

83 Movement of non-performing assets (NPA's)

Particulars		As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
i)	Net NPAs to net advances (%)	3.16%	3.51%	2.36%	2.04%	1.94%
ii)	Movement of Gross non-performing assets (Gross NPAs)					
	a) Opening balance	2,217.55	1,350.76	1,350.76	1,386.67	1,195.43
	b) Addition during the period/year	2,755.97	2,369.40	2,011.17	1,134.32	1,111.23
	c) Reduction during the period/year	(885.35)	(687.97)	(1,144.38)	(1,170.23)	(919.99)
	d) Closing balance	4,088.17	3,032.19	2,217.55	1,350.76	1,386.67
iii)	Movement of Net non-performing assets (Net NPAs)					
	a) Opening balance	1,669.41	964.71	964.71	653.85	717.71
	b) Addition during the period/year	1,788.87	1,801.50	1,517.99	810.42	739.79
	c) Reduction during the period/year	(693.88)	(469.27)	(813.29)	(499.56)	(803.65)
	d) Closing balance	2,764.40	2,296.94	1,669.41	964.71	653.85
iv)	Movement of provisions for NPA's (excluding provisions on standard assets)					
	a) Opening balance	548.14	386.05	386.05	732.82	477.72
	b) Provision made during the period/year	967.10	567.90	493.18	323.90	371.44
	c) Write-off / write-back of excess provisions	(191.47)	(218.70)	(331.09)	(670.67)	(116.34)
	d) Closing balance	1,323.77	735.25	548.14	386.05	732.82

84 Overseas assets (for those with joint ventures and subsidiaries abroad)

There are no overseas assets owned by the Company.

85 Off-balance sheet SPVs sponsored

There are no SPVs which are required to be consolidated as per accounting norms during the period/year ended December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

86 Disclosures on frauds pursuant to RBI Master direction

Frauds amounting to ₹ 1.49 million reported during the period/year ended December 31, 2023 (December 31, 2022: ₹ 1.42 million, March 31, 2023: ₹ 1.48 million, March 31, 2022: Nil and March 31, 2021: Nil).

87 Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items and changes in accounting policies.

88 Loans to directors, senior officers and relatives of directors

The Company has not provided any loans to directors, senior officers and relatives of directors during the period/year ended December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

(₹ in millions except otherwise stated)

89 Comparison of provisioning as per IRAC norms and Ind AS 109

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
As at December 31, 2023						
Performing assets						
Standard	Stage 1	81,666.62	462.45	81,204.17	329.51	132.94
	Stage 2	3,086.46	315.23	2,771.23	13.99	301.24
Subtotal		**84,753.08**	**777.68**	**83,975.40**	**343.50**	**434.18**
Non-performing assets (NPA)						
Substandard	Stage 3	1,922.87	783.53	1,139.34	374.37	409.16
	Regulatory stage 3	1,539.58	212.75	1,326.83	232.50	(19.75)
Doubtful - up to 1 year	Stage 3	590.19	295.96	294.23	239.37	56.59
1 to 3 years	Stage 3	34.78	31.02	3.76	20.04	10.98
More than 3 years	Stage 3	0.76	0.51	0.25	0.54	(0.03)
Subtotal for doubtful		**625.73**	**327.49**	**298.24**	**259.95**	**67.54**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**4,088.18**	**1,323.77**	**2,764.41**	**866.82**	**456.95**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	**81,666.62**	**462.45**	**81,204.17**	**329.51**	**132.94**
	Stage 2	**3,086.46**	**315.23**	**2,771.23**	**13.99**	**301.24**
	Stage 3	**2,548.60**	**1,111.02**	**1,437.58**	**634.32**	**476.70**
	Regulatory Stage 3	**1,539.58**	**212.75**	**1,326.83**	**232.50**	**(19.75)**
	Total	**88,841.26**	**2,101.45**	**86,739.81**	**1,210.32**	**891.13**

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
As at December 31, 2022						
Performing assets						
Standard	Stage 1	60,823.07	635.18	60,187.89	251.67	383.51
	Stage 2	2,358.72	202.78	2,155.94	15.99	186.79
Subtotal		**63,181.79**	**837.96**	**62,343.83**	**267.66**	**570.30**
Non-performing assets (NPA)						
Substandard	Stage 3	1,508.73	431.21	1,077.52	289.43	141.78
	Regulatory stage 3	1,156.52	160.64	995.88	187.04	(26.40)
Doubtful - up to 1 year	Stage 3	361.22	141.79	219.43	150.64	(8.85)
1 to 3 years	Stage 3	5.38	1.50	3.88	2.86	(1.36)
More than 3 years	Stage 3	0.37	0.11	0.26	0.19	(0.08)
Subtotal for doubtful		**366.97**	**143.40**	**223.57**	**153.69**	**(10.29)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**3,032.22**	**735.25**	**2,296.97**	**630.16**	**105.09**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	**60,823.07**	**635.18**	**60,187.89**	**251.67**	**383.51**
	Stage 2	**2,358.72**	**202.78**	**2,155.94**	**15.99**	**186.79**
	Stage 3	**1,875.70**	**574.61**	**1,301.09**	**443.12**	**131.49**
	Regulatory Stage 3	**1,156.52**	**160.64**	**995.88**	**187.04**	**(26.40)**
	Total	**66,214.01**	**1,573.21**	**64,640.80**	**897.82**	**675.39**

(₹ in millions except otherwise stated)

89 Comparison of provisioning as per IRAC norms and Ind AS 109 (Continued)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
As at March 31, 2023						
Performing assets						
Standard	Stage 1	67,125.56	663.00	66,462.56	276.16	386.84
	Stage 2	1,942.05	170.09	1,771.96	11.69	158.40
Subtotal		**69,067.61**	**833.09**	**68,234.52**	**287.85**	**545.24**
Non-performing assets (NPA)						
Substandard	Stage 3	1,252.47	381.98	870.49	255.20	126.78
	Regulatory stage 3	836.79	102.69	734.10	134.47	(31.78)
Doubtful - up to 1 year	Stage 3	103.68	42.48	61.20	39.45	3.03
1 to 3 years	Stage 3	24.21	20.87	3.34	13.66	7.21
More than 3 years	Stage 3	0.40	0.12	0.28	0.24	(0.12)
Subtotal for doubtful		**128.29**	**63.47**	**64.82**	**53.35**	**10.12**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**2,217.55**	**548.14**	**1,669.41**	**443.02**	**105.12**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	**67,125.56**	**663.00**	**66,462.56**	**276.16**	**386.84**
	Stage 2	**1,942.05**	**170.09**	**1,771.96**	**11.69**	**158.40**
	Stage 3	**1,380.76**	**445.45**	**935.31**	**308.55**	**136.90**
	Regulatory Stage 3	**836.79**	**102.69**	**734.10**	**134.47**	**(31.78)**
	Total	**71,285.16**	**1,381.23**	**69,903.93**	**730.87**	**650.36**

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
As at March 31, 2022						
Performing assets						
Standard	Stage 1	42,876.45	475.62	42,400.83	188.98	286.64
	Stage 2	3,420.99	353.51	3,067.48	41.69	311.82
Subtotal		**46,297.44**	**829.13**	**45,468.31**	**230.67**	**598.46**
Non-performing assets (NPA)						
Substandard	Stage 3	1,215.18	347.14	868.04	2,507.24	(2,160.10)
Doubtful - up to 1 year	Stage 3	133.42	38.28	95.14	51.12	(12.84)
1 to 3 years	Stage 3	2.04	0.59	1.45	0.90	(0.31)
More than 3 years	Stage 3	0.12	0.04	0.08	0.09	(0.05)
Subtotal for doubtful		**135.58**	**38.91**	**96.67**	**52.11**	**(13.20)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,350.76**	**386.05**	**964.71**	**2,559.35**	**(2,173.30)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	**42,876.45**	**475.62**	**42,400.83**	**188.98**	**286.64**
	Stage 2	**3,420.99**	**353.51**	**3,067.48**	**41.69**	**311.82**
	Stage 3	**1,350.76**	**386.05**	**964.71**	**2,559.35**	**(2,173.30)**
	Total	**47,648.20**	**1,215.18**	**46,433.02**	**2,790.02**	**(1,574.84)**

(₹ in millions except otherwise stated)

89 Comparison of provisioning as per IRAC norms and Ind AS 109 (Continued)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
As at March 31, 2021						
Performing assets						
Standard	Stage 1	29,081.36	461.78	28,619.58	119.31	342.47
	Stage 2	3,955.80	430.26	3,525.54	18.44	411.82
Subtotal		**33,037.16**	**892.04**	**32,145.12**	**137.75**	**754.29**
Non-performing assets (NPA)						
Substandard	Stage 3	1,297.17	675.81	621.36	257.55	418.26
Doubtful - up to 1 year	Stage 3	89.50	57.01	32.49	29.81	27.20
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**89.50**	**57.01**	**32.49**	**29.81**	**27.20**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,386.67**	**732.82**	**653.85**	**287.36**	**445.46**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	Stage 1	**29,081.36**	**461.78**	**28,619.58**	**119.31**	**342.47**
	Stage 2	**3,955.80**	**430.26**	**3,525.54**	**18.44**	**411.82**
	Stage 3	**1,386.67**	**732.82**	**653.85**	**287.36**	**445.46**
	Total	**34,423.83**	**1,624.86**	**32,798.97**	**425.11**	**1,199.75**

In terms of requirement of RBI notification no. mentioned above on implementation of indian accounting standards, non-banking financial companies (NBFCs) are required to create an impairment reverse for any short fall in impairment allowance under Ind AS 109 and income recognition and asset classification and provisioning (IRACP) norms (including provision on standard assets). The impairment allowance under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at December 31, 2023 , December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021 and accordingly, no amount is required to be transferred to impairment reserve.

SK Finance Limited
Restated Summary Statements
Annexure V - Summary of material accounting policies and other explanatory information (Continued)
(₹ in millions except otherwise stated)

90 Disclosure on Liquidity Risk Management Framework

Quantitative Disclosure on Liquidity Coverage Ratio (LCR) for the period ended December 31, 2023 is given below:

No.	Particulars	Quarter ended December 31, 2023		Quarter ended September 30, 2023		Quarter ended June 30, 2023	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
	High Quality Liquid Assets						
1	Total high quality liquid assets (HQLA)*	1,775.79	1,481.30	1,359.08	1,131.15	1,144.99	946.67
	Cash outflows						
2	Deposits (for deposit taking companies)	-	-	-	-	-	-
3	Unsecured wholesale funding	11.77	13.54	12.15	13.97	12.66	14.56
4	Secured wholesale funding	2,703.15	3,108.62	2,617.86	3,010.54	3,313.27	3,810.26
5	Additional requirements, of which						
i	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-
ii	Outflows related to loss of funding on debt products	-	-	-	-	-	-
iii	Credit and liquidity facilities	-	-	-	-	-	-
6	Other contractual funding obligations	526.77	605.78	582.38	669.74	520.82	598.94
7	Other contingent funding obligations	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	**3,241.69**	**3,727.94**	**3,212.39**	**3,694.25**	**3,846.75**	**4,423.76**
	Cash Inflows						
9	Secured lending	-	-	-	-	-	-
10	Inflows from fully performing exposures	2,641.60	1,981.20	2,110.65	1,582.99	3,103.18	2,327.38
11	Other cash inflows	3,295.85	2,471.89	4,429.16	3,321.87	8,236.93	6,177.69
12	**TOTAL CASH INFLOWS**	**2,431.27**	**2,795.96**	**2,409.29**	**2,770.69**	**2,885.06**	**3,317.82**
13	**TOTAL HQLA**		**1,481.30**		**1,131.15**		**946.67**
14	**TOTAL NET CASH OUTFLOWS**		**931.99**		**923.56**		**1,105.94**
15	**LIQUIDITY COVERAGE RATIO (%)****		**158.94%**		**122.48%**		**85.60%**

* HQLA includes cash and bank balance and investment in government backed securities.

SK Finance Limited
Restated Summary Statements
Annexure V - Summary of material accounting policies and other explanatory information (Continued)
(₹ in millions except otherwise stated)

90 Disclosure on Liquidity Risk Management Framework (Continued)
Quantitative Disclosure on Liquidity Coverage Ratio (LCR) for the financial year 2022- 2023 is given below:

No.	Particulars	Quarter ended March 31, 2023		Quarter ended December 31, 2022		Quarter ended September 30, 2022		Quarter ended June 30, 2022	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
	High Quality Liquid Assets								
1	Total high quality liquid assets (HQLA)*	1,437.58	1,239.26	1,049.20	859.40	596.41	464.99	1,039.61	623.18
	Cash outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	13.17	15.15	13.16	15.14	-	-	-	-
4	Secured wholesale funding	4,058.03	4,666.74	2,979.16	3,426.04	2,093.25	2,407.24	1,813.66	2,085.71
5	Additional requirements, of which								
i	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	422.36	485.72	436.40	501.90	437.45	503.07	77.76	89.42
7	Other contingent funding obligations	51.12	58.79	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	**4,544.69**	**5,226.40**	**3,428.72**	**3,943.07**	**2,530.71**	**2,910.31**	**1,891.42**	**2,175.13**
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	2,676.26	2,007.20	2,792.40	2,094.30	2,295.30	1,721.48	2,535.17	1,901.37
11	Other cash inflows	3,201.22	2,400.92	4,588.30	3,441.20	4,053.85	3,040.39	2,997.88	2,248.41
12	**TOTAL CASH INFLOWS**	**3,408.52**	**3,919.80**	**2,571.54**	**2,957.31**	**1,898.03**	**2,182.73**	**1,418.56**	**1,631.35**
13	**TOTAL HQLA**		**1,239.26**		**859.40**		**464.99**		**623.18**
14	**TOTAL NET CASH OUTFLOWS**		**1,306.60**		**985.77**		**727.58**		**543.78**
15	**LIQUIDITY COVERAGE RATIO (%)**		**94.85%**		**87.18%****		**63.91%**		**114.60%**

* HQLA includes cash and bank balance and investment in government backed securities.
**Simple average of LCR observations over a period is 99.32%.

(₹ in millions except otherwise stated)

90 Disclosure on Liquidity Risk Management Framework (Continued)

Quantitative Disclosure on Liquidity Coverage Ratio (LCR) for the financial year 2021- 2022 is given below:

No.	Particulars	Quarter ended March 31, 2022 Total unweighted value (average)	Quarter ended March 31, 2022 Total weighted value (average)
	High Quality Liquid Assets		
1	Total high quality liquid assets (HQLA)*	1,390.53	1,217.11
	Cash outflows		
2	Deposits (for deposit taking companies)	-	-
3	Unsecured wholesale funding	-	-
4	Secured wholesale funding	1,587.78	1,825.95
5	Additional requirements, of which		
i	Outflows related to derivative exposures and other collateral requirements	-	-
ii	Outflows related to loss of funding on debt products	-	-
iii	Credit and liquidity facilities	-	-
6	Other contractual funding obligations	307.31	353.41
7	Other contingent funding obligations	-	-
8	**TOTAL CASH OUTFLOWS**	**1,895.09**	**2,179.35**
	Cash Inflows		
9	Secured lending		
10	Inflows from fully performing exposures	1,846.00	1,384.50
11	Other cash inflows	1,312.73	984.55
12	**TOTAL CASH INFLOWS**	**1,421.32**	**1,634.51**
13	**TOTAL HQLA**		**1,217.11**
14	**TOTAL NET CASH OUTFLOWS**		**544.84**
15	**LIQUIDITY COVERAGE RATIO (%)****		**223.39%**

* HQLA includes cash and bank balance and investment in government backed securities.
** Average of LCR % of last three months is 209%.
The requirements of the above circular with respect to the liquidity coverage ratio ("LCR") have become applicable to the Company with effect from the quarter ended March 31, 2022.

90 Disclosure on Liquidity Risk Management Framework (Continued)

Qualitative Disclosure on LCR

The Liquidity Coverage Ratio (LCR) is a global minimum standard to measure the Company's liquidity position. Reserve Bank introduced the liquidity coverage ratio (LCR) requirement for all deposit-taking NBFCs and non-deposit taking NBFCs with an asset size of 5,000 crore and above. LCR seeks to ensure that the Company has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs under a 30-day calendar liquidity stress scenario. LCR is calculated by dividing the stock of HQLA's by its total net cash outflow over a 30 day calendar period.

The Company has adopted the liquidity risk framework as required under RBI regulation. It ensures a sound and robust liquidity risk management system by maintaining sufficient liquidity through inclusion of a cushion of unencumbered, high quality liquid asset to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The Board of Directors have delegated responsibility of balance sheet Liquidity Risk Management to the Asset Liability Management Committee.

The LCR is calculated by dividing a Company's stock of HQLA by it's total net cash outflows over a 30 -day stress period. The guidelines for LCR were effective from December 1, 2020 with the minimum LCR to be 50% which would rise in equal annual steps to reach 100%, on December 1, 2024. The requirement, as on December 31, 2023, December 31, 2022 March 31, 2023 and March 31, 2022 is 85%, 60%, 60% and 50% respectively. In order to determine High quality Liquid Assets, Company considers all the allowable assets as per RBI including Cash and Bank Balances and investment in Government backed Securities. In order to determine net cash outflows, Company considers total expected cash outflow minus total expected cash inflows for the subsequent 30 calendar days. As per regulations, stressed cash flows is computed by assigning a predefined stress percentage to the overall cash inflows and cash outflows. Net cash outflow over next 30 days is computed as stressed outflows less minimum of stressed inflows subject to 75% of stressed outflow. Accordingly LCR would be computed by dividing Company's stock of HQLA by it's total net cash outflow.

Cash outflow under secured wholesale funding includes contractual obligations under Term loans, NCDs, Interest payable within 30 days. Outflow under other contractual funding obligations primarily includes outflow on account of sundry payables. In order to determine Inflows from fully performing exposures, Company considers the collection from performing advances in next 30 days. Other Cash inflows includes investments in mutual funds, debt securities and fixed deposits which are maturing within 30 days.

(₹ in millions except otherwise stated)

90 Disclosure on Liquidity Risk Management Framework (Continued)

Public disclosure on liquidity risk

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Particulars	Number of significant counterparties	Amount	% of Total deposits	% of Total liabilities
As at December 31, 2023	24	63,707.67	Not Applicable	78.54%
As at December 31, 2022	29	47,237.63	Not Applicable	72.14%
As at March 31, 2023	28	52,918.48	Not Applicable	73.27%
As at March 31, 2022	30	36,544.34	Not Applicable	78.84%
As at March 31, 2021	62	32,243.60	Not Applicable	97.15%

(ii) Top 20 large deposits (amount and % of total deposits) - Not applicable

(iii) Top 10 borrowings

Particulars	Amount	% to Total borrowings
As at December 31, 2023	43,921.29	55.66%
As at December 31, 2022	28,358.19	44.26%
As at March 31, 2023	31,659.92	44.95%
As at March 31, 2022	19,859.94	44.16%
As at March 31, 2021	13,929.10	43.20%

(iv) Funding concentration based on significant instrument/product

Name of the instrument/product	As at December 31, 2023		As at December 31, 2022	
	Amount	% of Total liabilities	Amount	% of Total liabilities
Debt securities (including commercial paper)	17,769.20	21.91%	18,450.25	28.18%
Term loan from banks	44,332.87	54.66%	28,869.01	44.09%
Term loan from financial institutions-Secured	5,151.76	6.35%	4,194.72	6.41%
Associated liabilities under securitisation	8,590.05	10.59%	10,008.15	15.29%
External commercial borrowings	1,745.10	2.15%	1,948.73	2.98%
Term loan from other parties - unsecured	-	0.00%	-	0.00%
Short term borrowings	1,321.42	1.63%	392.24	0.60%
Subordinated debts	-	0.00%	204.06	0.31%

Name of the instrument/product	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Amount	% of Total liabilities	Amount	% of Total liabilities	Amount	% of Total liabilities
Debt securities (including commercial paper)	17,149.60	23.75%	14,735.79	31.79%	15,203.21	45.81%
Term loan from banks	35,324.00	48.91%	18,240.94	39.35%	8,525.22	25.69%
Term loan from financial institutions-Secured	5,382.26	7.45%	3,659.22	7.89%	2,670.95	8.05%
Associated liabilities under securitisation	10,059.39	13.93%	3,048.04	6.58%	3,272.07	9.86%
External commercial borrowings	1,954.55	2.71%	1,880.84	4.06%	752.25	2.27%
Term loan from other parties - unsecured	-	0.00%	-	0.00%	475.43	1.43%
Short term borrowings	561.62	0.78%	3,208.78	6.92%	941.46	2.84%
Subordinated debts	-	0.00%	203.66	0.44%	402.94	1.21%

(v) Stock Ratios:

Particulars	As at December 31, 2023			As at December 31, 2022		
	Total public funds	Total liabilities	Total assets	Total public funds	Total liabilities	Total assets
Commercial paper, as a % of	Nil	Nil	Nil	Nil	Nil	Nil
Non-convertible debentures (original maturity of less than one year), as a %	Nil	Nil	Nil	Nil	Nil	Nil
Other short term liabilities*, as a % of	47.51%	46.22%	34.55%	44.88%	43.92%	34.68%

Particulars	As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	Total public funds	Total liabilities	Total assets	Total public funds	Total liabilities	Total assets	Total public funds	Total liabilities	Total assets
Commercial paper, as a % of	Nil	Nil	Nil	1.10%	1.07%	0.80%	Nil	Nil	Nil
Non-convertible debentures (original maturity of less than one year), as a %	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other short term liabilities*, as a % of	42.07%	41.03%	32.72%	48.03%	46.60%	34.66%	42.15%	40.94%	31.67%

* Other short term liabilities include all contractual obligation payable within a period of 1 year excluding commercial paper.

(vi) Institutional set-up for liquidity risk management

SK finance limited (SKFL) has constituted asset liability management committee ('ALCO') to oversee liquidity risk management in compliance with board approved policy. It comprises of senior management of the Company and headed by managing director or/and executive director. ALCO meetings are held once in a quarter or more frequently as required from time to time. The minutes of ALCO meetings are placed before the risk management committee (RMC) and the board of directors.

SKFL has also constituted RMC for the effective supervision and management of various aspects including liquidity risks faced by the Company. This committee shall provide necessary directives to ALCO, as and when necessary. The ALCO and RMC updates the board at regular intervals.

Notes:

1) Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on liquidity risk management framework for Non- Banking Financial Companies and Core Investment Companies.

2) Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

3) Total liabilities has been computed as sum of all liabilities (balance sheet figure) less equities and reserves/surplus.

4) Public funds are as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016 as amended.

(₹ in millions except otherwise stated)

91 Detail of resolution plan implemented under the resolution framework for Covid-19 related stress as per RBI circular dated August 06, 2020 (resolution framework-1.0) and May 5, 2021 (resolution framework-2.0)##

For half year ended March 31, 2023 as given below-

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2022 (A) *	Of (A), aggregate debt that slipped into NPA during the half year ended March 31, 2023**	Of (A) amount written off during the half year ended March 31, 2023	Of (A) amount paid by the borrowers during the half year ended March 31, 2023	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at March 31, 2023
Personal Loans #	225.31	82.82	-	53.86	88.63
Corporate persons	-	-	-	-	-
MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**308.13**	**82.82**	**-**	**53.86**	**88.63**

For half year ended March 31, 2022 as given below-

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2021 (A) *	Of (A), aggregate debt that slipped into NPA during the half year ended March 31, 2022**	Of (A) amount written off during the half year ended March 31, 2022	Of (A) amount paid by the borrowers during the half year ended March 31, 2022	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at March 31, 2022
Personal Loans #	766.57	129.10	-	227.74	409.73
Corporate persons	-	-	-	-	-
MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**766.57**	**129.10**	**-**	**227.74**	**409.73**

For half year ended March 31, 2021 as given below-

	(A)	(B)	(C)	(D)	(E)
Type of Borrowers	**Number of accounts where resolution plan has been implemented under this window**	**exposure to accounts mentioned at (A) before implementation of the plan**	**Of (B), aggregate amount of debt that was converted into other securities**	**Additional funding sanctioned, if any, including between invocation of the plan and implementation**	**Increase in provisions on account of the implementation of the resolution plan**
Personal Loans	63.00	17.28	-	-	2.82
Corporate persons	-	-	-	-	-
MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**63.00**	**17.28**	**-**	**-**	**2.82**

* Consist of unbilled and overdue principal

**Considering impact of RBI circular dated November 12,2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advance Clarification"

Includes restructuring implemented pursuant to OTR 2.0 for personal loans, individual business loans and small business loans.

Requirements of Disclosure in compliance with RBI circular 2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 is an half yearly requirement.

92 Disclosure pursuant to RBI notification - RBI/2020-21/17 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020

Type of borrower	Year	Number of accounts where resolution plan has been implemented under this window(A)	Exposure to accounts mentioned at (A) before implementation of the plan
	March 31, 2023	-	-
MSMEs	March 31, 2022	222	68.52
	March 31, 2021	337	102.01

93 Disclosure as required under RBI notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 on COVID-19 Regulatory Package - asset classification and provisioning

Particulars	As at March 31, 2021
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended *	12,037.10
(ii) Respective amount where asset classification benefits is extended **	Nil
(iii) Provision made on the cases where asset classification benefit is extended ***	-
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil

* Outstanding as on March 31, 2021 on account of all cases where moratorium benefit is extended by the Company up to August 31, 2020.

** There are NIL accounts where asset classification benefit is extended till March 31, 2021. Post the moratorium period, the movement of aging has been at actuals.

*** The Company has made provision for impairment loss allowance (as per ECL model) for the year ended March 31, 2021.

(₹ in millions except otherwise stated)

94 Other Regulatory requirement

A. Statement of adjustments to audited financial statements:

The accounting policies applied as at and for the periods ended December 31, 2022 and as at and for the each of the years ended March 31, 2023, March 31, 2022 and March 31, 2021 are consistent with those adopted in the preparation of interim financial statement for the period ended December 31, 2023.

Material Restated Adjustments

These Restated Summary Statements has been compiled from the historical audited financial statements and
a) there were no changes in accounting policies during the years/periods of these financial statements
b) there were no material amounts which have been adjusted for in arriving at profit/ loss of the respective years/periods; and
c) there were no material adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, except below correction of errors/omission, in order to bring them in line with the groupings as per the audited interim financial statements for the period ended December 31, 2023 of the Company and the requirements of the SEBI Regulations. These corrections were on account of reclassifications not resulting in any change to profit after tax.

For the year March 31, 2023

i) The gain on derecognition of financial instruments during the year ended March 31, 2023 amounting to ₹ 171.99 million has been reclassified from 'Net gain on de-recognition of financial instruments under amortised cost category' to 'Interest income'.

For the year March 31, 2022

i) The gain on derecognition of financial instruments during the year ended March 31, 2022 amounting to ₹ 29.98 million has been reclassified from 'Interest income' to 'Net gain on de-recognition of financial instruments under amortised cost category'.

For the year March 31, 2021

i) The term deposits amounting to ₹ 1,750 million has been reclassified from 'Freehold deposits with banks' to 'Balances with banks to the extent held as margin money or security against the borrowing'.

ii) The transaction costs that are directly attributable to the acquisition of the financial asset amounting to ₹ 86.92 million has been reclassified from 'Salaries and wages' and 'Legal and professional charges' to 'Interest income on financial assets measured at amortised cost'.

iii) The gain on derecognition of financial instruments during the year ended March 31, 2021 amounting to ₹ 72.76 million has been reclassified from 'Interest income' to 'Net gain on de-recognition of financial instruments under amortised cost category'.

Material Regroupings

Division III - Schedule III to the Companies Act, 2013 has been further amended vide the Government Notification dated March 24, 2021 to include certain additional presentation and disclosures requirements and changes to some of the existing requirements. In the month of January 2022, Guidance note on Division III - Schedule III to the Companies Act, 2013 was issued by the ICAI to give effect to these amendments, which was applicable to the Company for preparation and presentation of its financial statements from financial year ended March 31, 2022. In the month of March 2023, Companies (Indian Accounting Standards) Rules, 2015 has been further amended vide the Government Notification dated March 31, 2023 to include certain additional presentation and disclosures requirements and changes to some of the existing requirements, which was applicable to the Company for preparation and presentation of its financial statements from financial year starting April 01, 2023. It may be noted that in preparing and presenting the financial statements for the periods ended December 31, 2023, December 31,2022 and years ended March 31, 2023, March 31, 2022 and March 31, 2021, the Company had reclassified the comparative figures in accordance with the requirements of the Ind AS, Guidance note and above stated Government notifications. Accordingly this Restated Summary Statements has been prepared based on the above requirements. The adoption of the said amendments does not impact recognition and measurement principles followed for preparation of the historical financial statements.

B. Reconciliation of total equity as per audited financial statements with total equity as per Restated Summary Statements:

Summarised below are the restatement adjustments made to the total equity as per the audited financial statements of the Company for the periods ended December 31, 2023 and December 31, 2022 and for each of the years ended March 31, 2023, March 31, 2022, and March 31, 2021 and their consequential impact on the equity of the Company.

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Total equity (as per audited financial statements)	27,382.96	17,447.29	18,337.40	15,964.39	9,714.77
Material restatement adjustments	-	-	-	-	-
Total equity (as per Restated Summary Statements)	**27,382.96**	**17,447.29**	**18,337.40**	**15,964.39**	**9,714.77**

C. Reconciliation of total comprehensive income as per audited financial statements with total comprehensive income as per Restated Summary Statements:

Summarised below are the restatement adjustments made to total comprehensive income as per the audited financial statements of the Company for the periods ended December 31, 2023 and December 31, 2022 and for each of the years ended March 31, 2023, March 31, 2022 and March 31, 2021.

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
A. Total comprehensive income as per audited financial statements	2,157.30	1,388.49	2,225.63	1,421.51	911.17
B. Adjustments:					
(i) Audit qualifications	-	-	-	-	-
(ii) Adjustments due to prior period items / other adjustments	-	-	-	-	-
Total (B)	-	-	-	-	-
C. Total comprehensive income as per Restated Summary Statements (A+B)	**2,157.30**	**1,388.49**	**2,225.63**	**1,421.51**	**911.17**

D. Other non adjusting items

Clause vii (a) CARO

As at and for the year ended March 31, 2023

Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues, as applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to sales tax, service tax, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.

As at and for the year ended March 31, 2022

Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues, as applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to sales tax, service tax, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.

(₹ in millions except otherwise stated)

94 Other Regulatory requirement (Continued)

D. Other non adjusting items (Continued)

Clause vii (b) CARO

As at and for the year ended March 31, 2023

The dues of goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues as applicable to the Company, which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the disputed dues	Amount under dispute	Amount paid *	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax	55.04	2.06	FY 2010-15	Custom, Excise, Income Tax Appellate Tribunal
Finance Act, 1994	Service tax	44.69	3.05	FY 2015-18	Custom, Excise, Income Tax Appellate Tribunal
CGST Act, 2017	GST	6.45	0.32	FY 2017-18	Commissioner of CGST (Appeals)
CGST Act, 2017	GST	7.29	0.36	FY 2018-19	Commissioner of CGST (Appeals)
Income Tax Act, 1961	Income tax	3.35	-	FY 2019-20	Commissioner of Income Tax (Appeals)

*paid under protest

As at and for the year ended March 31, 2022

The dues of goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues as applicable to the Company, which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the disputed dues	Amount under dispute	Amount paid *	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax	44.69	3.05	FY 2015-18	Custom, Excise, Income Tax Appellate Tribunal
Finance Act, 1994	Service tax	55.04	2.06	FY 2009-15	Custom, Excise, Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	3.35	-	FY 2019-20	Commissioner of Income Tax (Appeals)**

*paid under protest

**Appeal has been filed on April 23, 2022

As at and for the year ended March 31, 2021

According to the information and explanations given to us, there are no dues in respect of income tax, services tax, value added tax or goods and service tax which have not been deposited on account of dispute except as given below:

Name of the statute	Nature of the disputed dues	Amount*	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax liability	52.97	AY 2014-16	Custom, Excise, Income Tax Appellate Tribunal
Finance Act, 1994	Service tax liability	41.64	AY 2016-18	Custom, Excise, Income Tax Appellate Tribunal

*These amounts are net of amount paid/adjusted under protest of ₹ 5.11 million.

95 Impact of moratorium and COVID-19

As at and for the year ended March 31, 2022:

A national lockdown was declared by Government of India with effect from March 24, 2020 as a result of the outbreak of Coronavirus, a virus causing potentially deadly respiratory tract infections (the "Pandemic"), which was further extended in phases up to May 31, 2020. Subsequently, the lockdown was lifted by the Government for certain activities in a phased manner outside specific containment zones but localised/regional restrictions continued to be implemented in areas with a significant number of COVID-19 cases.

The second wave of the COVID-19 Pandemic in April-May 2021 led to the re-imposition of localised/regional lockdown measures in various parts of the country. The second wave started to subside from June 2021 onwards and the lockdowns were gradually lifted, resulting in a significant improvement in economic activity.

India experienced another outbreak due to a new variant in December 2021 and as a precautionary measure, certain state governments had imposed localised/regional restrictions.

The extent to which the COVID19 Pandemic, will continue to impact the Company's restated summary statements, will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 Pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us. At March 31, 2022, the Company believes that the impairment allowance of loans has been recorded considering the reasonable and supportable information available upto the date of approval of these financial statements. Based on current indicators of future economic conditions, the Company expects to recover carrying amount of the financial assets. The Company will continue to closely monitor any material changes to future economic conditions and resultant impact, if any, on the impairment allowance of loans.

As at and for the year ended March 31, 2021:

In accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Company had granted moratorium up to six months on the payment of instalments which became due between 01 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation did not automatically trigger a significant increase in credit risk. The Company continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the Pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. The Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 Pandemic and the associated support packages in the measurement of impairment loss allowance. Taking into consideration the impact arising from the COVID-19 Pandemic on the economic environment, the Company has, during the year, continued to undertake a risk assessment of its credit exposures and in addition to the model determined ECL provision to reflect deterioration in the macroeconomic outlook.

The final impact of this Pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial statement. The management will continue to closely monitor the material changes in the macroeconomic factors impacting the operations of the Company.

96 The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. The Company had implemented the Scheme in accordance with the requirements of the notification and credited to the accounts of or remitted amounts to the eligible borrowers as per the Scheme.

The Statement of claim for ₹ 91.5 million towards the amount of ex-gratia interest credited to the accounts of or paid to the eligible borrowers in specified loan accounts has been submitted to the relevant authority as desiganted by Government of India, Ministry of Finance and the same has been included as Ex-gratia interest receivables under Other financial assets as per note 10.

97 Events after the reporting period

a. As at and for the period ended December 31, 2023:

a) The Board of Directors of the Company in its meeting held on February 01, 2024 and shareholders of the Company in the Extraordinary General Meeting held on March 11, 2024 approved the sub-division of shares from ₹ 2 per share to ₹ 1 per share and also approved the bonus share in the ratio of 1:1. The number of shares used for the calculation of earnings per share, and the earnings per share in Note 35 (including that in the comparative periods), have been adjusted for pursuant to Paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013. No other adjustments are made in the Restated Summary Statements on account of the share split and bonus share.

b) Pursuant to board resolutions dated January 05, 2024, the Company has made preferential allotment of 9,75,339 fully paid-up equity shares amounting to total of ₹ 2,250.00 million. The effect of same is not required to be considered in the Restated Summary Statements.

c) Pursuant to board resolutions dated March 14, 2024, the Company has made preferential allotment of 2,42,500 fully paid-up equity shares amounting to total of ₹ 559.42 million. The effect of same is not required to be considered in the Restated Summary Statements.

b. As at and for the year ended March 31, 2021:

i) In accordance with instructions in RBI circular dated April 7, 2021, all lending institutions shall put in place a Board approved policy and refund / adjust the 'interest on interest' charged to borrowers during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions. the Company has put in place a Board approved policy on "Refund/Adjustment of Interest on Interest charged during the Moratorium Period" and accordingly estimated the said amount based on guidance provided by Indian Banks Association (IBA) on April 19, 2021 and reversed the income to the extent of ₹ 3.83 million during the current financial year.

Material accounting policies 1-3
The accompanying notes form an integral part of the Restated Summary Statements

As per our report of even date attached

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Firm Registration No: 101049W/E300004

For and on behalf of the Board of Directors of
SK Finance Limited

Amit Kabra
Partner
ICAI Membership No. 094533

Rajendra Kumar Setia
(Managing Director & CEO)
DIN - 00957374

Yash Setia
(Whole Time Director)
DIN - 09831391

Place : Gurugram
Date : April 18, 2024

Atul Arora
(Chief Financial Officer)

Anagha Bangur
(Company Secretary)
Membership No.: F10697

Place : Jaipur
Date : April 18, 2024

OTHER FINANCIAL INFORMATION

The accounting ratios derived from the Restated Summary Statements as required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(All per share data in ₹, except as mentioned)

Particulars	As at and for the nine months period ended December 31, 2023	As at and for the nine months period ended December 31, 2022	As at and for the financial year ended March 31, 2023	As at and for the financial year ended March 31, 2022	As at and for the financial year ended March 31, 2021
Earnings per share (basic)(1)#	17.78	11.94	19.13	12.62	9.04
Earnings per share (diluted)(1)#	17.55	11.69	18.79	12.41	8.95
Return on Average Net Worth (RoNW) (%)(2) #	9.51%	8.33%	13.01%	11.15%	9.87%
Net Asset Value per equity share(4)	212.01	148.95	155.53	136.34	92.42
EBITDA (*₹ million*) (4)	8,564.70	5,827.78	8,628.92	5,402.32	4,317.62

#Not annualised for the period ended December 31, 2023 and December 31, 2022

Notes:

1. *Earnings per share basic and earnings per share diluted are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). The Board of Directors of the Company in its meeting held on February 1, 2024 and shareholders of the Company in the Extraordinary General Meeting held on March 11, 2024 approved the sub-division of shares from ₹2 per share to ₹1per share and also approved the bonus share in the ratio of 1:1 with effect from March 16, 2024. The number of shares used for the calculation of earnings per share , and the earnings per share (including that in the comparative periods), have been adjusted for pursuant to paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.*
2. *Return on Average Net Worth, which is a Non-GAAP measure, represents profit for the period/year divided by average Net worth as at the end of relevant period/year. Average Net worth, which is a Non-GAAP measure, represents simple average of Net Worth as at the end of relevant period/year and Net Worth as at the end of relevant previous year. Net worth, which is a Non-GAAP measure, means the aggregate value of the Equity Share capital and Other equity, after deducting the Prepaid expenses as at the end of relevant period/ year. For details on reconciliation, see 'Selected Statistical Information - Non-GAAP Reconciliation' on page 304.*
3. *Net asset value per Equity Share, which is a Non-GAAP measure, is calculated as Net Worth as at the end of relevant period/ year divided by the outstanding number of equity shares including partly paid-up shares for as at the end of such period/year after giving impact of sub-division of equity shares and bonus issue subsequent to period end in accordance with Ind AS 33 principles. For details on reconciliation, see 'Selected Statistical Information - Non-GAAP Reconciliation' on page 304.*
4. *EBITDA , which is a Non-GAAP measure, represents Profit for the period/year after adding back of total tax expenses, finance costs and depreciation and amortization of the relevant period/ year. For details on reconciliation, see 'Selected Statistical Information - Non-GAAP Reconciliation' on page 304.*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company as at and for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021 and the reports thereon (collectively, the "**Audited Financial Statements**") are available on our website at https://www.skfin.in/investor/investor-services.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a red herring prospectus, or (iii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' read with SEBI ICDR Regulations for the nine months period ended December 31, 2023 and December 31, 2022 and Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, and as reported in the Restated Summary Statements, see "*Restated Summary Statements– Annexure V - Summary of material accounting policies and other explanatory information – 39 Related Party disclosure*" on page 360.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Restated Summary Statements as of and for the nine months ended December 31, 2023 and December 31, 2022, and Fiscals 2023, 2022 and 2021, including the related annexures.

Unless otherwise indicated or context otherwise requires, the financial information as at and for the nine months ended December 31, 2023 and December 31, 2022, and Fiscals 2023, 2022 and 2021, included herein is derived from the Restated Summary Statements, included in this Draft Red Herring Prospectus. For further information, see "Financial Statements" on page 312. Further, financial information for the nine months ended December 31, 2023 and nine months ended December 31, 2022, has not been annualized.

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Draft Red Herring Prospectus, each of which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with the Ind AS, Indian GAAP, IFRS or U.S. GAAP. Such measures and indicators are not defined under Ind AS, Indian GAAP, IFRS or U.S. GAAP, and therefore, should not be viewed as substitutes for performance, liquidity or profitability measures under Ind AS, Indian GAAP, IFRS or U.S. GAAP. In addition, such measures and indicators are not standardized terms, and a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For risks relating to non-GAAP measures, see "Risk Factors –We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Ind AS" on page 59.

Our Fiscal year ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12-month period ended March 31 of that year.

*The industry information contained in this section is derived from the industry report titled "Analysis of NBFC Sector and Select Asset Classes in India" dated April 2024, which is exclusively prepared for the purpose of the Offer and issued by CRISIL Market Intelligence & Analytics ("**CRISIL MI&A**"), a division of CRISIL Limited (together with CRISIL MI&A, "**CRISIL**") and is commissioned and paid for by our Company ("**CRISIL Report**"). CRISIL MI&A was appointed on January 30, 2024. We commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's products, that may be similar to the CRISIL Report. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors –Certain sections of this Draft Red Herring Prospectus contain information from the report titled 'Analysis of NBFC Sector in India and Select Asset Classes' dated April 2024 ("**CRISIL Report**") which has been commissioned and paid for by us exclusively for the purpose of the Offer. The CRISIL Report, prepared and issued by CRISIL, is not exhaustive and is based on certain assumptions and parameters / conditions and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 59 and "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation" on page 15. The CRISIL Report is available on the website of our Company at* https://www.skfin.in/investor/investor-services *and has also been included in "Material Contracts and Documents for Inspection – Material Documents" on page 502. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. References to segments in "Industry Overview" beginning on page 137 and information derived from the CRISIL Report are in accordance with the presentation, analysis and categorization in the CRISIL Report. The segment reporting in the Restated Summary Statements is based on the criteria set out in Ind AS 108 (Operating Segments). Our Company does not prepare its financial statements based on the segments outlined in the "Industry Overview" beginning on page 137.*

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward looking statements as a result of factors such as those set forth under "Forward Looking Statements" and "Risk Factors" on pages 19 and 28, respectively.

Overview

Our Company was established in 1994 by Rajendra Kumar Setia. We are a non-deposit taking non-banking finance company middle layer ("**NBFC ML**"), operating in two verticals, vehicle financing and financing for Micro, Small and Medium Enterprises ("**MSME**"). According to the CRISIL Report, we are the fastest growing player in the vehicle financing segment and the MSME financing segment among our peers analyzed, based on our assets under management ("**AUM**") CAGR in the respective segment for the period between Fiscal 2021 and Fiscal 2023.

In our vehicle financing vertical, we primarily have a secured, granular and retail loan portfolio for financing used and new commercial vehicles (excluding medium and heavy commercial vehicles) ("**CVs (excluding M&HCVs)**"), cars and tractors as well as new two-wheelers. According to the CRISIL Report, among the peers considered, for the nine months ended December 31, 2023, our Company had the highest used vehicle finance share of 77.41% as part of our vehicle financing portfolio. In addition, we have identified specific businesses in the MSME sector to which we offer loans. We started the MSME lending business in late 2016, where we primarily lend for the purpose of working capital requirements of these businesses. These loans are fully backed by assets and are offered, primarily for income generation purposes, to the mid to low-income category of customers that are predominantly self-employed, unbanked or underbanked individuals in the rural and semi-urban areas of India with limited access to organized lending channels.

According to the CRISIL Report, the overall vehicle financing segment in India stood at approximately ₹ 11.85 trillion as of Fiscal 2023, witnessing a CAGR of around 11.07% from Fiscal 2019 and going forward, the outstanding credit is expected to grow at a CAGR of 16-18% from Fiscal 2023 to Fiscal 2027 to reach approximately ₹ 21 trillion. According to the CRISIL Report, NBFCs accounted for the highest share of 39.97% in vehicle finance credit outstanding in Fiscal 2023. Our presence in the vehicle financing market for over 25 years, our product offerings, and our extensive distribution network position us to capture the growth in this market.

We have an extensive distribution network in rural areas, through which we aim to provide last-mile coverage and financial support to unbanked customers. According to the CRISIL Report, rural areas, which accounted for 47% of GDP, received just 8% of the overall banking credit as of March 31, 2023, which shows the vast market opportunity for banks and NBFCs to lend in these areas. As of December 31, 2023, we have a distribution network of 535 branches in 11 states and one union territory. Out of 535 branches, we provide secured business loans to the MSME sector through 322 branches in eight states and one union territory, as of December 31, 2023, and we plan to gradually provide MSME financing from our existing untapped branch network. We source our customers through two channels for our vehicle financing vertical – direct channel, i.e., through our on-ground sales teams, and the indirect channel of a well-diversified base of direct sales agents (“**DSAs**”). As of December 31, 2023, out of 10,725 employees, 6,202 employees and 1,607 employees were part of our sales and collection team, respectively for our direct channel. Further, we had 8,853 DSAs in our network as of December 31, 2023. 100.00% of sourcing for our MSME financing vertical is done through our direct channel i.e., our on-ground sales team.

With over 25 years of experience, we have developed a robust underwriting process which has been built on three key pillars, i.e., income, intent and insurance. Our first pillar, being income, primarily focuses on lending towards income generating activities of our customers. This helps our credit decision-making process by focusing on the collateral value and income-generating capability of our customers. Our second pillar, being intent, is based on evaluating the intent of the customer. The assessment of the customers’ incomes becomes relevant for us to identify their intent to pay through multiple reference checks. Our third pillar, being insurance, refers to our underwriting process, whereby our security backed lending acts as ‘insurance’ against potential customer defaults. Our underwriting process is conducted through a dedicated on-ground sales team and credit officers who independently evaluate each loan application. Our collection process is conducted by a dedicated on-ground collections team which follows a high customer touch model. These processes are customized to assess our target customers’ income and evaluate the collaterals in a structured manner.

We cater to an informal category of customers present primarily in rural/semi-urban areas in India, which is typically challenging to underwrite in terms of understanding the customer behavior and connecting with the customers. We have been able to leverage technology across our operations and throughout the customer life cycle, including loan origination, underwriting, collections, post-disbursement monitoring and customer service. We have also implemented data backed analytics for our credit approval and disbursal process and have implemented solutions to ensure a largely paperless underwriting process. Our on-ground presence of more than two decades, robust and thorough underwriting process and technology interface which integrates into our lending process have enabled us to maintain our asset quality. The table below sets forth, the breakdown of our AUM with days past due (“**DPD**”) of more than 1 day, 30 days and 90 days as of the dates indicated, which demonstrates the decreasing proportion of such AUM to the total AUM from December 31, 2022 to December 31, 2023 and from Fiscal 2021 to Fiscal 2022 and further to Fiscal 2023 :

Product	**As of December 31,**		**As of March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
	% of AUM	**% of AUM**	**% of AUM**	**% of AUM**	**% of AUM**
DPD of more than 1 day	14.88%	15.91%	11.95%	18.15%	27.61%
DPD of more than 30 days	6.89%	6.89%	4.88%	9.06%	14.44%
DPD of more than 90 days	2.17%	2.22%	1.55%	2.30%	3.50%

Further, as per the CRISIL Report, we have a restructured assets pool of 0.27% of our AUM as of Fiscal 2023, which is the lowest amongst our peers analyzed.

We have diversified sources of funding, and have access to funds from 61 lenders, including nine public sector banks, 25 private banks, four mutual funds and 23 financial institutions as of December 31, 2023. We raise debt through several instruments such as term loans from public sector banks and private banks, non-convertible debentures, working capital demand loans, overdrafts against fixed deposits and external commercial borrowings. We also securitize our existing receivables through arrangements such as direct assignments and pass through certificates (“**PTCs**”). These diverse sources of funds allow us to access more cost-effective and long-term financing as well as access capital as and when required to meet our business needs. As of the date of this Draft Red Herring Prospectus, our credit rating for (i) our non-convertible debentures was “AA-/ Stable” by ICRA and CARE; (ii) our loan facility was “AA-” by CARE and Acuite; and (iii) our commercial paper was “AA-” by India Ratings. See “*Our Business – Description of Our Business and Operations – Credit Ratings*” and “*Risk Factors – Any downgrade of our credit ratings could increase borrowing costs and constrain our access to capital and lending markets and, as a result, could negatively affect our net interest margin and our business*” on pages 221 and 41 for further details, respectively.

We have an experienced management team with an average experience of 18 years, led by our Promoter Rajendra Kumar Setia, who has over 29 years of experience in the financial services sector. Our KMPs and SMPs have been with our Company for an average of over seven years. Further, our board of directors includes experienced directors, who have relevant industry knowledge such as Anand Raghavan and Debanshi Basu who are chartered accountants, and Nanda Sameer Dave who served as executive director on the board of the RBI. See "*Our Management*" on page 246 for further details.

Since 2012 we have raised equity share capital from various institutional investors, some of whom have participated in multiple funding rounds. Our most recent equity capital transaction was undertaken in Fiscal 2024 raising ₹ 13,283.71 million through a mix of primary and secondary capital. See "*Capital Structure*" on page 84 for further details. Our institutional shareholders include, among others, Norwest, TPG, India Business Excellence Fund IV, 360 One Special Opportunities Fund-Series 9 and 360 One Special Opportunities Fund – Series 10, Massachusetts Institute of Technology and 238 Plan Associates LLC.

According to the CRISIL Report, we are the fastest growing player in the vehicle financing segment and the MSME financing segment among our peers analyzed, based on our AUM CAGR in the respective segment for the period between Fiscal 2021 and Fiscal 2023. We have continued to invest in our business in the last three years growing from 344 branches as of March 31, 2021 to 535 branches as of December 31, 2023 as well as more than doubling our employee strength from 5,107 employees as of March 31, 2021 to 10,725 employees as of December 31, 2023. During this period we also continued to grow our businesses as our AUM increased from ₹ 34,171.69 million as of March 31, 2021 to ₹ 73,783.42 million as of March 31, 2023, our vehicle financing AUM grew at a CAGR of 41.07% and our MSME AUM grew at a CAGR of 80.89% between Fiscal 2021 and Fiscal 2023. The following table sets forth certain key metrics as of and for the periods/ years indicated:

Metric	As of and for the nine months ended December 31,		As of and for the year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in million, except otherwise stated)				
Financial Parameters					
Interest income	11,702.68	8,608.33	12,105.22	7,722.56	6,380.88
Finance costs	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Fees and commission income	443.77	275.19	394.76	247.35	145.06
Net gain on fair value changes	93.49	139.96	210.01	143.93	129.87
Net gain on de-recognition of financial instruments under amortised cost category	847.23	188.88	317.69	29.98	72.76
Other income	65.09	71.56	114.73	63.05	96.35
Employee benefits expenses	2,768.50	2,112.44	2,828.05	2,049.22	1,193.40
Depreciation and amortization	256.80	184.73	252.03	158.14	113.33
Other expenses	710.00	509.77	767.98	592.48	386.02
Impairment on financial instruments	1,109.06	833.93	917.46	162.85	927.88
Profit before tax	2,808.74	1,820.96	2,902.09	1,776.03	1,234.16
Profit for the period/year	2,171.01	1,388.83	2,227.86	1,428.74	910.83
Operating Metrics					
Number of States and Union Territory	12	10	10	10	6
Number of Branches	535	441	447	423	344
Number of Employees	10,725	8,143	8,438	6,730	5,107
Disbursement (1)	50,403.38	40,594.15	56,228.52	32,260.49	16,340.52
Disbursement growth (%) (2) #	24.16%	-	74.30%	97.43%	-
AUM (3)	95,155.23	67,159.89	73,783.42	47,135.66	34,171.69
AUM growth (%) (4) #	41.68%	-	56.53%	37.94%	-
Financial Metrics					
Yield on average Gross Loans (%) (5) *	13.42%	13.92%	18.71%	17.43%	19.00%
Average cost of borrowing (%) (6) *	7.29%	6.95%	9.39%	8.84%	10.17%
Interest margin (%) (7)*	6.23%	6.59%	8.67%	8.09%	8.73%
Operating Expenditure / Average Total Assets (%) (8) *	3.75%	3.87%	5.03%	5.32%	4.33%
Operating Expenditure to Net Income Ratio(%) (9)	48.81%	51.39%	50.19%	59.08%	43.91%
Earnings per share (basic) (10) *	17.78	11.94	19.13	12.62	9.04
Net worth (11)	27,322.10	17,415.74	18,319.34	15,930.17	9,691.92
Total Borrowings to Net Worth Ratio (in times) (12)	2.89	3.68	3.84	2.82	3.33
Return on Average Total Assets (%) (13) *	2.18%	1.91%	2.91%	2.72%	2.33%
Return on average net worth(%) (14) *	9.51%	8.33%	13.01%	11.15%	9.87%
CRAR (%) (15)	30.46%	27.12%	26.10%	30.42%	27.67%
Gross Loans – Stage 3	2,548.59	1,875.67	1,380.76	1,350.76	1,386.67
Gross Loans – Stage 3 Ratio (%) (16)	2.87%	2.83%	1.94%	2.83%	4.03%
Provision Coverage Ratio on Gross Loans – Stage 3 (%) (17)	43.59%	30.63%	32.26%	28.58%	52.85%
Gross Loans – Regulatory Stage 3 (18)	1,539.58	1,156.52	836.79	-	-
Gross Loans – Regulatory Stage 3 Ratio (%) (19)	1.73%	1.75%	1.17%	-	-
Provision Coverage Ratio on Gross Loans	13.82%	13.89%	12.27%	-	-

Metric	As of and for the nine months ended December 31,		As of and for the year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in million, except otherwise stated)				
– Regulatory Stage 3 (%) [20]					

The information for growth as at and for the nine months ended December 31, 2022 and as at and for Fiscal 2021 have not been included as the corresponding comparative periods in this Draft Red Herring Prospectus.

* Not annualized for the period ended December 31, 2023 and December 31, 2022.

Note:

(1) Disbursement represents the aggregate of all loan amounts extended to our customers in the relevant period/ year.

(2) Disbursement growth represents the percentage growth in our disbursement for the relevant period/ year over our disbursement for the previous period/ year.

(3) AUM represents the aggregate of future principal outstanding and principal overdue held in our books as on the last day of the relevant period/ year and loan assets which has been transferred/ sourced by our Company by way of securitization and pool buy out/ assignment/ our share of co-lending loans and are outstanding as at the end of the relevant period/ year.

(4) AUM Growth represents the growth percentage in AUM as of the last day of the relevant period/ year over AUM as of the last day of the previous period/ year.

(5) Yield on average gross loans, which is a Non-GAAP measure, represents interest income on financial assets measured at amortized cost for the relevant period/ year divided by average gross loans. Average gross loans represents simple average of gross loans as at the end of relevant period/year and Gross Loans as at the end of the relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(6) Average cost of borrowing, which is a Non-GAAP measure, is adjusted finance costs for the relevant period/ year divided by average total borrowings. Adjusted finance costs represents the finance costs reduced by interest on lease liability for the relevant period/ year. Average total borrowings, which is a Non-GAAP measure, is the simple average of total borrowings as at the end of relevant period/ year and total borrowings as at the end of relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(7) Interest margin, which is a Non-GAAP measure, represents the net interest income for the relevant period/ year divided by average total assets for such period/ year. Net interest income, which is a Non-GAAP measure, is the difference between interest income and finance costs for the relevant period/ year. Average total assets is the simple average of total assets as at the end of relevant period/ year and total assets as at the end of relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(8) Operating Expenditure / Average Total Assets, which is a Non-GAAP measure, represents operating expenditure for the relevant period/ year divided by 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 expenditure, which is a Non-GAAP measure, represents the aggregate of employee benefits expenses, depreciation and amortization and other expenses for the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(9) Operating expenditure to Net Income Ratio, which is a Non-GAAP measure, represents operating expenditure for the relevant period/ year divided by the Net Income for the relevant period/ year, expressed as a percentage. Operating expenditure, which is a Non-GAAP measure, represents the aggregate of employee benefits expenses, depreciation and amortization and other expenses for the relevant period/ year. Net Income, which is a Non-GAAP measure, represents the difference between total income and finance costs for the period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(10) Earnings per share (basic) represent the earnings per Equity Share of ₹1 each – Basic which is computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Earnings per share (basic) is calculated by dividing the profit for the period/year attributable to equity holders by the weighted average number of equity shares outstanding during the period/year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. The Board in its meeting held on February 1, 2024 and Shareholders in the extraordinary general meeting held on March 11, 2024 approved the sub-division of shares from ₹2 per share to ₹1 per share and also approved the bonus share in the ratio of 1:1 with effect from March 16, 2024. The number of shares used for the calculation of earnings per share, and the earnings per share(including that in the comparative periods), have been adjusted for pursuant to paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

(11) Net worth, which is a Non-GAAP measure, means the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(12) Total borrowings to Net Worth ratio, which is a Non-GAAP measure, represents total borrowings as at the end of the relevant period/ year divided by Net Worth as at end of such period/ year. Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. Net worth, which is a Non-GAAP measure, means the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ yearFor details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(13) Return on average total assets, which is a Non-GAAP measure, represents profit for the period/ year divided by average total assets for the relevant period/ year. Average total assets is the simple average of total assets as at the end of relevant period/ year and total assets as at the end of relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(14) Return on average net worth, which is a Non-GAAP measure, represents profit for the period/ year divided by average net worth as at the end of relevant period/ year. Average net worth, which is a Non-GAAP measure, represents simple average of Net Worth as at the end of relevant period/ year and Net Worth as at the end of previous year. Net worth, which is a Non-GAAP measure, means the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(15) CRAR is computed by dividing company's Tier I and Tier II- Capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.

(16) Gross Loans - Stage 3 ratio, which is a Non-GAAP measure, is calculated as Gross Loans - Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(17) Provision Coverage Ratio on Gross Loans - Stage 3, which is a Non-GAAP measure, represents as Impairment loss allowance - Gross Loans - Stage 3 divided by Gross Loans - Stage 3 as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(18) Gross Loans - Regulatory Stage 3 represents financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021. The lifetime Expected Credit Loss for these assets is calculated based on the repayment status of its overdue as of the reporting date.

(19) Gross Loans – Regulatory Stage 3 ratio, which is a Non-GAAP measure, represents Gross Loans – Regulatory Stage 3 divided by Gross Loans outstanding as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

(20) Provision Coverage Ratio on Gross Loans – Regulatory Stage 3, which is a Non-GAAP measure, represents Impairment loss allowance - Gross Loans - Regulatory Stage 3 divided by Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

We consider that the operating and financial metrics specified in the table above highlight our ability to

(i) maintain our yields on average gross loans;

(ii) borrow at competitive rates with a reducing cost of borrowing;

(iii) maintain our interest margins;

(iv) leverage technology to drive sales and collections, and optimize our efficiencies and cost to income; and

(v) maintain our asset quality.

This resulted in our return on average total assets (1) improving from 2.33% in Fiscal 2021 to 2.91% in Fiscal 2023 and our return on average net worth (2) improving from 9.87% in Fiscal 2021 to 13.01% in Fiscal 2023.

Notes:
(1) Return on average total assets, which is a Non-GAAP measure, represents profit for the period/ year divided by average total assets for the relevant period/ year. Average total assets is the simple average of total assets as at the end of relevant period/ year and total assets as at the end of relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.
(2) Return on average net worth, which is a Non-GAAP measure, represents profit for the period/ year divided by average net worth as at the end of relevant period/ year. Average net worth, which is a Non-GAAP measure, represents simple average of Net Worth as at the end of relevant period/ year and Net Worth as at the end of previous year. Net worth, which is a Non-GAAP measure, means the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

Significant Factors Affecting our Financial Condition and Results of Operations

Availability of cost-effective sources of funding

We have historically secured financing from diversified sources of funding such as banks, financial institutions, external commercial borrowings, monetization of loans through securitizations to banks and other financial institutions and co-lending arrangements with banking and non-banking financial institutions. We raise debt through several instruments such as term loans from public sector banks and private banks, non-convertible debentures, working capital demand loans, overdrafts against fixed deposits, external commercial borrowings, PTCs and direct assignments of loan pools. As a result, the availability of cost-effective funding sources affects our results of operations. The availability for funding as well as the overall cost of borrowing depends on many external factors, including developments in the Indian and global economy and credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. Internal factors that affect availability of funding and our cost of borrowing include our current and future results of operations and financial condition, our risk management policies, our brand equity, our credit ratings and available credit limits. See *"Our Business – Description of our Business and Operations - Credit Ratings*" on page 221 as well as *"Risk Factors –Any downgrade of our credit ratings could increase borrowing costs and constrain our access to capital and lending markets and, as a result, could negatively affect our net interest margin and our business.*" on page 41.

The following table sets forth details of our total borrowings, average cost of borrowing and incremental cost of borrowings as of and for the periods / years indicated:

Particular	As of and for the nine months ended December 31,		As of and for the year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, except percentages)				
Debt securities (A)	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Borrowings (other than debt securities) (B)	61,141.20	45,412.85	53,281.82	30,037.82	16,637.38
Subordinated liabilities (C)	-	204.06	-	203.66	402.94
Total Borrowings (D=A+B+C) (1)	78,910.40	64,067.16	70,431.42	44,977.27	32,243.53
Finance costs	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Average Cost of Borrowings (2) *	7.29%	6.95%	9.39%	8.84%	10.17%
Incremental Cost of Borrowings (3)	9.27%	9.07%	9.17%	8.80%	9.74%

* *Not annualized for the period ended December 31, 2023 and December 31, 2022.*
Note:
(1) Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.
(2) Average cost of borrowing, which is a Non-GAAP measure, is adjusted finance costs for the relevant period/ year divided by average total borrowings. Adjusted finance costs represents the finance costs reduced by interest on lease liability for the relevant period/ year. Average total borrowings , which is a Non-GAAP measure, is the simple average of total borrowings as at the end of relevant period/ year and total borrowings as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.
(3) Incremental Cost of Borrowings represents the weighted average cost of fresh borrowings during the relevant period/ year.

Our average cost of borrowings reduced from 10.17% in Fiscal 2021 to 8.84% in Fiscal 2022, increased to 9.39% in Fiscal 2023, and reduced to 7.29% in nine months ended December 31, 2023. Average cost of borrowings, which is a Non-GAAP measure, is adjusted finance costs for the relevant period/ year divided by average total borrowings, see *"Selected Statistical Information - Non-GAAP Reconciliation"* on page 304 for details of reconciliation. Our incremental cost of borrowings reduced from 9.74% in Fiscal 2021 to 8.80% in Fiscal 2022 and increased to 9.17% in Fiscal 2023 and further to 9.27% in nine months ended December 31, 2023. The increases in Fiscal 2023 and nine months ended December 31, 2023 were due to an increase in interest rates, which was primarily attributable to a significant increase in the repo rate by the RBI. Notwithstanding a significant increase in the repo rate by the RBI by 90 basis points in the first quarter of Fiscal 2023 according to CRISIL, our incremental cost of borrowings increased to 9.17% as of March 31, 2023 from 8.80% as of March 31, 2022. We were able to maintain competitive borrowing costs because of our improved credit ratings in Fiscal 2023 as compared to Fiscal 2022. See "*Our Business – Description of our Business and Operations – Credit Ratings*" on page 221 for further details.

Our ability to continue to meet customer demand for new loans will depend primarily on our ability to borrow from various external sources on suitable terms and in a timely manner. We aim to maintain a diversified debt profile to ensure that we are not overly dependent on any one type or source of funding. For further details in relation to our borrowings, see *"Financial Indebtedness"* on page 435. Our ability to maintain our finance costs at optimum levels will continue to have a crucial impact on our profitability, results of operations and financial condition. Any increase in our cost of funds may require us to increase interest rates on new loans originated to customers in the future to maintain our interest margin. Any changes in the regulatory environment in relation to the ability of banks to provide funding to NBFCs will also have an adverse impact on our sources of funding. For example, as per the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, NBFC-ICCs are required to have a net owned fund of at least ₹ 20 million. For details, see "*Key Regulations and Policies*" on page 226.

Volatility in borrowing and lending rates

Our results of operations depend substantially on our interest income. Any change in interest rates would affect our interest income and our finance costs, and directly impact our results of operations because our core business is based on achieving a spread between the cost at which we can obtain funds and the yields we can achieve in extending loans. Our interest income constitutes the largest component of our revenue from operations.

The following table sets forth details of our interest income as a percentage of total revenue from operations and finance costs as a percentage of total revenue from operations for the periods / years indicated:

	Nine months ended December 31,		**Fiscals ended March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
	(₹ million, except percentage)				
Interest income (A)	11,702.68	8,608.33	12,105.22	7,722.56	6,380.88
Total revenue from Operations (B)	13,087.17	9,212.36	13,027.68	8,143.82	6,728.57
Interest income as % of Total revenue from Operations (C=A/B)	89.42%	93.44%	92.92%	94.83%	94.83%
Finance costs (D)	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Finance costs as % of Total revenue from Operations (E=D/B)	42.02%	41.49%	42.02%	42.59%	44.14%

Volatility in interest rates could be a result of many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial services sector in India, domestic and international economic and political conditions and competition among various lending institutions in India. Moreover, interest rates in India are typically correlated with the inflation rate, and as the inflation rate increases, the RBI has historically sought to raise interest rates. While declining interest rates may lead to greater demand for additional borrowings as borrowers seek to take advantage of lower interest rates, when interest rates conversely rise, there are typically less prepayments and less demand for new funds. In a rising interest rate scenario, our profit margin is therefore primarily dependent on our ability to attract new business, either through existing customers or new customers. If we are not successful in increasing the volume of our business in such a scenario, our profit margin may deteriorate.

In addition, changes in interest rates also affect the interest rates we pay on our interest-bearing liabilities. As there are varying maturity periods applicable to our interest-bearing assets and interest-bearing liabilities, an increase in interest rates may result in an increase in finance cost relative to interest income leading to a reduction in our interest margin, which is an important measure of our profitability, whereas a decrease in interest rates may result in a decrease in our finance cost relative to interest income leading to an increase in our interest margin. Furthermore, as part of our growth strategy, we aim to increase our share of MSME financing business, which has higher yields in general as compared to our vehicle financing loans and which may positively impact our interest margin. For further information on our interest margin, see "*Selected Statistical Information – Products Offering – Product Wise Key Metrics – Business vertical wise yields (at the time of origination)"* on page 295. For further details, see *"Risk Factors – Our financial performance is highly sensitive to interest rate volatility and fluctuations in interest rates could affect our business, cash flows and results of operations*." and *"Our Business – Description of our Business and Operations - Risk Management – Interest Rate Risk"* on pages 42 and 220.

Credit quality and provisioning

Our ability to manage the credit quality of our loan portfolio, which we measure in part through our gross stage 3 assets and non-performing assets, is a key driver of our results of operations and financial condition. Credit quality is the outcome of the credit appraisal mechanism and recovery system followed by us. We classify our Gross Loans – Stage 3 in accordance with the applicable Ind AS rules, and non-performing assets in accordance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023. Defaults by our customers for a period of 90 days or more result in such loans being classified as gross stage 3 assets and non-performing assets. For further details, see "*Risk Factors –The risk of non-payment or default by our customers may adversely affect our financial condition, cash flows and results of operations*" on page 30. Our Company records allowance for expected credit losses for all loans, other debt financial assets not held at fair value through profit and loss, together with loan commitments, in this section all referred to as 'financial instruments'. The expected credit loss ("**ECL**") allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or "**LTECL**"), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss ("**12mECL**"). The 12mECL is the portion of LTECLs that represent the ECLs resulting from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. We have established policies and processes to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. For further details of the composition of our loans across classification stages, as well as the provisioning thereof, see *"Selected Statistical Information – V. Asset Quality – Stage Wise Loans and Impairment Loss Allowance"* on page 287.

On November 12, 2021, the RBI issued a circular which clarified that the classification of borrower accounts as special mention accounts or non-performing assets will be on a day-end position basis and accounts can only be upgraded from an non-performing asset to a 'standard' asset after the clearance of all outstanding overdues (in other words, only if the entire arrears of interest and principal are paid by the borrower).

Various factors, such as a deterioration in macro-economic factors (including a rise in unemployment, a sharp and sustained rise in interest rates, negative developments in the Indian economy, movements in global commodity markets and exchange rates), regulatory hurdles and competition, as well as customer specific factors, such as wilful default and mismanagement of a customer's operations or changes in borrower behavior and demographic patterns, may cause a further increase in the level of non-performing assets and have an adverse impact on the quality of our loan portfolio. If our non-performing assets increase, we will be required to increase our provisions, which would reduce our net profit and would adversely affect our financial condition.

Financial performance and growth across key metrics

Our financial performance and growth across key metrics are significant drivers of our results of operation. The following table sets forth details of our key metrics as of the dates and for the periods / years indicated:

	As of and for the nine months ended December 31,		As of and for Fiscals ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, except otherwise stated)				
Debt securities	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Borrowings (other than debt securities)	61,141.20	45,412.85	53,281.82	30,037.82	16,637.38
Subordinated liabilities	-	204.06	-	203.66	402.94
Finance costs	5,499.16	3,822.09	5,474.80	3,468.15	2,970.13
Total assets	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Return on Average Total Assets (%) (1)*	2.18%	1.91%	2.91%	2.72%	2.33%
Return on Average Net Worth (%) (2)*	9.51%	8.33%	13.01%	11.15%	9.87%
Total Borrowings to Net Worth Ratio (in times) (3)	2.89	3.68	3.84	2.82	3.33
Impairment on financial instruments (4)	1,109.06	833.93	917.46	162.85	927.88
Interest margin (%)(5)*	6.23%	6.59%	8.67%	8.09%	8.73%

* *Not annualised for the period ended December 31, 2023 and December 31, 2022*

Note:

(1) *Return on Average Total Assets, which is a non-GAAP measure, represents profit for the period/ year divided by average total assets for the relevant period/ year. Average total assets is the simple average of total assets as of the last day of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(2) *Return on Average Net Worth, which is a Non-GAAP measure, represents profit for the period/ year divided by average net worth as at the end of relevant period/ year. Average net worth, which is a Non-GAAP measure, represents simple average of Net Worth as at the end of relevant period/ year and Net Worth as at the end of previous year. Net worth, which is a Non-GAAP measure, means the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(3) *Total borrowings to net worth ratio, which is a non-GAAP measure, represents total borrowings as of the end of the relevant period/ year divided by net worth as of the end of such period/ year. See (2) above for definition of net worth. Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.*

(4) *Impairment of financial instruments include provision on loans (impairment on loans), bad debts written off (net of recoveries), re-possession and settlement losses (net of recoveries) for the relevant period/ year.*

(5) *Interest margin, which is a Non-GAAP measure, represents the net interest income for the relevant period/ year divided by average total assets for such*

period/ year. Net interest income , which is a Non-GAAP measure, is the difference between interest income and finance costs for the relevant period/ year. Average total assets is the simple average of total assets as of the last day of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

The increases in our return ratios were on the back of multiple levers including:

- our ability to maintain contracted yields by not reducing lending rates, thus supporting our higher yield MSME financing business. For further details, see "*Selected Statistical Information – Products Offering – Product Wise Key Metrics – Business vertical wise yields (at the time of origination)*" on page 294;

- our ability to borrow at competitive costs and the potential to reduce our costs further due to improvement in our credit ratings, as reflected in our largely stable average cost of borrowings and marginal increase in incremental cost of borrowing. This is notwithstanding the significant increase in the repo rate by the RBI by 90 basis points in the first quarter of Fiscal 2023 according to CRISIL. For further details, see "- *Significant Factors Affecting our Financial Condition and Results of Operations – Availability of cost-effective sources of capital*" on page 406;

- optimizing the capacity utilization of our collections team by shifting from cash collection to digital collection; and

- our ability to maintain our leverage within a relatively small range, as reflected in our Total Borrowing to Net Worth Ratio which was 3.33 as of March 31, 2021 and 2.89 as of December 31, 2023. Total borrowings to net worth ratio, which is a non-GAAP measure, represents total borrowings as of the end of the relevant period/ year divided by net worth as of the end of such period/ year. Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. Net worth, which is a Non-GAAP measure, means the aggregate value of the equity share capital and other equity, after deducting the prepaid expenses as at the end of relevant period/ year. For details on reconciliation, see "*Selected Statistical Information - Non-GAAP Reconciliation*" on page 304.

Investment in technology

We are a technology driven company using systems with digital infrastructure to manage a scalable and sustainable operating model, which we rely on to expand and scale our business and drive growth in revenue at lower incremental costs. We have continually invested in our technology and digital systems in the past three Fiscals and nine months ended December 31, 2022 and 2023, as indicated in the following table:

	Nine months ended December 31,		Fiscal		
	2023	2022	2023	2022	2021
	(₹ million, except percentage)				
Investment in information technology and digital systems	306.30	187.01	291.23	239.13	114.34
% of Revenue from Operations	2.34%	2.03%	2.24%	2.94%	1.70%

We use data analytics throughout the customer journey from lead generation to sales and collections, as well as across our operations in our planning of business initiatives, human resources, credit, and customer selection and monitoring. We leverage our information technology platforms and data analytics to improve productivity and reduce our operating expenditure and our cost of customer acquisition over time. For instance, we have implemented SKAI Chat bot with WhatsApp integration in five different languages to provide 24/7 customer support. Our ability to grow our customer base, improve customer experience and increase our revenues will depend, in part, on our ability to leverage technology. We aim to increasingly utilize technology to drive branch productivity and improve operational efficiency, including productivity of our sales and collection teams, maintain asset quality and enhance our customer experience. We aim to continue upgrading our technology systems to meet the needs of our employees, DSAs and customers.

Our ability to maintain operational efficiencies while expanding our branch network

We have experienced significant growth in recent years while maintaining our operating expenditure notwithstanding the impact of the COVID-19 pandemic. The following table sets forth details of our AUM and Operating Expenditure / Average Total Assets as of and for the periods / years indicated:

	As of and for nine months ended December 31,		As of and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, except otherwise stated)				
AUM[(1)]	95,155.23	67,159.89	73,783.42	47,135.66	34,171.69
AUM per branch [(2)]	177.86	152.29	165.06	111.43	99.34
Total assets	108,496.27	82,923.42	90,556.59	62,319.65	42,905.69
Operating Expenditure / Average Total	3.75%	3.87%	5.03%	5.32%	4.33%

	As of and for nine months ended December 31,		As of and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, except otherwise stated)				
Assets (3) (%)*					

* *Not annualized for the period ended December 31, 2023 and December 31, 2022*

Note:

(1) AUM represents the aggregate of future principal outstanding and principal overdue held in our books as on the last day of the relevant period/ year and loan assets which has been transferred by our Company by way of securitization/assignment and are outstanding as on last day of the relevant period/ year.

(2) AUM per branch represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.

(3) Operating Expenditure / Average Total Assets, which is a Non-GAAP measure, is the percentage of the result of operating expenditure for the relevant period/ year divided by average total assets represented as a percentage. Operating expenditure, which is a Non-GAAP measure, represents the aggregate of employee benefits expenses, depreciation and amortization and other expenses for the relevant period/ year. Average total assets is the simple average of total assets as of the last day of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 304.

As part of our growth strategy, we aim to further deepen our reach, expand our presence in new geographies, and increase penetration in high potential states where our presence is relatively new in a calibrated and systematic manner, thereby enabling us to further diversify geographically in India. For further details, see "*Our Business – Strategies – Increase penetration and distribution network in existing markets and diversifying into contiguous markets*" on page 211. Our results of operations will be affected by our ability to manage operating expenditure as we expand, in particular, our employee benefits expenses. As we have expanded our branch network, we have increased our employee headcount. As we further expand our branch network, we will need to increase headcount. However, as our operations expand, we also expect to derive benefits from economies of scale, which should assist us in optimizing our operating expenditure. The following table sets forth the number of our branches and employees and details of our employee benefits expenses for the periods / years indicated:

	Nine months ended December 31,		Fiscal		
	2023	2022	2023	2022	2021
Number of Branches	535	441	447	423	344
Number of Employees	10,725	8,143	8,438	6,730	5,107
Employee benefits expenses (₹ million) (A)	2,768.50	2,112.44	2,828.05	2,049.22	1,193.40
Total revenue from operations (₹ million) (B)	13,087.17	9,212.36	13,027.68	8,143.82	6,728.57
Employee benefits expenses as a % of Total revenue from Operations (C=A/B)	21.15%	22.93%	21.71%	25.16%	17.74%
% of Average AUM	3.28%	3.70%	4.68%	5.04%	3.73%

* *Not annualized for the period ended December 31, 2023 and December 31, 2022.*

Government policy and regulations

We operate in a highly regulated industry, and we have to adhere to various laws, rules and regulations. Any changes in the regulatory environment under which we operate could adversely affect our results of operations and financial condition. Our financial condition, results of operations and continued growth also depend on stable government policies and regulations. Our Company has a certificate of registration from the RBI to operate as an NBFC-ICC, has been categorized as a 'NBFC - Middle Layer' as per the NBFC Scale Based Directions and is regulated by the RBI. We are required to comply with, among others, limits on borrowings, investments and interest rates, prudential norms for income recognition, asset classification, and norms for creation of special reserves as well as minimum capital adequacy requirements. The regulations applicable to us also address issues such as our conduct with customers and recovery practices, market conduct and foreign investment. Any significant change by the Government or the RBI in their various policy initiatives may affect the demand for our products and services which in turn could impact our results of operations and financial condition. For further details, see *"Key Regulations and Policies"* on page 226.

General economic conditions in India

Our results of operations are affected by the general economic conditions prevalent in India, as well as the perception of those conditions and future economic prospects. Overall economic growth and an increase in GDP are likely to result in an increase in incomes and spending on business expansion in India, which may lead to an increase in demand for our loan products. Conversely, a slowdown in the Indian economy could adversely affect our business and our borrowers, especially if such a slowdown were to be continued and prolonged. Several factors beyond our control, such as developments in the Indian economy, population growth and increase in households in India, urbanization and financial literacy across India, conditions in the world economy, fluctuations in interest rates, movements in global commodity markets and exchange rates could have either a positive or an adverse impact on the quality of our loan portfolio. Any trends or events, which have a significant impact on the economic situation in India could have an adverse impact on our business. In particular, economic conditions of agricultural and rural business income and other factors affecting the economic situation in India may materially impact our results of operations.

The COVID-19 pandemic had significant repercussions across local, national and global economies and financial markets, including in India. Any further waves of the pandemic may also have consequences on the domestic and global economies. In the past, as a result of the implementation of lockdowns and other restrictive measures by the Government of India in response to the spread of the COVID-19 pandemic, the Indian economy, including the financial services sector, faced significant disruptions. During the COVID-19 pandemic, we involved our sales team to work on collections thus allowing a quick return to normalcy after the lifting of COVID-19 restrictions, and worked with our customers to educate them on the need for restructuring their loans as well as finding alternative uses of their assets to continue income generation. For further details, see *"Risk Factors – The resurgence of the COVID-19 pandemic or the future outbreak of another highly infectious or contagious disease may affect our business and operations in the future."* on page 55.

Value of collateral

Our loan products include loans for purchasing used and new CVs (excluding M&HCVs), cars and tractors as well as new two-wheelers, and MSME loans. Our loans in the vehicle finance vertical are secured against a hypothecation of the vehicles purchased by our customers in this vertical. Our MSME loans are secured against the borrowers' self-occupied residential properties or self-occupied commercial properties. As on December 31, 2023, our secured AUM was ₹ 94,652.16 million, which constitutes 99.47% of our total AUM. For further details of our collateral coverage of our secured loans, see "*Our Business – Description of our Business and Operations – Collateral*" on page 215. We may face difficulties in recovering the amounts against vehicle and property collaterals for various reasons such as economic downturn or depreciation, deterioration or reduction in value, difficulty in repossessing and liquidating property we hold as collateral and challenges in title verification of the collateral provided by the customer. The amount of loss we suffer as a result of loan defaults by our customers may also increase for similar reasons. For further details in relation to the risks relating to recovery of collateral, see *"Risk Factors –Our inability to recover the full value of vehicle collateral or amounts outstanding under defaulted vehicle financing loans in a timely manner or at all could adversely affect our business, financial condition, cash flows and results of operations.*" and *"Risk Factors –Our inability to recover the full value of property collateral or amounts outstanding under defaulted micro, small and medium enterprises loans in a timely manner or at all could adversely affect our business, financial condition, cash flows and results of operations.*" on pages 31 and 35, respectively.

Increasing Competition

The Indian NBFC sector is highly competitive and according to the CRISIL Report, the factors on which we compete include approach to tap underserved and niche customer segments, ability to penetrate deeper into existing geographies, origination skills and shorter turnaround time. In the organized sector, our competitors may have better access to, and lower costs of, funding than we do. In certain geographies, our competitors may also have better brand recognition and a larger customer base than ours. If we are unable to access funds at an effective cost that is comparable to, or lower than our competitors, or expand our reach and build our brand among our target customers, we may lose existing as well as potential customers to competition, resulting in a decline in our market share.

Critical accounting policies and significant judgments and estimates

The preparation of the Restated Summary Statements requires our management use certain estimates and assumptions to report amounts of assets and liabilities (including contingent liabilities) as on the date of the Restated Summary Statements and to report income and expenses during the reported period. While our management believes that the estimates used in preparation of the Restated Summary Statements are prudent and reasonable, actual results could differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Accounting estimates and judgements that are used for various line items in the Restated Summary Statements are as follows:

Determination of estimated useful lives of property, plant and equipment and intangible assets:

The useful lives of property, plant and equipment and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013.

Measurement of defined benefit obligations:

The obligations arising from defined benefit plans are determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of such valuation includes discount rate, trends in salary escalation, demographics and life expectancy.

Recognition of deferred tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

Recognition and measurement of provisions and contingencies:

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experiences and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

Fair value of share-based payments:

Estimating fair value for share-based payment transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, we use a Black-Scholes model.

Fair value of financial instruments:

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the Restated Statement of Assets and Liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Business model assessment:

Classification and measurement of financial assets depends on the results of the SPPI (Solely Payments of Principal and Interest) and the business model test. We determine the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. We monitor financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

Effective Interest Rate (EIR) method:

Our EIR methodology recognizes interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given/taken and recognizes the effect of potentially different interest rates at various stages and other characteristics of the financial instruments. This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

Impairment of financial assets:

We recognize loss allowances for Expected Credit Losses (ECL) on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVOCI). At each reporting date, we assess whether the above financial assets are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Determination of lease term:

Ind AS 116 Leases requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. We make assessments on the expected lease term on a lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, we consider factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to our operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Discount rate for lease liability and right of use assets:

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. And discount rate of security deposits is generally based on the SBI deposit rate at the time of deposit.

Our critical accounting policies are as follows:

(A) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value (except trade receivables which is at transaction price) and, in the case of financial assets not recorded at fair value through profit or loss, transaction fees or costs that are directly attributable and incremental to the origination/acquisition of the financial asset.

All regular way purchase or sale of financial assets are recognized and derecognized on a trade date basis.

Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification

We classify our financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

We assess the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

- The objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;

- The frequency, volume and timing of sales in prior periods, the reasons for such sales and our expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how our stated objective for managing the financial assets is achieved and how cash flows are realized;

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

Assessment whether contractual cash flows is solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, we consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Subsequent measurement and gains and losses

We classify our financial assets in the following measurement categories:

(i) Amortized cost (AC)

A financial asset is measured at amortized cost if it meets both of the following conditions:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. EIR is being calculated by considering all costs and incomes attributable to acquisition of a financial asset reported as part of interest income in the Restated Statement of Profit and Loss (including Other Comprehensive Income). The losses if any, arising from impairment are recognized in the Restated Statement of Profit and Loss (including Other Comprehensive Income).

(ii) Fair value through profit and loss (FVTPL)

This is a residual category for classification. Any asset which does not meet the criteria for classification as at amortized cost or FVOCI, is classified as FVTPL. Financial assets at FVTPL are measured at fair value, and changes in fair value therein are recognized in the Restated Statement of Profit and Loss (including Other Comprehensive Income).

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by us are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

We issue certain non-convertible debentures, the return of which is linked to performance of specified indices market indicators over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealized loss or gain' on the fair valuation of these embedded derivatives is recognized in the Restated Statement of Profit and Loss (including Other Comprehensive Income). The debt component of such debentures is measured at amortized cost using yield to maturity basis.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by us are recognized at the proceeds received.

Financial liabilities

All financial liabilities are recognized initially at fair value in the case of financial liabilities not recorded at fair value through profit or loss, transaction fees or costs that are directly attributable and incremental to the origination/acquisition of the financial liabilities.

All financial liabilities are subsequently measured at amortized cost using effective interest method. Liabilities which are classified at fair value through profit or loss, including derivatives that are liabilities, shall be subsequently measured at fair value. Interest expense and foreign exchange gains and losses are recognized in Restated Statement of Profit and Loss (including Other Comprehensive Income). Any gain or loss on derecognition is also recognized in Restated Statement of Profit and Loss (including Other Comprehensive Income).

(B) Derecognition of financial assets and financial liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- We have transferred our rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under assignment arrangement; and either (a) we have transferred substantially all the risks and rewards of the asset, or (b) we have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

We assess the derecognition test where we have transferred our rights to receive cash flows from an asset or has entered into a pass-through arrangement, we evaluate if and to what extent we have retained the risks and rewards of ownership. When we have neither transferred or retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, we continue to recognize the transferred asset to the extent of our continuing involvement. In that case, we also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that we have retained.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in Restated Statement of Profit and Loss (including Other Comprehensive Income).

Financial liability

We derecognize a financial liability when our contractual obligations are discharged or cancelled or expire. The difference between the carrying value of the financial liability and the consideration paid is recognized in Restated Statement of Profit and Loss (including Other Comprehensive Income).

(C) Modification of financial assets and financial liabilities

Financial assets

We evaluate whether the cash flows from a financial asset are modified and the modified asset is substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

In case the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, we recalculate the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognizes the amount arising from adjusting the gross carrying amount as modification gain or loss in Restated Statement of Profit and Loss (including Other Comprehensive Income). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

We derecognize a financial liability when our terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Restated Statement of Profit and Loss (including Other Comprehensive Income).

(D) Impairment of financial assets

Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortized cost and FVOCI.

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance has been measured at 12 month ECL.

At each reporting date, we assess whether any financial asset carried at amortized cost and FVOCI is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired includes the observable data such as Days Past Due ("**DPD**") or default event.

ECL is a probability weighted estimate of credit losses, measured as follows:

ECL has been estimated by determining the probability of default ("**PD**"), Exposure at Default ("**EAD**") and loss given default ("**LGD**"). PD has been computed using observed history of default and converted into forward looking PD's using suitable macro-economic variable data. For the financial assets that are credit impaired at the reporting date, the methodology is similar with PD set at 100%.

For trade receivables, we apply a simplified approach. We recognize impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Therefore, we do not track changes in credit risk, but instead recognize a loss allowance based on lifetime ECLs at each reporting date.

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized:

- If the expected restructuring will not result in derecognition of the existing asset, expected cash flows arising from the modified financial asset are included in calculating cash shortfalls from the existing asset

- If the expected restructuring will result in derecognition of the existing asset and the recognition of modified asset, the modified asset is considered as a new financial asset. The date of the modification is treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The impairment loss allowance is measured at an amount equal to 12 month expected credit losses until there is a significant increase in credit risk. If modified financial asset is credit-impaired at initial recognition, the financial asset is recognized as originated credit impaired asset.

Criteria used for determination of movement from stage 1 (12-month ECL) to stage 2 (lifetime ECL) and stage 3 (Credit impaired)

We apply a three-stage approach to measure ECL on financial assets measured at amortized cost. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

- Stage 1: 12 month ECL:

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized. Interest income is accrued using the effective interest rate on the gross carrying amount.

- Stage 2: Lifetime ECL (significant impaired):

At each reporting date, we assess whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, we use days past due (DPD) information and other qualitative factors to assess deterioration in credit quality of a financial asset.

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized. Interest income is accrued using the effective interest rate on the gross carrying amount.

- Stage 3: Credit impaired:

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of loss allowance).

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the Expected Credit Loss reverts from lifetime ECL (credit impaired) to lifetime ECL (significant impaired)/12-months ECL.

- Regulatory Stage 3:

Financial assets that had become credit impaired and continued to be classified as non-performing assets in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021. The lifetime Expected Credit Loss for these assets is calculated based on the repayment status of its overdue as of the reporting date.

Method used to compute lifetime ECL:

We calculate ECLs based on a probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the present value of cash flows that the entity expects to receive. We apply statistical techniques to estimate lifetime ECL.

Manner in which forward looking assumptions are incorporated in ECL estimates:

We consider our historical loss experience and adjusts it for current observable data. In addition, we use reasonable forecasts of future economic conditions including judgement to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, are accounted for prospectively.

(E) Write-offs

Financial assets are written off when there is no realistic prospect of recovery. This is generally the case when we determine that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. Any subsequent recoveries are credited to impairment on financial instruments in Restated Statement of Profit and Loss (including Other Comprehensive Income). However, financial assets that are written-off may be subject to enforcement activities to comply with our procedures for recovery of amounts due.

(F) Revenue recognition

Interest income

Interest income from financial asset is recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets.

The EIR is the rate that discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset adjusted for transaction fees or costs that are directly attributable. The interest income is recognized on EIR method on a time proportion basis applied on the carrying amount for financial assets.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the Restated Statement of Assets and Liabilities with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the Restated Statement of Profit and Loss (including Other Comprehensive Income).

Interest income on credit impaired assets is recognized by applying the effective interest rate to the amortized cost (i.e. carrying value net of loss allowance) of the financial asset.

Delayed payment interest levied on customers for delay in repayments/non-payment of contractual cash flows is accrued on certainty of realization.

Income from investments are recognized on accrual basis as the investments are classified as fair value through profit and loss.

Fees and commission income

Revenue towards satisfaction of a performance obligation (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at amount of transaction price (net of variable consideration) allocated to that performance obligation. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

We recognize revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which we expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, we allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which we expect to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) we satisfy a performance obligation

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

Income from other financial charges including cheque bouncing charges, foreclosure charges are collected from loan customers for early payment/closure of loan and are recognized on realization.

Net gain on fair value changes

We classify certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). We recognize gains on fair value change of financial assets measured at FVTPL and realized gains on de-recognition of financial asset measured at FVTPL and FVOCI on net basis in profit or loss.

Income from other support services is accounted on accrual basis.

Net gain/(loss) on de-recognition of financial instruments under amortized cost category

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the scheduled cash flows, on execution of the transaction, discounted at the applicable rates is recorded upfront in Restated Statement of Profit and Loss (including Other Comprehensive Income).

Income from direct assignment transactions represents the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognized) and consideration received.

Key components of Income and Expenses

We report our income and expenditure in the following manner:

Income

Revenue from operations. Our revenue from operations primarily comprises interest income, fees and commission income (foreclosure and other charges), net gain on fair value changes and net gain on de-recognition of financial instruments under amortized cost category (being the de-recognition of assigned assets at direct assignment). Interest income includes interest income on financial assets measured at amortized cost, interest on deposits with banks and income on investment.

Other income. Other income primarily comprises income from support services (for marketing activities for certain insurers which entails distribution of marketing materials, provision of space for advertisement and branding at our branches, awareness campaigns to our customers), net gain on derecognition of property, plant and equipment, liability no longer required written back (which means the amount credited as other income as it is not required to pay a previously recorded liability) and miscellaneous income such as pay in lieu of employees serving notice period set off against final salary.

Expenses

Finance costs. Our finance costs primarily comprise interest on debt securities, interest on borrowings, interest on subordinated liabilities, interest on lease liability, other borrowing costs such as reimbursement of trustees for maintenance of PTCs and other interest expenses such as interest on income tax.

Impairment on financial instruments. Impairment on financial instruments primarily comprises loans and bad debts written-off (net of recoveries).

Employee benefits expense. Our employee benefits expense primarily comprises salaries and wages, contribution to provident and other funds, staff welfare expenses, gratuity and compensated absence and share based payment to employees.

Depreciation and amortization. Depreciation and amortization includes depreciation on property, plant and equipment, depreciation on right of use assets and amortization of intangible assets.

Other expenses. Our other expenses primarily comprise legal and professional fee, travelling expenses, communication costs, collection expenses and other expenditure which include technology expenses and bank charges.

Tax expense

Our tax expense primarily comprise current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and provisions of the applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. We measure our deferred tax based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Other comprehensive income

Other comprehensive income comprises (i) remeasurements of the defined benefit plans; and (ii) income tax relating to items that will not be reclassified to profit or loss.

Segment reporting

We are engaged primarily in the business of financing and there are no reportable segments as per Ind AS 108. Further, our operations are predominantly confined to India.

Our Results of Operations

The following table sets forth select financial data from our restated statement of profit and loss for the nine months ended December 31, 2023 and December 31, 2022, and for the fiscal years ended on March 31, 2023, 2022 and 2021, the components of which are also expressed as a percentage of total income for such periods / years:

	For the nine months ended December 31,				**For Fiscals ended March 31,**					
	2023		**2022**		**2023**		**2022**		**2021**	
	(₹ in million)	**(% of Total Income)**	**(₹ in million)**	**(% of Total Income)**	**(₹ in million)**	**(% of Total Income)**	**(₹ in million)**	**(% of Total Income)**	**(₹ in million)**	**(% of Total Income)**
Revenue from operations:										
Interest Income (A)	11,702.68	88.98%	8,608.33	92.72%	12,105.22	92.11%	7,722.56	94.10%	6,380.88	93.49%
Fees and commission income (B)	443.77	3.37%	275.19	2.96%	394.76	3.00%	247.35	3.01%	145.06	2.13%
Net gain on fair value changes (C)	93.49	0.71%	139.96	1.51%	210.01	1.60%	143.93	1.75%	129.87	1.90%
Net gain on de-recognition of financial instruments under amortized cost category (D)	847.23	6.44%	188.88	2.03%	317.69	2.42%	29.98	0.37%	72.76	1.07%
(I) Total Revenue from operations (A+B+C+D)	**13,087.17**	**99.51%**	**9,212.36**	**99.23%**	**13,027.68**	**99.13%**	**8,143.82**	**99.23%**	**6,728.57**	**98.59%**
(II) Other income	65.09	0.49%	71.56	0.77%	114.73	0.87%	63.05	0.77%	96.35	1.41%
(III) Total income (I+II)	**13,152.26**	**100.00%**	**9,283.92**	**100.00%**	**13,142.41**	**100.00%**	**8,206.87**	**100.00%**	**6,824.92**	**100.00%**
Expenses:										
Finance costs (A)	5,499.16	41.81%	3,822.09	41.17%	5,474.80	41.66%	3,468.15	42.26%	2,970.13	43.52%
Impairment on	1,109.06	8.43%	833.93	8.98%	917.46	6.98%	162.85	1.98%	927.88	13.60%

	For the nine months ended December 31,				For Fiscals ended March 31,					
	2023		2022		2023		2022		2021	
	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)
financial instruments (B)										
Employee benefits expenses (C)	2,768.50	21.05%	2,112.44	22.75%	2,828.05	21.52%	2,049.22	24.97%	1,193.40	17.49%
Depreciation and amortization (D)	256.80	1.95%	184.73	1.99%	252.03	1.92%	158.14	1.93%	113.33	1.66%
Other expenses (E)	710.00	5.40%	509.77	5.49%	767.98	5.84%	592.48	7.22%	386.02	5.66%
(IV) Total expenses (A+B+C+D+E)	**10,343.52**	**78.64%**	**7,462.96**	**80.39%**	**10,240.32**	**77.92%**	**6,430.84**	**78.36%**	**5,590.76**	**81.92%**
(V) Profit before tax (III-IV)	**2,808.74**	**21.36%**	**1,820.96**	**19.61%**	**2,902.09**	**22.08%**	**1,776.03**	**21.64%**	**1,234.16**	**18.08%**
(VI) Tax expense:										
Current tax (A)	679.64	5.17%	457.23	4.92%	588.28	4.48%	364.37	4.44%	429.54	6.29%
Tax related to earlier years (B)	-	-	(12.56)	(0.14)%	(12.56)	(0.10)%	(46.56)	(0.57)%	89.53	1.31%
Deferred tax (C)	(41.91)	(0.32)%	(12.54)	(0.14)%	98.51	0.75%	29.48	0.36%	(195.75)	(2.87)%
Total Tax Expense (A+B+C)	**637.73**	**4.85%**	**432.13**	**4.65%**	**674.23**	**5.13%**	**347.29**	**4.23%**	**323.33**	**4.74%**
(VII) Profit for the period/ year (V-VI)	**2,171.01**	**16.51%**	**1,388.83**	**14.96%**	**2,227.86**	**16.95%**	**1,428.74**	**17.41%**	**910.83**	**13.35%**
(VIII) Other comprehensive income:										
Items that will not be reclassified to profit or loss										
Remeasurements of the defined benefit plans (i)	(18.32)	(0.14)%	(0.45)	(0.00)%*	(2.98)	(0.02)%	(9.67)	(0.12)%	0.46	0.01%*
Income tax relating to items that will not be reclassified to profit or loss (ii)	4.61	0.04%	0.11	0.00%*	0.75	0.01%	2.44	0.03%	(0.12)	(0.00)%*
Other comprehensive income (i+ii)	**(13.71)**	**(0.10)%**	**(0.34)**	**0.00%***	**(2.23)**	**(0.02)%**	**(7.23)**	**(0.09)%**	**0.34**	**0.00%***
(IX) Total comprehensive income for the period/ year (comprising profit and other comprehensive income for the period/ year) (VII + VIII)	**2,157.30**	**16.40%**	**1,388.49**	**14.96%**	**2,225.63**	**16.93%**	**1,421.51**	**17.32%**	**911.17**	**13.35%**
(X) Earnings per equity share par value of ₹ 2 each:										
Basic (₹)[#^]	17.78	-	11.94	-	19.13	-	12.62	-	9.04	-
Diluted (₹)[#^]	17.55	-	11.69	-	18.79	-	12.41	-	8.95	-

* *Less than 0.01%*

[#] *The earnings per equity share for the period ended December 31, 2022 and December 31, 2023 is not annualized. Earnings per share (basic) and Earnings per share (diluted) represent the earnings per Equity Share of ₹1 each – Basic and the earnings per Equity Share of ₹1 each – Diluted, respectively, which are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Earnings per share (basic) is calculated by dividing the profit for the period/year attributable to equity holders by the weighted average number of equity shares outstanding during the period/year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Earnings per share (diluted) is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the period/year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The Board in its meeting held on February 1, 2024 and Shareholders in the extraordinary general meeting held on March 11, 2024 approved the sub-division of shares from ₹2 per share to ₹1 per share and also approved the bonus share in the ratio of 1:1 with effect from March 16, 2024. The number of shares used for the calculation of earnings per share, and the earnings per share(including that in the comparative periods), have been adjusted for pursuant to paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.*

^ *Not annualized for the period ended December 31, 2023 and December 31, 2022.*

Nine months ended December 31, 2023 compared to the nine months ended December 31, 2022

Total Income

Our total income increased by 41.67% to ₹13,152.26 million for the nine months ended December 31, 2023 from ₹9,283.92 million for the nine months ended December 31, 2022, which was primarily attributable to an increase in our total revenue from operations.

Total Revenue from Operations. Our total revenue from operations increased by 42.06% to ₹13,087.17 million for the nine months ended December 31, 2023 from ₹9,212.36 million for the nine months ended December 31, 2022, primarily due to:

- an increase in interest income to ₹11,702.68 million for the nine months ended December 31, 2023 from ₹8,608.33 million for the nine months ended December 31, 2022. This was primarily due to:
  - an increase in interest income on financial assets measured at amortized cost to ₹10,747.83 million for the nine months ended December 31, 2023 from ₹7,924.97 million for the nine months ended December 31, 2022, which was primarily attributable to a growth in our AUM to ₹95,155.23 million as of December 31, 2023 from ₹67,159.89 million as of December 31, 2022. Our AUM increased primarily as a result of an increase in our branch network to 535 branches as of December 31, 2023 from 441 branches as of December 31, 2022, which resulted in higher disbursements to ₹50,403.38 million in nine months ended December 31, 2023 from ₹40,594.15 million in nine months ended December 31, 2022; and
  - an increase in income on investment to ₹643.66 million in the nine months ended December 31, 2023 from ₹466.27 million in the nine months ended December 31, 2022 primarily due to higher average investments in nine months ended December 31, 2023 as compared to nine months ended December 31, 2022; and
- an increase in the net gain on de-recognition of financial instruments under amortized cost category to ₹847.23 million for the nine months ended December 31, 2023 from ₹188.88 million for the nine months ended December 31, 2022. This was primarily attributable to an increase in the proportion of assigned loans to AUM to 8.63% as of December 31, 2023 from 3.47% as of December 31, 2022.

Other income. Our other income decreased by 9.04% to ₹65.09 million for the nine months ended December 31, 2023 from ₹71.56 million for the nine months ended December 31, 2022, which was primarily attributable to a decrease in liability no longer required written back to ₹4.71 million for nine months ended December 31, 2023 from ₹8.20 million for nine months ended December 31, 2022.

Expenses

Finance costs. Our finance costs increased by 43.88% to ₹5,499.16 million for the nine months ended December 31, 2023 from ₹3,822.09 million for the nine months ended December 31, 2022, primarily due to an increase in interest on borrowings to ₹4,024.42 million for the nine months ended December 31, 2023 from ₹2,411.22 million for the nine months ended December 31, 2022. The increase in interest on borrowings was primarily attributable to an increase in total borrowings to ₹78,910.40 million for the nine months ended December 31, 2023 from ₹64,067.16 million for the nine months ended December 31, 2022. Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. For details on reconciliation, see "*Selected Statistical Information - Non-GAAP Reconciliation*" on page 304. The increase in total borrowings was primarily due to an increase in our borrowing volumes as we required additional capital as a result of growth in our AUM. For further details in relation to growth in our AUM, see *"-Nine months ended December 31, 2023 compared to nine months ended December 31, 2022 – Revenue from Operations"* on page 420.

Impairment on financial instruments. Our impairment on financial instruments increased by 32.99% to ₹1,109.06 million for the nine months ended December 31, 2023 from ₹833.93 million for the nine months ended December 31, 2022, primarily due to an increase in our impairment on loans to ₹691.32 million for the nine months ended December 31, 2023 from ₹362.15 million for the nine months ended December 31, 2022. The increase in impairment of loans was primarily attributable to an increase in our average AUM to ₹95,155.23 million for the nine months ended December 31, 2023 from ₹67,159.89 million for the nine months ended December 31, 2022) as we required additional capital due to growth in our AUM.

Employee benefits expenses. Employee benefits expenses increased by 31.06% to ₹2,768.50 million for the nine months ended December 31, 2023 from ₹2,112.44 million for the nine months ended December 31, 2022, primarily due to an increase in salaries and wages to ₹2,373.00 million for the nine months ended December 31, 2023 from ₹1,802.39 million for the nine months ended December 31, 2022. This was primarily attributable to an increase in the number of our employees as a result of growth in our business and annual increments given to our employees. Our number of employees increased to 10,725 employees as of December 31, 2023 from 8,143 employees as of December 31, 2022.

Depreciation and amortization. Our depreciation and amortization increased by 39.01% to ₹256.80 million for the nine months ended December 31, 2023 from ₹184.73 million for the nine months ended December 31, 2022, primarily due to an increase in the depreciation on property, plant and equipment to ₹128.85 million for the nine months ended December 31, 2023 from ₹91.16 million for the nine months ended December 31, 2022, and an increase in the depreciation on right of use assets to ₹91.80 million for the nine months ended December 31, 2023 from ₹80.11 million for the nine months ended December 31, 2022. The increase in the depreciation on property, plant and equipment was primarily attributable to more property, plant and equipment used as a result of an increase in our branches to 535 branches as of December 31, 2023 from 441 branches as of December 31, 2022.

Other expenses. Our other expenses increased by 39.28% to ₹710.00 million for the nine months ended December 31, 2023 from ₹509.77 million for the nine months ended December 31, 2022, primarily due to increased business activity in the nine months ended December 31, 2023, with an increase in:

- Other expenditure to ₹209.53 million for the nine months ended December 31, 2023 from ₹127.96 million for the nine months ended December 31, 2022; and

- Travelling expenses to ₹128.51 million for the nine months ended December 31, 2023 from ₹80.56 million for the nine months ended December 31, 2022.

Tax Expense

Our total tax expense increased by 47.58% to ₹637.73 million for the nine months ended December 31, 2023 from ₹432.13 million for the nine months ended December 31, 2022. For the nine months ended December 31, 2023, we primarily had a total current tax expense of ₹679.64 million and a deferred tax of ₹(41.91) million which was on account of deferred tax asset created on certain items of origination and reversal of temporary differences. For the nine months ended December 31, 2022, we primarily had a current tax of ₹457.23 million, tax income related to earlier years of ₹(12.56) million and a deferred tax of ₹(12.54) million which was on account of deferred tax assets created on certain items of origination and reversal of temporary differences. We had a higher tax expense for the period ended December 31, 2023, primarily due to an increase in our revenue from operations, slightly offset by an incremental decrease in the effective tax rate. Our effective tax rate (which represents the total tax expense to profit before tax during the relevant period, expressed as a percentage) was 22.71% and 23.73% for the nine months ended December 31, 2023 and 2022, respectively.

Profit for the period

As a result of the foregoing, our profit for the period increased by 56.32% to ₹2,171.01 million for the nine months ended December 31, 2023 from ₹1,388.83 million for the nine months ended December 31, 2022.

Other comprehensive income

Our other comprehensive income decreased by 3,932.35% to ₹(13.71) million for the nine months ended December 31, 2023 from ₹(0.34) million for the nine months ended December 31, 2022, primarily on account of remeasurements of the defined benefit plans as a result of gratuity assumptions based on the actuary report.

Total comprehensive income for the period (comprising profit and other comprehensive income for the period)

Our total comprehensive income for the period (comprising profit and other comprehensive income for the period) increased by 55.37% to ₹2,157.30 million for the nine months ended December 31, 2023 from ₹1,388.49 million for the nine months ended December 31, 2022.

Fiscal 2023 compared to Fiscal 2022

Total Income

Our total income increased by 60.14% to ₹13,142.41 million for Fiscal 2023 from ₹8,206.87 million for Fiscal 2022, which was primarily attributable to an increase in our total revenue from operations.

Total Revenue from Operations. Our total revenue from operations increased by 59.97% to ₹13,027.68 million for Fiscal 2023 from ₹8,143.82 million for Fiscal 2022, primarily due to:

- an increase in interest income to ₹12,105.22 million for Fiscal 2023 from ₹7,722.56 million for Fiscal 2022. This was primarily due to:

    - an increase in interest income on financial assets measured at amortized cost to ₹11,127.47 million for Fiscal 2023 from ₹7,154.10 million for Fiscal 2022, which was primarily attributable to a growth in our AUM to ₹73,783.42 million as of March 31, 2023 from ₹47,135.66 million as of March 31, 2022. The growth in our AUM was primarily driven by an increase in volume of our loans, which was in line with the increase in our branch network to 447 branches as of March 31, 2023 from 423 branches as of March 31, 2022; and

    - an increase in income on investment to ₹674.41 million in Fiscal 2023 from ₹304.90 million in Fiscal 2022 primarily due to higher average investments in Fiscal 2023 as compared to Fiscal 2022; and

- an increase in the net gain on de-recognition of financial instruments under amortized cost category to ₹317.69 million for Fiscal 2023 from ₹29.98 million for Fiscal 2022. This was primarily attributable to an increase in the proportion of assigned loans as a percentage of AUM to 5.47% as of March 31, 2023 from 1.57% as of March 31, 2022.

Other income. Our other income increased by 81.97% to ₹114.73 million for Fiscal 2023 from ₹63.05 million for Fiscal 2022, which was primarily attributable to an increase in income from support services to ₹107.82 million for Fiscal 2023 from ₹62.82 million for Fiscal 2022 due to higher marketing activities in respect of our arrangements with insurers to distribute marketing materials and provide space for advertisement.

Expenses

Finance costs. Our finance costs increased by 57.86% to ₹5,474.80 million for Fiscal 2023 from ₹3,468.15 million for Fiscal 2022, primarily due to an increase in interest on borrowings to ₹3,513.89 million for Fiscal 2023 from ₹1,760.54 million for Fiscal 2022 and an increase in interest on debt securities to ₹1,856.40 million for Fiscal 2023 from ₹1,601.80 million for Fiscal 2022. The increase in interest on borrowings and debt securities was primarily attributable to an increase in total borrowings to ₹70,431.42 million for Fiscal 2023 from ₹44,977.27 million for Fiscal 2022, which was due to increase in borrowing volumes as we required additional capital as a result of growth in our AUM. For further details in relation to growth in our AUM, see *"-Fiscal 2023 compared to Fiscal 2022 – Revenue from operations"* on page 421.

Impairment on financial instruments. Our impairment on financial instruments increased by 463.38% to ₹917.46 million for Fiscal 2023 from ₹162.85 million for Fiscal 2022, primarily due to (i) an increase in our impairment on loans to ₹343.95 million in Fiscal 2023 as compared to impairment on loans of ₹(321.26) million in Fiscal 2022, which was a negative figure as we reversed provisions in view of higher recoveries in Fiscal 2022 after the COVID-19 pandemic, and (ii) an increase in our bad debts written-off (net of recoveries) to ₹573.51 million for Fiscal 2023 from ₹484.11 million for Fiscal 2022.

Employee benefits expenses. Employee benefits expenses increased by 38.01% to ₹2,828.05 million for Fiscal 2023 from ₹2,049.22 million for Fiscal 2022, primarily due to an increase in salaries and wages to ₹2,445.10 million for Fiscal 2023 from ₹1,841.36 million for Fiscal 2022. This was primarily attributable to an increase in the number of our employees as a result of growth in our business and annual increments given to our existing employees. The number of our employees increased to 8,438 employees as of March 31, 2023 from 6,730 employees as of March 31, 2022.

Depreciation and amortization. Our depreciation and amortization increased by 59.37% to ₹252.03 million for Fiscal 2023 from ₹158.14 million for Fiscal 2022, primarily due to an increase in the depreciation on property, plant and equipment to ₹126.90 million for Fiscal 2023 from ₹79.73 million for Fiscal 2022, and an increase in the depreciation on right of use assets to ₹100.36 million for Fiscal 2023 from ₹67.27 million for Fiscal 2022. The increase was primarily attributable to an increase in our branches to 447 as of March 31, 2023 from 423 branches as of March 31, 2022.

Other expenses. Our other expenses increased by 29.62% to ₹767.98 million for Fiscal 2023 from ₹592.48 million for Fiscal 2022, primarily due to increased business activity in Fiscal 2023, with an increase in:

- Travelling expenses to ₹144.86 million for Fiscal 2023 from ₹93.72 million for Fiscal 2022; and
- Other expenditure to ₹173.61 million for Fiscal 2023 from ₹133.42 million for Fiscal 2022. For further details in relation to other expenditure, see *"-Key components of income and expenses – expenses – other expenses"* on page 418.

Tax Expense

Our total tax expense increased by 94.14% to ₹674.23 million for Fiscal 2023 from ₹ 347.29 million for Fiscal 2022. For Fiscal 2023, we primarily had a total current tax expense of ₹588.28 million, tax income related to earlier years of ₹(12.56) million and a deferred tax of ₹ 98.51 million which was on account of deferred tax liabilities. For Fiscal 2022, we primarily had a current tax of ₹364.37 million, tax income related to earlier years of ₹(46.56) million and a deferred tax of ₹29.48 million which was on account of deferred tax liabilities. We had a higher tax expense in Fiscal 2023 due to an increase in our revenue from operations and resulting higher effective tax rate. Our effective tax rate (which represents the total tax expense to profit before tax during the relevant year, expressed as a percentage) was 23.23% and 19.55% for Fiscals 2023 and 2022, respectively.

Profit for the year

As a result of the foregoing, our profit for the year increased by 55.93% to ₹2,227.86 million for Fiscal 2023 from ₹1,428.74 million for Fiscal 2022.

Other comprehensive income

Our other comprehensive income increased by 69.16% to ₹(2.23) million for Fiscal 2023 from ₹(7.23) million for Fiscal 2022, primarily on account of remeasurements of the defined benefit plans as a result of gratuity assumptions based on the actuary report.

Total comprehensive income for the year (comprising profit and other comprehensive income for the year)

Our total comprehensive income for the year (comprising profit and other comprehensive income for the year) increased by 56.57% to ₹2,225.63 million for Fiscal 2023 from ₹1,421.51 million for Fiscal 2022.

Fiscal 2022 compared to Fiscal 2021

Total Income

Our total income increased by 20.25% to ₹8,206.87 million for Fiscal 2022 from ₹6,824.92 million for Fiscal 2021, which was primarily attributable to an increase in our total revenue from operations.

Total Revenue from Operations. Our total revenue from operations increased by 21.03% to ₹8,143.82 million for Fiscal 2022 from ₹6,728.57 million for Fiscal 2021, primarily due to:

- an increase in interest income to ₹7,722.56 million for Fiscal 2022 from ₹6,380.88 million for Fiscal 2021. This was primarily due to:
  - an increase in interest income on financial assets measured at amortized cost to ₹7,154.10 million for Fiscal 2022 from ₹6,090.18 million for Fiscal 2021, which was primarily attributable to a growth in our AUM to ₹47,135.66 million as of March 31, 2022 from ₹34,171.69 million as of March 31, 2021. The growth in our AUM was primarily driven by an increase in volume of our loans increased, which was in line with the increase in our branch network to 423 branches as of March 31, 2022 from 344 branches as of March 31, 2021; and
  - an increase in income on investment to ₹304.90 million in Fiscal 2022 from ₹1.72 million in Fiscal 2021 due to a primary issuance of equity shares in Fiscal 2022, thereby resulting in those funds being invested in instruments such as government bonds and debt paper; and
- an increase in fees and commission income to ₹247.35 million for Fiscal 2022 from ₹145.06 million for Fiscal 2021, which was primarily attributable to an increase in foreclosure and other charges, which was in line with growth in our AUM. For further details in relation to growth in our AUM, see "*-Fiscal 2022 compared to Fiscal 2021 – Revenue from operations*" on page 423.

Other income. Our other income decreased by 34.56% to ₹63.05 million for Fiscal 2022 from ₹96.35 million for Fiscal 2021, which was primarily attributable to a decrease in liability no longer required written back of ₹30.12 million for Fiscal 2021 to nil for Fiscal 2022. We had created provisions for compensated absences on an estimated basis for unavailed leave and these provisions were reversed at the end of Fiscal 2022.

Expenses

Finance costs. Our finance costs increased by 16.77% to ₹3,468.15 million for Fiscal 2022 from ₹2,970.13 million for Fiscal 2021, primarily due to an increase in interest on borrowings to ₹1,760.54 million for Fiscal 2022 from ₹1,152.38 million for Fiscal 2021. The increase in interest on borrowings was primarily attributable to an increase in average AUM to ₹47,135.66 million for Fiscal 2022 from ₹34,171.69 million for Fiscal 2021, which was due to an increase in borrowing volumes as we required additional capital for growth in our AUM. For further details in relation to growth in our AUM, see *"-Fiscal 2022 compared to Fiscal 2021 – Revenue from operations"* on page 423.

Impairment on financial instruments. Our impairment on financial instruments decreased by 82.45% to ₹162.85 million for Fiscal 2022 from ₹927.88 million for Fiscal 2021, primarily due to impairment on loans of ₹(321.26) million in Fiscal 2022 as compared to impairment on loans of ₹ 448.92 million in Fiscal 2021. The impairment on loans in Fiscal 2022 was a negative figure as we reversed provisions as we reversed provisions previously made in view of higher recoveries in Fiscal 2022 after the COVID-19 pandemic.

Employee benefits expenses. Employee benefits expenses increased by 71.71% to ₹2,049.22 million for Fiscal 2022 from ₹1,193.40 million for Fiscal 2021, primarily due to an increase in salaries and wages to ₹ 1,841.36 million for Fiscal 2022 from ₹ 1,074.48 million for Fiscal 2021. This was primarily attributable to an increase in the number of our employees as a result of growth in our business and annual increments given to our employees. The number of our employees increased to 6,730 employees as of March 31, 2022 from 5,107 employees as of March 31, 2021.

Depreciation and amortization. Our depreciation and amortization increased by 39.54% to ₹158.14 million for Fiscal 2022 from ₹ 113.33 million for Fiscal 2021, primarily due to an increase in the depreciation on property, plant and equipment to ₹79.73 million for Fiscal 2022 from ₹55.73 million for Fiscal 2021, and an increase in the depreciation on right of use assets to ₹67.27 million for Fiscal 2022 from ₹53.72 million for Fiscal 2021. The increase was primarily attributable to an increase in our branches to 423 as of March 31, 2022 from 344 branches as of March 31, 2021.

Other expenses. Our other expenses increased by 53.48% to ₹592.48 million for Fiscal 2022 from ₹386.02 million for Fiscal 2021, primarily due to increased business activity in Fiscal 2022, with an increase in:

- Legal and professional charges to ₹135.71 million for Fiscal 2022 from ₹73.92 million for Fiscal 2021;

- Other expenditure to ₹ 133.42 million for Fiscal 2022 from ₹ 114.59 million for Fiscal 2021. For further details in relation to other expenditure, see "*-Key components of income and expenses – expenses – other expenses*" on page 418; and

- Travelling expenses to ₹93.72 million for Fiscal 2022 from ₹44.20 million for Fiscal 2021.

Tax Expense

Our total tax expense increased by 7.41% to ₹347.29 million for Fiscal 2022 from ₹323.33 million for Fiscal 2021. For Fiscal 2022, we primarily had a current tax of ₹ 364.37 million, tax income related to earlier years of ₹ (46.56) million and a deferred tax of ₹ 29.48 million which was on account of deferred tax liabilities. For Fiscal 2021, we primarily had a current tax of ₹429.54 million, tax income related to earlier years of ₹ 89.53 million and income of deferred tax of ₹ (195.74) million which was on account of deferred tax asset created on certain items of origination and reversal of temporary differences. We had a lower tax expense in Fiscal 2022 primarily due to tax exemptions availed pursuant to Section 80JJAA of the Income Tax Act, 1961. Our effective tax rate (which represents the total tax expense to profit before) during the relevant year, expressed as a percentage) was 19.55% and 26.20% for Fiscals 2022 and 2021, respectively.

Profit for the year

As a result of the foregoing, our profit for the year increased by 56.86% to ₹1,428.74 million for Fiscal 2022 from ₹910.83 million for Fiscal 2021.

Other comprehensive income

Our other comprehensive income was ₹(7.23) million for Fiscal 2022 as compared to other comprehensive income of ₹ 0.34 million for Fiscal 2021, primarily on account of remeasurements of the defined benefit plans as a result of gratuity assumptions based on the actuary report.

Total comprehensive income for the year (comprising profit and other comprehensive income for the year)

Our total comprehensive income for the year (comprising profit and other comprehensive income for the year) increased by 56.01% to ₹1,421.51 million for Fiscal 2022 from ₹911.17 million for Fiscal 2021.

Assets

The following table sets forth the principal components of our assets as of December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021:

	As of				
	December 31, 2023	**December 31, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
	(₹ in millions)				
ASSETS					
Financial assets					
Cash and cash equivalents	7,038.81	4,667.03	7,574.87	1,745.59	2,333.15
Bank balance other than cash and cash equivalents	6,196.86	5,684.20	4,623.07	4,433.45	3,850.93
Derivative financial instruments	215.04	259.00	250.81	47.96	-
Receivables					
Other receivables	52.98	135.42	107.51	22.31	44.73
Loans	86,739.80	64,640.77	69,903.93	46,433.02	32,798.97
Investments	4,595.94	5,013.44	5,261.19	7,818.43	2,588.76
Other financial assets	1,337.17	573.36	796.81	280.60	279.95
Total financial assets	**106,176.60**	**80,973.22**	**88,518.19**	**60,781.36**	**41,896.49**
Non-financial assets					
Current tax assets (net)	147.33	226.28	222.85	100.27	-
Deferred tax assets (net)	310.54	374.43	264.02	361.78	388.82
Property, plant and equipment	1,547.41	1,164.94	1,326.41	973.77	560.16
Capital work-in-progress	45.29	18.30	41.76	-	4.28
Intangible assets under development	11.24	10.75	11.24	1.64	8.94
Other intangible assets	133.46	58.32	103.52	58.37	11.81
Other non-financial assets	124.40	97.18	68.60	42.46	35.19
Total non-financial	**2,319.67**	**1,950.20**	**2,038.40**	**1,538.29**	**1,009.20**

	As of				
	December 31, 2023	December 31, 2022	March 31, 2023	March 31, 2022	March 31, 2021
(₹ in millions)					
assets					
Total assets	**108,496.27**	**82,923.42**	**90,556.59**	**62,319.65**	**42,905.69**

As of December 31, 2023, we had total assets of ₹108,496.27 million, compared to ₹90,556.59 million as of March 31, 2023, ₹62,319.65 million as of March 31, 2022 and ₹42,905.69 million as of March 31, 2021. The increase in our total assets was primarily on account of:

- growth in the origination of our loans and loan portfolio. The growth was primarily on account of the growth in our AUM as a result of an increase in our branch network; and

- an increase in cash and cash equivalents, and bank balance other than cash and cash equivalents (other than cash and cash equivalents), primarily due to an increase in borrowings (other than debt securities) and equity infusion.

Financial Assets

Cash and cash equivalents

As of December 31, 2023, we had cash and cash equivalents of ₹7,038.81 million, compared to ₹7,574.87 million as of March 31, 2023, ₹1,745.59 million as of March 31, 2022 and ₹2,333.15 million as of March 31, 2021. The increases in cash and cash equivalents as of December 31, 2023 as compared to cash and cash equivalents as of March 31, 2023 was primarily due to infusion of equity capital and increase in cash and cash equivalents to March 31, 2023 from March 31, 2022 was primarily due to an increase in borrowings. The decrease in cash and cash equivalents to March 31, 2022 from March 31, 2021 was primarily due to decrease in fixed deposits with maturity of less than 1 month.

Bank balances other than cash and cash equivalents

As of December 31, 2023, we had bank balance other than cash and cash equivalents of ₹6,196.86 million, compared to ₹4,623.07 million as of March 31, 2023, ₹4,433.45 million as of March 31, 2022 and ₹3,850.93 million as of March 31, 2021. The variations in bank balance other than cash and cash equivalents were primarily due to increase in borrowings.

Derivative financial instruments

As of December 31, 2023, we had derivative financial instruments of ₹ 215.04 million, compared to ₹ 250.81 million as of March 31, 2023, and ₹ 47.96 million as of March 31, 2022. We did not have derivative financial instruments as of March 31, 2021. The variations in other derivative financial instruments were primarily due to the changes in currency exchange rates between the US Dollar and India Rupee impacting the valuation of such derivatives.

Receivables – other receivables

As of December 31, 2023, we had receivables – other receivables of ₹52.98 million, compared to ₹107.51 million as of March 31, 2023, ₹ 22.31 million as of March 31, 2022 and ₹44.73 million as of March 31, 2021. The variations in receivables – other receivables between December 31, 2023 and March 31, 2021 were due to the pattern of invoice, realization and collections in the normal course of business.

Loans

As of December 31, 2023, we had loans of ₹86,739.80 million, compared to ₹69,903.93 million as of March 31, 2023, ₹46,433.02 million as of March 31, 2022 and ₹32,798.97 million as of March 31, 2021. The increases in loans from March 31, 2021 to December 31, 2023 were primarily due to higher disbursements on account of increase in branches and customers.

Investments

As of December 31, 2023, we had investments of ₹4,595.94 million, compared to ₹5,261.19 million as of March 31, 2023, ₹ 7,818.43 million as of March 31, 2022 and ₹ 2,588.76 million as of March 31, 2021. Our investments primarily consist of mutual fund units, alternative investment funds ("**AIF**") units, debt securities and security receipt of ARC (i.e. asset reconstruction companies). Our investments as of December 31, 2023 decreased from investments as of March 31, 2022 primarily on account of redemption of investments of debt securities and AIF units to support increase in volume of business. Our investments as of March 31, 2022 increased from investments as of March 31, 2021 primarily on account of investment in debt securities and AIF units following injection of equity capital.

Other financial assets

As of December 31, 2023, we had other financial assets of ₹ 1,337.17 million, compared to ₹796.81 million as of March 31, 2023, ₹280.60 million as of March 31, 2022 and ₹279.95 million as of March 31, 2021. The other financial assets as of December 31, 2023 increased from other financial assets as of March 31, 2021 were primarily due to increase in interest receivable on direct assignments as a result of increases in our pool of direct assignments.

Non-financial Assets

Current tax assets (Net)

As of December 31, 2023, we had current tax assets (net) of ₹147.33 million, compared to ₹ 222.85 million as of March 31, 2023, and ₹100.27 million as of March 31, 2022. We did not have current tax assets (net) as of March 31, 2021. The current tax assets (net) decreased to December 31, 2023 from March 31, 2023 was due to increased provision for income tax payable. The current tax assets (net) increased to March 31, 2023 from March 31, 2022 on account of deposits of advance tax and tax deducted at source ("**TDS**") by vendors.

Deferred Tax Assets (net)

As of December 31, 2023, we had deferred tax assets (net) of ₹310.54 million, compared to ₹264.02 million as of March 31, 2023, ₹361.78 million as of March 31, 2022 and ₹ 388.82 million as of March 31, 2021. The increase in deferred tax assets (net) to December 31, 2023 from March 31, 2023 was primarily due to increased expected credit loss allowance and upfront income from direct assignment. The decrease in deferred tax assets (net) to March 31, 2023 from March 31, 2021 was primarily on account of reversal of provisions (management overlays) due to higher recoveries following the COVID-19 pandemic.

Property, plant and equipment

As of December 31, 2023, we had property, plant and equipment of ₹1,547.41 million, compared to ₹1,326.41 million as of March 31, 2023, ₹973.77 million as of March 31, 2022 and ₹560.16 million as of March 31, 2021. The increase in property, plant and equipment to December 31, 2023 from March 31, 2021 was primarily due to addition of branches.

Capital work-in-progress

As of December 31, 2023, we had capital work-in-progress of ₹ 45.29 million, compared to ₹ 41.76 million as of March 31, 2023, and ₹ 4.28 million as of March 31, 2021. We did not have capital work-in-progress as of March 31, 2022.

Intangible assets under development

As of December 31, 2023, we had intangible assets under development of ₹ 11.24 million, compared to ₹ 11.24 million as of March 31, 2023, ₹ 1.64 million as of March 31, 2022 and ₹ 8.94 million as of March 31, 2021.

Other Intangible Assets

As of December 31, 2023, we had other intangible assets of ₹133.46 million, compared to ₹103.52 million as of March 31, 2023, ₹58.37 million as of March 31, 2022 and ₹11.81 million as of March 31, 2021. The increase in other intangible assets to December 31, 2022 from March 31, 2021 was primarily due to capitalization of software licenses.

Other non-financial assets

As of December 31, 2023, we had other non-financial assets of ₹124.40 million, compared to ₹68.60 million as of March 31, 2023, ₹42.46 million as of March 31, 2022 and ₹35.19 million as of March 31, 2021. The other non-financial assets primarily consist of prepaid expenses, balances with statutory / government authorities, advance against salary to staff and capital advances.

Liabilities and equity

The following table sets forth the principal components of our liabilities and equity as of December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021:

	As of				
LIABILITIES AND EQUITY	**December 31, 2023**	**December 31, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
(₹ in million)					
LIABILITIES					
Financial Liabilities:					
Derivative financial instruments	15.64	10.52	3.77	5.24	5.06
Debt securities	17,769.20	18,450.25	17,149.60	14,735.79	15,203.21
Borrowings (other than debt securities)	61,141.20	45,412.85	53,281.82	30,037.82	16,637.38
Subordinated liabilities	-	204.06	-	203.66	402.94
Other financial liabilities	1,960.64	1,205.29	1,572.22	1,203.96	762.39
Total financial liabilities	**80,886.68**	**65,282.97**	**72,007.41**	**46,186.47**	**33,010.98**
Non-Financial Liabilities:					
Current tax liabilities (net)	-	-	-	-	62.70

	As of				
LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022	March 31, 2023	March 31, 2022	March 31, 2021
(₹ in million)					
Provisions	127.88	93.36	105.62	86.27	55.38
Other non-financial liabilities	98.75	99.80	106.16	82.52	61.86
Total non-financial liabilities	**226.63**	**193.16**	**211.78**	**168.79**	**179.94**
EQUITY					
Equity share capital	64.44	58.21	58.64	58.17	52.18
Other equity	27,318.52	17,389.08	18,278.76	15,906.22	9,662.59
Total equity	**27,382.96**	**17,447.29**	**18,337.40**	**15,964.39**	**9,714.77**
Total liabilities and equity	**108,496.27**	**82,923.42**	**90,556.59**	**62,319.65**	**42,905.69**

Financial Liabilities

Derivative Financial Instruments

As of December 31, 2023, we had derivative financial instruments of ₹15.64 million, compared to ₹3.77 million as of March 31, 2023, ₹5.24 million as of March 31, 2022 and ₹ 5.06 million as of March 31, 2021. The increases in derivative financial instruments to December 31, 2023 from March 31, 2023 and to March 31, 2022 from March 31, 2021 were primarily due to the conversion of our floating rate borrowings to fixed rate borrowings. The decrease in derivative financial instruments to March 31, 2023 from March 31, 2022 was primarily due to the maturity of our then outstanding derivative financial instruments.

Debt Securities

As of December 31, 2023, we had debt securities of ₹17,769.20 million, compared to ₹17,149.60 million as of March 31, 2023, ₹14,735.79 million as of March 31, 2022 and ₹15,203.21 million as of March 31, 2021. The increases in debt securities to December 31, 2023 from March 31, 2022 were primarily due to issuance of non-convertible debentures. The decrease in debt securities to March 31, 2022 from March 31, 2021 was primarily due to maturity and repayment of our non-convertible debentures.

Borrowings (other than debt securities)

As of December 31, 2023, we had borrowings (other than debt securities) of ₹61,141.20 million, compared to ₹ 53,281.82 million as of March 31, 2023, ₹ 30,037.82 million as of March 31, 2022 and ₹ 16,637.38 million as of March 31, 2021. The increase in borrowings (other than debt securities) to December 31, 2023 from March 31, 2021 was primarily due to increases in our borrowings through term loans.

Subordinated Liabilities

We did not have subordinated liabilities as of December 31, 2023 and March 31, 2023. As of December 31, 2022, we had subordinated liabilities of ₹204.06 million, compared to ₹203.66 million as of March 31, 2022 and ₹402.94 million as of March 31, 2021. The subordinated liabilities pertain to redeemable subordinate debt instruments to the extent that they do not qualify as equity and subordinated debts from banks. These are in the nature of Tier II- Capital and are subordinate to other debenture holders and creditors of our Company. The increase in subordinated liabilities to December 31, 2022 from March 31, 2022 was primarily due to our issuance of non-convertible debentures constituting such subordinated liabilities. The decrease in subordinated liabilities to March 31, 2022 from March 31, 2021 was primarily due to maturity and repayment of non-convertible debentures constituting such subordinated liabilities.

Other Financial Liabilities

As of December 31, 2023, we had other financial liabilities of ₹1,960.64 million, compared to ₹1,572.22 million as of March 31, 2023, ₹1,203.96 million as of March 31, 2022 and ₹762.39 million as of March 31, 2021. The increase in other financial liabilities to December 31, 2023 from March 31, 2021 was primarily due to an increase in our lease liabilities as a result of additional leases entered into by us with respect to our new branches. We increased the total number of our branches to 535 as of December 31, 2023 from 447 as of March 31, 2023, 423 as of March 31, 2022 and 344 as of March 31, 2021.

Non-Financial Liabilities

Current tax liabilities (net)

As of March 31, 2021, we had current tax liabilities (net) of ₹62.70 million. We did not have any current tax liabilities (net) as of December 31, 2023, March 31, 2023 and March 31, 2022.

Provisions

As of December 31, 2023, we had provisions of ₹127.88 million, compared to ₹105.62 million as of March 31, 2023, ₹86.27

million as of March 31, 2022 and ₹55.38 million as of March 31, 2021. The increase in provisions to December 31, 2023 from March 31, 2021 was primarily due to remeasurements of the defined benefit plans as a result of gratuity assumptions based on the actuary report.

Other non-financial liabilities

As of December 31, 2023, we had other non-financial liabilities of ₹98.75 million, compared to ₹106.16 million as of March 31, 2023, ₹82.52 million as of March 31, 2022 and ₹61.86 million as of March 31, 2021. The variations in other non-financial liabilities between December 31, 2023 and March 31, 2021 was primarily due to movements in the statutory dues payable, which are primarily the goods and services tax and TDS payable for the relevant periods / years.

Equity

Our equity share capital was ₹64.44 million, ₹58.64 million, ₹58.17 million and ₹52.18 million, representing 0.06%, 0.06%, 0.09% and 0.12% of our total assets as of December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our Other Equity was ₹ 27,318.52 million, ₹18,278.76 million, ₹15,906.22 million and ₹9,662.59 million, representing 25.18%, 20.18%, 25.52% and 22.52% of our total assets as of December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, respectively. The increase in other equity was primarily due to infusion of equity capital and increase in our retained earnings. For further details of our infusion of equity capital, see "*Capital Structure – Notes to the Capital Structure – Share capital history of our Company*" on page 84.

As of December 31, 2023, our retained earnings- other than remeasurement of post employment benefit obligations was ₹ 7,155.87 million, compared to ₹ 5,419.06 million as of March 31, 2023, ₹ 3,636.77 million as of March 31, 2022 and ₹ 2,493.78 million as of March 31, 2021. The increase in retained earnings- other than remeasurement of post employment benefit obligations was primarily due to the increase in our profit.

Cash flows and cash and cash equivalents

The following table sets forth our cash flows and cash and cash equivalents for the periods/ years indicated:

(in ₹ million)

	Nine months ended December 31,		Fiscals		
	2023	**2022**	**2023**	**2022**	**2021**
Net cash (used in) operating activities	(14,836.76)	(17,977.67)	(22,434.03)	(12,281.53)	(3,706.51)
Net cash generated from / (used in) investing activities	(303.12)	1,935.06	2,808.44	(5,760.18)	(1,220.58)
Net cash generated from financing activities	14,603.82	18,964.05	25,454.87	17,454.15	6,636.55
Net increase/(decrease) in cash and cash equivalents	**(536.06)**	**2,921.44**	**5,829.28**	**(587.56)**	**1,709.46**
Cash and cash equivalents as at the beginning of the period / year	7,574.87	1,745.59	1,745.59	2,333.15	623.69
Cash and cash equivalents as at the end of the period / year	**7,038.81**	**4,667.03**	**7,574.87**	**1,745.59**	**2,333.15**

Operating activities

Net cash used in operating activities was ₹14,836.76 million for the nine months ended December 31, 2023. While our profit before tax was ₹2,808.74 million, we had cash generated from operations before working capital changes of ₹3,204.36 million. This increase was primarily due to adjustments for interest income of ₹ 11,702.68 million, offset by adjustments for finance costs of ₹ 5,496.06 million and impairment on financial instruments of ₹ 1,109.06 million. Working capital for the nine months ended December 31, 2023 primarily consisted of an increase in loans of ₹ 18,023.67 million on account of increased loan disbursals to our customers.

Net cash used in operating activities was ₹17,977.67 million for the nine months ended December 31, 2022. While our profit before tax was ₹1,820.96 million, we had cash generated from operation before working capital changes of ₹1,758.11 million. This decrease was primarily due to adjustments for interest income of ₹8,608.33 million, offset by adjustments for finance costs of ₹ 3,822.09 million and impairment on financial instruments of ₹ 833.93 million. Working Capital for the nine months ended December 31, 2022 primarily consisted of an increase in loans of ₹18,980.67 million on account of increased loan disbursals to our customers.

Net cash used in operating activities was ₹22,434.03 million for Fiscal 2023. While our profit before tax was ₹ 2,902.09 million, we had cash generated from operation before working capital changes of ₹2,064.06 million. This decrease was primarily due to adjustments for interest income of ₹ 12,105.22 million, offset by adjustments for finance costs of ₹ 5,469.07 million and impairment on financial instruments of ₹ 917.46 million. Working Capital for Fiscal 2023 primarily consisted of an increase in loans of ₹24,127.20 million on account of increased loan disbursals to our customers.

Net cash used in operating activities was ₹12,281.53 million for Fiscal 2022. While our profit before tax was ₹1,776.03 million, we had cash generated from operation before working capital changes of ₹1,436.77 million. This decrease was primarily due to adjustments for interest income of ₹ 7,722.56 million, offset by adjustments for finance costs of ₹ 3,468.15 million and impairment on financial instruments of ₹ 162.85 million. Working Capital for Fiscal 2022 primarily consisted of an increase in loans of ₹13,782.23 million on account of increased loan disbursals to our customers.

Net cash used in operating activities was ₹3,706.51 million for Fiscal 2021. While our profit before tax was ₹1,234.16 million, we had cash generated from operation before working capital changes of ₹ 1,556.94 million. This increase was primarily due to adjustments for interest income of ₹ 6,380.88 million, offset by adjustments for finance costs of ₹ 2,970.13 million and impairment on financial instruments of ₹927.88 million. Working Capital for Fiscal 2021 primarily consisted of an increase in loans of ₹4,947.35 million on account of increased loan disbursals to our customers.

Investing activities

Net cash used in investing activities was ₹303.12 million for the nine months ended December 31, 2023, primarily due to purchase of investments of ₹82,044.85 million and investment in fixed deposits of ₹5,775.04 million. This was partially offset by proceeds from redemptions of investments of ₹82,752.59 million, proceeds from redemption of fixed deposits of ₹4,176.38 million, and interest received on investments of ₹1,098.88 million.

Net cash generated from investing activities was ₹1,935.06 million for the nine months ended December 31, 2022, primarily due to proceeds from redemptions of investments of ₹60,408.79 million, and proceeds from redemption of fixed deposits of ₹7,013.19 million. This was partially offset by purchase of investments of ₹57,647.31 million and investment in fixed deposits of ₹8,371.08 million.

Net cash generated from investing activities was ₹2,808.44 million for Fiscal 2023, primarily due to proceeds from redemptions of investments of ₹93,643.89 million and proceeds from redemption of fixed deposits of ₹19,209.58 million. This was partially offset by purchase of investments of ₹90,930.74 million and investment in fixed deposits of ₹19,076.48 million.

Net cash used in investing activities was ₹5,760.18 million for Fiscal 2022, primarily due to ₹38,868.09 million used for the purchase of investments and ₹4,984.45 million used in investment in fixed deposits. These cash outflows were partially offset by proceeds from redemptions of investments of ₹33,772.07 million, and proceeds from redemption of fixed deposits of ₹4,662.71 million.

Net cash used in investing activities was ₹1,220.58 million for Fiscal 2021, primarily due to ₹4,543.21 million used for the purchase of investments and ₹10,039.91 million used in investment in fixed deposits. These cash outflows were partially offset by proceeds from redemptions of investments of ₹3,285.96 million, and proceeds from redemption of fixed deposits of ₹10,007.00 million.

Financing activities

Net cash generated from financing activities was ₹14,603.82 million for the nine months ended December 31, 2023, primarily due to ₹26,622.39 million from proceeds from borrowings (other than debt securities), ₹6,761.40 million from proceeds from issue of shares including securities premium (net off expenses) and ₹5,100.00 million from proceeds from issue of debt securities. This was partially offset by repayment of borrowings (other than debt securities) of ₹19,070.77 million and repayment of debt securities of ₹4,682.38 million.

Net cash generated from financing activities was ₹18,964.05 million for the nine months ended December 31, 2022, primarily due to ₹29,977.20 million from proceeds from borrowings (other than debt securities) and ₹8,210.00 million from proceeds from issue of debt securities. This was partially offset by repayment of borrowings (other than debt securities) of ₹14,590.15 million and repayment of debt securities of ₹4,539.32 million.

Net cash generated from financing activities was ₹25,454.87 million for Fiscal 2023, primarily due to ₹ 43,227.70 million from proceeds from borrowings (other than debt securities) and ₹12,460.00 million from proceeds from issue of debt securities. This was partially offset by repayment of borrowings (other than debt securities) of ₹20,174.97 million and repayment of debt securities of ₹9,982.90 million.

Net cash generated from financing activities was ₹17,454.15 million for Fiscal 2022, due to ₹18,637.75 million from proceeds from borrowings (other than debt securities), ₹4,820.91 million from proceeds from issue of shares including securities premium (net off expenses) and ₹1,850.00 million from proceeds from issue of debt securities. This was partially offset by repayment of borrowings (other than debt securities) of ₹5,324.93 million and repayment of debt securities of ₹2,425.23 million.

Net cash generated from financing activities was ₹6,636.55 million for Fiscal 2021, primarily due to ₹ 14,646.43 million from proceeds from borrowings (other than debt securities) and ₹10,183.00 million from proceeds from issue of debt securities. This was partially offset by repayment of borrowings (other than debt securities) of ₹10,527.10 million and repayment of debt securities of ₹ 7,598.68 million.

Indebtedness

The following table sets forth certain information relating to outstanding indebtedness as of December 31, 2023, and our repayment obligations in the periods indicated:

Particulars	Payment due by period					
	Total	On demand	Less than one year	1-3 years	3-5 years	More than 5 years
(in ₹ million)						
Non-derivative financial liabilities						
Debt securities	17,769.20	-	11,202.24	4,540.58	2,026.38	-
Borrowings (other than debt securities)	61,141.20	1,321.41	23,832.25	29,547.07	6,388.18	52.29
Other financial liabilities	1,960.64	1,022.26	-	2.18	18.75	917.45
Derivative financial liabilities						
Derivative financial instruments	15.64	-	-	9.96	5.68	-

Our Company has issued non-convertible debentures which are listed on the debt segment of BSE. For further details of our indebtedness as of March 15, 2024 and our listed non-convertible debentures, see "*Financial Indebtedness*" on page 435.

Liquidity and capital resources

Our funding requirements historically have been met from various sources, including secured and unsecured loans, such as rupee-denominated term loans, cash credit facilities and working capital demand loans from banks and financial institutions, non-convertible debentures, commercial paper, assignment of designated loans assets receivables and securitization of loan proceeds, and subordinate debt instruments. As of December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, our total borrowings were ₹78,910.40 million, ₹64,067.16 million, ₹70,431.42 million, ₹44,977.27 million and ₹32,243.53 million, respectively. Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, subordinated liabilities and borrowings (other than debt securities) outstanding as at end of the relevant period/ year. For details on reconciliation, see "*Selected Statistical Information - Non-GAAP Reconciliation*" on page 304.

We actively manage our liquidity and capital position by raising funds periodically. We regularly monitor our capital levels to ensure that we are able to satisfy the requirements for loan disbursements and maturity of our liabilities. All our loan agreements contain a number of covenants including financial covenants. Based on our anticipated cash flows from operating activities, together with our sources of funding, we believe that our working capital is sufficient for our Company's present requirements. For details, see *"Financial Indebtedness*" and *"Risk Factors –Our significant financial indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to conduct our business And operations in the manner we desire.*" on pages 435 and 44, respectively.

For more information about our liquidity management, see "*Our Business*" beginning on page 201.

Capital and other commitments

We did not have any capital and other commitments as of December 31, 2023, December 31, 2022, March 31, 2023 and March 31, 2022. As of March 31, 2021, we had other commitments of ₹ 10.00 million in relation to amounts due in the event of termination of certain agreements.

Securitization arrangements

During nine months ended December 31, 2023 and 2022 and Fiscals 2023, 2022 and 2021, the carrying amount of associated liabilities in respect of securitization arrangements were ₹ 8,590.05 million, ₹ 10,008.15 million, ₹ 10,059.39 million, ₹ 3,048.04 million and ₹ 3,272.07 million, respectively. As of December 31, 2023, and 2022, and March 31, 2023, 2022 and 2021, we securitized assets worth ₹ 6,469.05 million, ₹ 11,262.02 million, ₹ 14,019.41 million, ₹ 2,629.25 million and ₹ 3,152.33 million, respectively.

Assignment transactions

As of December 31, 2023 and 2022, and March 31, 2023, 2022 and 2021, the carrying amount of transferred assets measured at amortized cost are worth ₹ 8,059.11 million, ₹ 2,751.23 million, ₹ 5,218.48 million, ₹ 553.38 million and ₹ 527.01 million, respectively. Save for our retained portion of assigned loans, the assignment transactions do not form part of the Gross Loans on the dates indicated.

Capital expenditure

Capital expenditure primarily relates to our expenditure on expansion of our branch network, which includes expenditure on office equipment, lease improvements, furniture and fixtures, computer equipment and intangible asset (such as software licenses). The capital expenditure is funded through cash generated from operations.

The table below sets forth our capital expenditure as at the years/ periods ends indicated:

Particulars	As at and for the nine months period ended December 31,		As at and for year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ million, except otherwise stated)				
Additions					
Property, plant and equipment (A)	461.31	364.66	635.10	564.61	252.63
Other intangible assets (B)	66.09	13.41	69.92	57.70	11.39
Total (C=A+B)	527.40	378.07	705.02	622.31	264.02
Intangible assets under development (IAUD)					
Opening Balance (D)	11.24	1.64	1.64	8.94	8.28
Closing Balance (E)	11.24	10.75	11.24	1.64	8.94
Net Addition (F=E-D)	-	9.11	9.60	(7.30)	0.66
Capital work-in-progress (CWIP)					
Opening Balance (G)	41.76	-	-	4.28	26.67
Closing Balance (H)	45.29	18.30	41.76	-	4.28
Net Addition (I=H-G)	3.53	18.30	41.76	(4.28)	(22.39)
Total Capital Expenditure (J=C+F+I) (1)	**530.93**	**405.48**	**756.38**	**610.73**	**242.29**

Note:

(1) Total Capital Expenditure, which is a Non-GAAP measure, represents aggregate of additions of property, plant and equipment and other intangible assets during the relevant period/year and net additions of intangible assets under development and capital work-in-progress during the relevant period/ year. For details on reconciliation, see 'Selected Statistical Information - Non-GAAP Reconciliation' on page 304.

Leases

We have entered into leases and leave and license agreements as part of our operations. For details, see "*Risk Factors - We conduct our business operations on leased, leave and licensed premises, including our Registered Office and Corporate Office, and our inability to renew such leases, leaves and licenses may adversely affect our operations.*" and "*Our Business – Description of our Business and Operations – Properties*" on pages 53 and 213, respectively.

Contingent liabilities

The table sets forth our contingent liabilities as per Ind AS 37 as at December 31, 2023:

(in ₹ million)

Contingent liabilities	As at December 31, 2023
Claims against the company not acknowledged as debt	
- Indirect tax matter	175.03
- Direct tax matter	3.35
Guarantees:-	
- Corporate guarantees towards securitization transaction	65.77
- towards law suits, claims and proceedings, including collection and repossession related matters, which arise in the ordinary course of business	0.53
Other money for which the company is contingently liable	7.50

For details in relation to our contingent liabilities as at December 31, 2023 as per Ind AS 37, see "*Financial Information - Restated Summary Statements – Note 38: Contingent liabilities and commitments*" and "*Outstanding Litigation and Material Developments*" on pages 359 and 439, respectively.

Off-balance sheet commitments and arrangements

Except as disclosed under "*– Assignment transactions*" on page 430, we do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to various types of market risks during the normal course of business. For further details, see "*Our Business – Description of our Business and Operations – Risk Management*" beginning on page 213.

Auditor qualifications and emphasis of matter

There are no auditor qualifications or emphasis of matter which have not been given effect to in the Restated Summary Statements.

Unusual or infrequent events or transactions

There have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known trends or uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "- *Significant Factors Affecting our Financial Conditions and Results of Operations*" and the uncertainties described in "*Risk Factors*" on page 28. Except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material impact on our income.

Future relationship between cost and revenue

Other than as described in "*Risk Factors*" and this section, there are no known factors that might affect the future relationship between cost and revenue.

Related party transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Other Financial Information – Related Party Transactions*" on page 401.

Competitive conditions

We operate in a competitive environment. Please refer to "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 28, 137 and 201, respectively, for further information on our industry and competition.

Seasonality and cyclicality of business

Our business operations and the vehicle financing and non-banking financial services industries may be affected by seasonal trends in the Indian economy. Generally, the period from October to March is the peak period in India for retail economic activity. For further details, see *"Risk Factors –Our business may be affected by seasonal trends in the Indian economy. Any significant event or economic slowdowns during this peak season would materially and adversely affect our business, financial condition, results of operations, cash flows and growth."* on page 43.

Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Changes in revenue in the last three Fiscals and nine months ended December 31, 2022 and December 31, 2023 are as described in "*– Our Results of Operations – Nine months ended December 31, 2023 compared to nine months ended December 31, 2022 – Total Income – Revenue from Operations*", "*– Our Results of Operations – Fiscal 2023 compared to Fiscal 2022 – Total Income – Revenue from Operations*" and "*– Our Results of Operations – Fiscal 2022 compared to Fiscal 2021 – Total Income – Revenue from Operations*" above on pages 420, 421 and 423, respectively.

Significant dependence on single or few customers

We do not believe our business is dependent on any single or a few customers as on the date of this Draft Red Herring Prospectus.

New products or business verticals

Except as disclosed in "*Our Business*" on page 201, and products that we announce in the ordinary course of business, we have not announced and do not expect to announce in the near future any new products or business verticals.

Significant developments occurring after December 31, 2023

Except as set out below, to our knowledge, there are no significant developments occurring since December 31, 2023, which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities in the next 12 months:

- The Board of Directors of our Company in its meeting held on February 1, 2024 and shareholders of our Company in the Extraordinary General Meeting held on March 11, 2024 approved the sub-division of shares from ₹2 per share to ₹1 per share and also approved the bonus share in the ratio of 1:1 with effect from March 16, 2024. Consequently, the authorized share capital of 150,000,000 equity shares of face value of ₹2 each were sub-divided into 300,000,000 Equity Shares of face value of ₹1 each, the paid-up equity of 33,436,266 of face value of ₹2 each were sub-divided into 66,872,532 Equity Shares of face value of ₹1 each and bonus Equity Shares were issued in the ratio of 1:1. The employee stock options and price per option has been adjusted accordingly.

- Pursuant to a resolution of the shareholders of our Company dated January 4, 2024 and Board resolutions dated January 5, 2024, preferential allotment of a total of 975,339 Equity Shares at ₹2,306.89 per equity share of face value of ₹2 to India Business Excellence Fund IV aggregating to ₹ 2,250.00 million was approved and the same is not required to be considered in the Restated Summary Statements.

- Pursuant to a resolution of the shareholders of our Company dated March 11, 2024 and Board resolutions dated March 14, 2024, preferential allotment of a total of 242,500 Equity Shares at ₹2,306.89 per equity share of face value of ₹2 to Girish Dangayach, Ritesh Sharma, Amarpreet Batra, Vivek Haripal Singh, Sameer Arora, Atul Arora and Raj Kumar Setia aggregating to ₹ 559.42 million was approved and the same is not required to be considered in the Restated Summary Statements.

- Our Company has issued non-convertible debentures which are listed on the debt segment of BSE after December 31, 2023. For further details of our indebtedness as of March 15, 2024 and our listed non-convertible debentures, see "*Financial Indebtedness*" on page 435.

Recent accounting pronouncements

Except for Ind AS 1 Presentation of Financial Statements amendments and Ind AS 12 Income Taxes, there are no recent accounting pronouncements as on the date of this Draft Red Herring Prospectus, which, we believe, would have a material effect on our financial condition or results of operations.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at December 31, 2023, derived from our Restated Summary Statements, and as adjusted for the Offer. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" on pages 402, 312, and 28, respectively.

(₹ in million except otherwise stated)

Particulars	Pre-Offer (as at December 31, 2023)	Post Offer*
Debt securities (A)	17,769.20	
Borrowings (other than debt securities) (B)	61,141.20	[●]
Subordinated liabilities (C)	-	
Total borrowings (D =A+B+C)	**78,910.40**	**[●]**
Equity		
Equity Share capital (E)	64.44	[●]
Other equity (F)	27,318.52	[●]
Total Equity (G)	**27,382.96**	**[●]**
Total Capitalisation (H = D+G)	**1,06,293.36**	**[●]**
Ratio: Total borrowings/ Total Equity (D/G)	**2.88**	**[●]**

* *These amounts (as adjusted for the Offer) are not determinable at this stage pending the completion of the book building process and hence have not been furnished*

Notes:

The Board in its meeting held on February 1, 2024 and Shareholders in the extraordinary general meeting held on March 11, 2024 approved the sub-division of shares from ₹2 per share to ₹1 per share and also approved the bonus share in the ratio of 1:1 with effect from March 16, 2024.

FINANCIAL INDEBTEDNESS

Our Company has availed loans and other financing arrangements in the ordinary course of business primarily for onward lending to the borrowers of our Company and to meet its business requirements.

For details regarding the borrowing powers of our Board, please see "*Our Management – Borrowing powers of the Board*" on page 251.

Set forth below is a table of the aggregate borrowings of our Company, as on March 15, 2024:

(₹ in million)

Category of borrowing	Sanctioned Amount	Outstanding Amount
Term loans (including external commercial borrowings)	80,978.09	55,299.20
Cash credit, working capital and overdraft facilities (including overdraft facilities against fixed deposits limits)	5,882.21	3,254.58
Securitization arrangements	28,090.06	12,778.51
Secured NCDs	19,710.00	14,469.50
Unsecured NCDs	350.00	46.67
Total	**135,010.36**	**85,848.46**

* *As certified by Shah Patni & Co., Chartered Accountants, pursuant to the certificate dated May 1, 2024.*

Principal terms of our outstanding borrowings ("**Borrowings**") availed by our Company:

1. ***Tenor***: The tenor of the term loans availed by our Company typically ranges from approximately one to five years. The tenor of ECBs availed by our Company typically ranges from approximately 60 months to 84 months.

   The maturity period of the NCDs issued by the Company is typically 24 months to 62 months.

   The tenure of securitization arrangements entered into by us is typically 28 months to 114 months.

2. ***Interest***: The interest rates for the term loans availed by our Company typically ranges from 5.15% per annum to 11.75% per annum, which is linked to the marginal cost of fund-based lending rate or external benchmark rates.

   Our Company has also issued NCDs to various subscribers. For such borrowings, we enter into DTDs and in terms of such DTDs, a specified interest or coupon rate is to be paid per annum. The interest rate for the NCDs issued by our Company as of March 15, 2024, typically ranged from 8.90% to 11.33% per annum.

   Company has also raised funds in form of ECBs from various lenders. For such borrowings, we enter into required documents along with hedging documents with AD banks, pursuant to which a specified interest or coupon rate is to be paid per annum. The interest rate for the ECBs issued by our Company as of March 15, 2024, typically ranged from 10.57% to 10.85% per annum.

   Securitization arrangements entered into by us prescribe interest rates ranging from 8.42% to 9.75% per annum.

   Cash credit, working capital and overdraft facilities (including overdraft facilities against fixed deposits limits) entered into by us prescribe interest rates ranging from 7.95% to 11.45% per annum.

3. ***Security***: Our secured borrowings are typically secured by way of:

   a) Charge by way of hypothecation or assignment on the specific book debts arising out of the loans extended, including present and future book debts;

   b) Personal guarantees issued by Rajendra Kumar Setia, one of our Individual Promoters,

   c) Mortgage of immovable property of the Company;

   d) *Pari passu* or first charge on hypothecation of standard loan receivables under the facility, as applicable;

   e) First and exclusive charge on the standard receivables along with the prescribed security cover;

   f) Asset cover for the loan by way of charge over the book debts at a minimum prescribed limit;

   g) Lien on term deposits;

   h) Cash collaterals and security cover; and

   i) Demand promissory notes and letters of continuity for specified amounts in the form approved by the relevant lender.

4. ***Repayment:*** The cash credit and working capital facilities are typically repayable on demand. The repayment period for the term loan facilities availed by us is typically in equal monthly or quarterly instalments. The NCDs issued by our Company are repayable on monthly, quarterly or on maturity.

5. ***Prepayment:*** The term loans availed and NCDs, MLDs and ECBs issued by our Company typically have prepayment and early redemption provisions respectively, which allow for prepayment or early redemption respectively, with prior notice on payment of certain penalties. While few of our term loans can be repaid only on the lender's discretion, the prepayment penalty typically ranges from 1% to 5% of the amount being prepaid with respect to the term loans and 2% with respect to ECBs.

6. ***Penalty:*** The facilities issued and availed by our Company contain provisions prescribing penalties, over and above the prescribed interest rate, for delayed payment or default in the repayment obligations of our Company, which typically range from 1.00% to 36.00% of the amounts involved with respect to term loans and 2.00% with respect to NCDs, MLDs and Nil with respect to ECBs. The penalty interest for the PTC facilities availed by us typically ranges from 1.00 % p.a. to 24.00 % p.a.

7. ***Restrictive covenants***: In terms of our facility agreements, sanction letters, DTDs and securitization arrangements, we are required to comply with various financial covenants, restrictive covenants and conditions restricting certain corporate actions, and we are required to take prior consent from the lender or the trustee (acting on the instructions of the majority debenture holders) and/or intimate the respective lender or trustee (acting on the instructions of the majority debenture holders) before carrying out such actions, including, but not limited to the following:

   (a) to effect any adverse changes to or effect a major change in its capital structure;

   (b) to formulate or effect any scheme of amalgamation or merger or reconstruction;

   (c) to undertake any activity other than the activities indicated in the objects clause of the memorandum of association of our Company;

   (d) for any transfer of the controlling interest or the management set up;

   (e) to undertake guarantee obligations on behalf of any other person;

   (f) for declaring any dividend if any instalment towards principal or interest remains unpaid on its due date; and

   (g) to change constitutional documents.

8. ***Events of default:*** The financing arrangements entered into by our Company contain standard events of default including, among others:

   (i) non-payment of money due to any person or lender as and when they fall due or when demanded;

   (ii) breach of or default in the performance of or observance of any of the terms, covenants, obligations or undertakings stipulated in the relevant documents;

   (iii) incorrect or misleading representation, warranty or statement under the facility or debenture documents;

   (iv) failure to create and perfect security;

   (v) the occurrence of any event or circumstance which prejudicially or adversely affects or is likely to prejudicially or adversely affect the capacity of our Company to repay the facilities availed;

   (vi) any notice or action in relation to actual or threatened proceedings relating to bankruptcy, liquidation or insolvency being initiated against us;

   (vii) our Company ceasing or threatening to cease to carry on its business;

   (viii) occurrence of a material adverse change; and

   (ix) cross default in any indebtedness of the Company.

9. ***Consequences on occurrence of event of default***: In In terms of our borrowing arrangements, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may:

   (i) accelerate repayment of facilities or declare all sums outstanding as immediately due and payable;

   (ii) enforce their security interest over the hypothecated assets.;

   (iii) demand the Company to furnish additional unencumbered collateral as a security;

(iv) suspend or cancel any undisbursed amount of the facility;

(v) convert whole or part of the outstanding amount into fully paid-up Equity Shares;

(vi) disclosure of information to the Credit Information Bureau (India) Limited / information utility and / or any other agency so authorized by RBI as may be required under applicable law;

(vii) levy a default interest of up to 2% per annum on the overdue amounts; and

(viii) appoint nominee directors.

The details provided above are indicative and there may be additional terms, conditions, and requirements under the various outstanding borrowing arrangements of our Company.

For the purpose of the Offer, our Company has obtained necessary consents from our lenders, except for IDBI Bank Limited, as required under the relevant loan documentations for undertaking activities relating to the Offer including consequent corporate actions, such as change in our capital structure, change in the Board composition, amendments to the charter documents of our Company, etc.

For further details on risk factors related to our indebtedness, refer "*Risk Factors – Our significant financial indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to conduct our business and operations in the manner we desire.*", on page 44.

Details of listed non-convertible debentures issued by our Company

The following table sets forth the ISIN and scrip code of the non-convertible debentures issued by our Company and listed on the debt segment of the BSE, as of March 15, 2024:

ISIN	Scrip Code	Status	Debenture Holder	Outstanding principal amount* *(in ₹ million)*	Maturity
INE124N07556	973129	Active	Morgan Stanley India Primary Dealer Private Limited	1,000.00	April 2, 2024
INE124N07572	973929	Active	A.K. Capital Services Limited A.K. Capital Finance Limited	412.50	April 29, 2025
INE124N07598	973953	Active	Vivriti Capital Private Limited MAS Financial Services Limited Satya Microcapital Limited Credavenue Private Limited Labdhi Business Trust Vrinda Rajgarhia Prasad Agents Pvt Ltd Shah Rukh Khan Family Trust Capricon Realty Limited Rajesh Kumar Jindal Sanjiv Sarita Consulting Pvt Ltd	1,750.00	May 26, 2024
INE124N08075	973691	Active	Northern Arc Capital Limited	46.67	June 29, 2024
INE124N07606	974100	Active	ICICI Prudential Balanced Advantage Fund ICICI Prudential Credit Risk Fund	1,720.00	August 8, 2024
INE124N07614	974232	Active	IIFL Commercial Yield Fund	1,500.00	November 22, 2024
INE124N07622	974364	Active	Northern Arc Capital Limited	500.00	November 16, 2024
INE124N07648	974565	Active	Aditya Birla Sun Life Low Duration Fund Aditya Birla Sun Life Medium Term Plan HDFC Credit Risk Debt Fund Mas Financial Services Limited	1,750.00	January 27, 2025
INE124N07655	974581	Active	Axis Mutual Fund Trustee Ltd. A/C Axis Mutual Fund A/C Axis Strategic Bond Fund Axis Mutual Fund Trustee Ltd. A/c Axis Mutual Fund A/c Axis Credit Risk Fund Axis Mutual Fund Trustee Ltd. A/c Axis Mutual Fund A/c Axis Balanced Advantage Fund (Old Name Axis Dynamic Equity Fund) Axis Mutual Fund Trustee Ltd. A/c Axis Mutual Fund A/c Axis Equity Hybrid Fund	250.00	February 2, 2025
INE124N07630	974519	Active	Satya Microcapital Limited Fourdegreewater Capital Private Limited Dezerv Distribution Services Private Limited IKF Finance Limited MAS Financial Services Limited Ambit Finvest Private Limited Namra Finance Limited Credavenue Securities Private Limited	262.00	April 5, 2025

ISIN	Scrip Code	Status	Debenture Holder	Outstanding principal amount* *(in ₹ million)*	Maturity
INE124N07671	975189	Active	MAS Financial Services Limited Credavenue Securities Private Limited	500.00	November 8, 2026
Total				**9,691.17**	

* *As certified by Shah Patni & Co., Chartered Accountants, pursuant to the certificate dated May 1, 2024.*

*Note: Our Company had allotted 5,000,000 non-convertible debentures ("**NCDs**") to Karvy Capital Limited on December 21, 2018, in accordance with applicable law. However, as of one day prior to the date of listing of the NCDs on December 31, 2018, Karvy Capital Limited had transferred such NCDs to 500 NCD holders. These NCDs have been redeemed on March 5, 2024, and are not outstanding as of the date of this Draft Red Herring Prospectus.*

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, as on the date of this Draft Red Herring Prospectus, there are no outstanding (i) criminal proceedings (including matters which are at first information report ("**FIR**") stage even if no cognizance has been taken by any court) involving the Company, the Promoters and its Directors (together, the "**Relevant Parties**"); (ii) actions (including all penalties and show cause notices) taken by statutory or regulatory authorities against the Relevant Parties; (iii) tax matters involving the Relevant Parties regarding claims related to direct and indirect taxes; and (iv) civil litigations (including arbitration proceedings) involving the Relevant Parties based on the Materiality Policy adopted by the Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by the SEBI or Stock Exchanges against our Promoters in the last five Financial Years, including any outstanding action. As on the date of this Draft Red Herring Prospectus, there are no subsidiaries of our Company.*

For the purpose of disclosure of pending material litigation in (iv) above, our Board in its meeting held on April 18, 2024 has considered and adopted the Materiality Policy, in terms of which, any outstanding litigation involving a claim or an amount which exceeds ₹ 22.28 million, being the amount equivalent to 1 % of the profit for the year ended March 31, 2023, which was ₹ 2,227.86 million, would be considered 'material'. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a material adverse bearing on the business, operations, performance, prospectus, reputation, results of operations or cash flows of our Company. This will also include civil litigations where the decision in one case is likely to affect the decision in similar cases even though the amount involved in an individual litigation may not exceed the amount equivalent to 1 % of the profit as per the Restated Summary Statements.

For the purposes of this section, pre-litigation notices (excluding notices from statutory/ regulatory/ governmental/ tax authorities and notices threatening criminal action as applicable), have not been considered material and/ or have not been disclosed as pending matters until such litigation proceedings have been initiated before any judicial or arbitral forum.

Furthermore, except as stated in this section and in terms of the Materiality Policy, there is no pending litigation involving our Group Company, the adverse outcome of which may have a material impact on our Company.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor (on the basis of amounts derived from the head "creditor for other expenses" in the Restated Summary Statements) of our Company having a monetary value which exceeds 5 % of the total amounts due derived from the head "creditor for other expenses" in the Restated Summary Statements of our Company as of December 31, 2023, shall be considered as 'material'. Accordingly, as on December 31, 2023, any outstanding dues exceeding ₹21.14 million have been considered as material outstanding dues for the purposes of identification of material creditors and related information in this section. Further, for outstanding dues to MSMEs, the disclosure is based on information available with our Company regarding status of the creditors under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder.

All terms defined in a particular litigation disclosure below correspond to that particular litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus

Litigation involving our Company

Outstanding Litigation against our Company

Criminal Proceedings

1. Amit Kumar had filed a criminal complaint before the Magistrate, Udaipurwati, Jhunjhunu (the "**Magistrate**") in respect of an agreement of sale of a vehicle entered into between Amit Kumar and Jai Prakash, alleging fraud and breach of trust under various provisions of the IPC. Our Company had provided finance to Amit Kumar to purchase the vehicle from Jai Prakash. In the proceedings before the Magistrate, our Company had sought the possession of the disputed vehicle owing to the non-payment of dues by Amit Kumar. Through the order dated June 30, 2015, the Magistrate granted custody of the disputed vehicle to our Company. As against the order dated June 30, 2015, Jai Prakash has filed a revision petition before the Sessions Judge, Jhunjhunu ("**Sessions Judge**"). The Sessions Judge through its order dated May 19, 2016, dismissed the said revision petition. As against the said order dated May 19, 2016, Jai Prakash has filed a criminal miscellaneous petition before the High Court of Rajasthan at Jaipur. The matter is currently pending before the High Court of Rajasthan at Jaipur.

2. Mahendra Singh Meena ("**Mahendra**") had filed a criminal complaint against Tej Singh ("**Tej**"), before the Civil Judge and Judicial Magistrate, Jahajpur, ("**Magistrate**") in respect of a vehicle that Tej allegedly rented out to Mahendra ("**Complaint**"). In the Complaint, Mahendra alleged that Tej had forcibly retrieved the possession of the said vehicle from him. Pursuant to the Complaint, the Magistrate through its order dated June 13, 2019, had ordered the recovery of the tractor from Tej ("**Order**"). As against the Order, Tej has filed a criminal miscellaneous petition before the High Court of Rajasthan at Jodhpur ("**High Court**"). Pursuant to an impleadment application filed by our Company, our Company has been impleaded in the proceedings before the High Court in the capacity of being a

financier of the vehicle that forms the subject matter of the dispute. The matter is currently pending before the High Court.

3. Our Company has extended a loan to Prem Singh ("**Prem**") for the purchase of a vehicle. However, following persistent defaults by Prem in respect of the said loan, our Company became entitled to repossess the vehicle that Prem purchased, in terms of the loan agreement entered into between our Company and Prem ("**Loan Agreement**"). In accordance with the Loan Agreement, our Company took possession of the vehicle and delivered a post-repossession intimation to the police station at Phulera. In response to the repossession, Prem had filed a first information report against our Company under Section 382 of the IPC ("**FIR**"). Our Company has filed a criminal miscellaneous petition under Section 482 of the CrPC before the High Court of Rajasthan at Jaipur ("**High Court**") seeking the quashing of criminal proceedings. The matter is currently pending before the High Court.

4. Deendayal had availed a loan from our Company to purchase a vehicle. When the area sales manager of our Company visited the premises of Deendayal to collect to payment for the loans availed by him from our Company, Mangi Lal and a few others had started abusing the area sales manager. Thereafter Mangi Lal had lodged a first information report ("**FIR**") against our Company alleging violations of Sections 279, 323 and 341 of the IPC and Sections 3 (1) (s) and 3 (2) (va) of the Schedule Caste and Schedule Tribe (Prevention of Atrocities) Act, 1989 in respect of the visit by our Company's area sales manager to Deendayal's premises. Our Company has filed a criminal miscellaneous petition under Section 482 of the CrPC before High Court of Rajasthan at Jodhpur ("**High Court**"), seeking to quash the FIR. The matter is currently pending before the High Court.

5. Ibrahim a customer of our Company, has filed a complaint dated August 11, 2011, against Nitin Singh, who was the branch manager at our Company's branch in Chamdaghar, Rajasthan, in respect of the dishonour of a cheque allegedly issued to him by Nitin Singh with reference to a loan allegedly approved by our Company to Ibrahim. The investigating officer however filed a negative final report ("**Report**") after finding that the matter was of a civil nature. As against the Report, Ibrahim has filed a protest petition dated February 21, 2012 ("**Protest Petition**") before the Additional Chief Judicial Magistrate, Kishangarh ("**ACJM**"). By way of an order dated July 3, 2012, the ACJM disallowed the Report and directed the registration of a criminal case against Nitin Singh and our Company ("**ACJM Order**"). As against the order dated July 3, 2012, our Company filed a petition under Section 482 of the CrPC before the High Court of Rajasthan at Jaipur ("**High Court**"). Through its order dated November 22, 2017, the High Court stayed the ACJM Order. The matter is currently pending before the High Court.

6. Our Company extended a loan to Jitender Singh for the purposes of purchasing a tractor. However, Jitender Singh had persistently defaulted on the repayment of the loan facility extended by the Company. Thereafter the tractor which was purchased by Jitender Singh had been damaged and the same was surrendered to the Company, by way of a surrender letter executed by Harvindar Singh who is a guarantor in the loan facility availed by Jitender Singh from our Company ("**Surrender Letter**"). Pursuant to the Surrender Letter, the Company had issued a pre-possession notice to the concerned police station and tractor was parked in the Company's authorized parking yard. Pursuant to recovery of the possession of the vehicle, our Company sold the tractor after duly providing a pre-sale notice to Jitender Singh and appropriated the proceeds thereof. Subsequently, Sukhwindar Singh, the father or Jitender Singh filed an FIR under Sections 306, 406, 420 and 120-B of the IPC against the Company alleging that the Company had wrongfully detained the tractor and had driven Jitender Singh to commit suicide. Our Company has filed a criminal miscellaneous petition under Section 482 of the CrPC before High Court of Rajasthan at Jodhpur ("**High Court**"), seeking to quash the FIR. The matter is currently pending before the High Court.

7. The Sadar Faridkot police registered a first information report ("**FIR**") against Ranjeet Singh, one of our customer, on allegations that while recklessly driving his vehicle he hit the vehicle of Jagsir Singh. Ranjeet Singh filed an application before the Additional Chief Judicial Magistrate, Faridkot, wherein he intimated the court that the vehicle he had used was in the possession of our Company ("**Application**"). Pursuant to the Application, our Company has been issued summons to the produce Ranjeet Singh's vehicle. The matter is currently pending before the Additional Chief Judicial Magistrate, Faridkot.

Material Civil Litigation

Nil

Outstanding Litigation by our Company

Criminal Proceedings

1. Our Company has, in the ordinary course of its business, filed 23,582 complaints against various persons under Section 138 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques and recovery of dues. These matters are currently pending at different stages of adjudication before the various judicial fora. To the extent quantifiable, the aggregate amount involved in these matters is ₹ 6,386.20 million.

2. Our Company, in the ordinary course of its business, has filed 548 complaints with the relevant Magistrates against various persons under Section 190 of the CrPC ("**Complaints**"). These cases are inter alia pursuant to: (a) misappropriation of funds provided by our Company as trade advances to direct selling agents; (b) misrepresentation

in respect of properties mortgaged to us by certain delinquent customers after having availed loans from our Company against the said mortgages and (c) the concealment of hypothecated vehicles or fraudulently parting with the possession of hypothecated vehicles by certain delinquent customers after having availed loans from our Company against charges by way of hypothecation on such vehicles. Our Company, through the aforesaid complaints, has sought for investigations, inter alia, for the offences of fraud and criminal breach of trust under provisions of the IPC. These matters are currently pending at different stages of adjudication before the various judicial fora. Further, in relation to 27 of the Complaints, the police have filed negative final reports under Section 173 of the CrPC ("**Final Reports**") concluding that no criminal offence is made out pursuant to these Complaints. As against these Final Reports, our Company has filed 27 protest petitions under the CrPC, protesting the findings of the police in the Final Reports. These matters are currently pending at different stages of adjudication before the various judicial fora.

3. The police has registered 158 FIRs against various delinquent customers pursuant to successful adjudication of the complaints filed by our Company, in its ordinary course of business, under Section 190 of the CrPC before the relevant magistrate courts *inter alia* in respect of: (a) misappropriation of funds provided by our Company as trade advances to direct selling agents; (b) misrepresentation in respect of properties mortgaged to us by certain delinquent customers after having availed loans from our Company against the said mortgages and (c) the concealment of hypothecated vehicles or fraudulently parting with the possession of hypothecated vehicles by certain delinquent customers after having availed loans from our Company against charges by way of hypothecation on such vehicles. These matters are currently pending investigation.

4. Our Company has filed 52 applications under Sections 451 and 457 of the CrPC ("**Applications**") seeking the possession of seized vehicles, *inter alia*, on the grounds that (a) these vehicles are hypothecated in our Company's favour, and (b) leaving these vehicles idle under the custody of the police authorities would deteriorate their condition, thereby reducing their value in addition to the value lost to depreciation. Two of these Applications are pursuant to criminal proceedings initiated by our Company against various delinquent customers with reference to (a) a default in the payment of loans by delinquent customers, and (b) a fraudulent transfer of the hypothecated vehicles by delinquent customers. Additionally, 49 of such Applications are incidental to certain criminal proceedings initiated by the police against a few of our customers, where the vehicle hypothecated in our Company's favour has been seized in relation to a criminal offence committed by the concerned customers. These matters are currently pending at different stages of adjudication before the various judicial fora.

5. Our Company had filed 26 applications against various persons under Section 459 of the CrPC ("**459 Application**") against various persons seeking to sell those vehicles over which our Company was granted custody pursuant to applications filed under Section 457 of the CrPC ("**457 Applications**"). These 457 Applications pursuant to which the 459 Applications have been filed, are incidental to certain criminal proceedings initiated by the police against a few of our customers, where the vehicle hypothecated in our Company's favour has been seized in relation to a criminal offence committed by the concerned customers. The 459 Applications are currently pending at different stages of adjudication before the various judicial fora.

6. Our Company had filed a complaint dated July 21, 2015 ("**Complaint**") against Kalyan Sahay and Rupesh Agrawal, customers of our Company, before the Judicial Magistrate, Virat Nagar, Jaipur for fraudulently transferring a vehicle that was hypothecated in our favour pursuant to a loan facility extended to the Accused. Pursuant to the Complaint, Kalyan Sahay (the "**Accused**") was charged under various provisions of the IPC. Thereafter by means of order dated July 11, 2017, the Civil Judge and District Magistrate, Virat Nagar, Jaipur convicted the Accused under Sections 406 and 424 of the IPC. As against the order dated July 11, 2017, Kalyan Sahai had filed an appeal before the Additional District Judge, Shahpura ("**ADJ**") on the ground that the matter is civil in nature. Our Company has been impleaded in the capacity of being a complainant in the said matter. The matter is pending before the ADJ.

7. Our Company had filed a first information report against Bajrang Lal after an inordinate delay in the repayment of a loan advanced by our Company to Bajrang Lal with the Police Station at Sadar, Sikar under sections 403, 406, 420, 424 and 120-B of the IPC ("**FIR**"). As against the FIR, Bajrang Lal has filed a criminal miscellaneous petition before the High Court of Rajasthan at Jaipur ("**High Court**"), seeking the quashing of the FIR. The matter is currently pending before the High Court.

8. Vijay Kumar Agarwal ("**Vijay**") had arranged for loans to be issued by our Company on behalf of a few customers. However, it was discovered that Vijay had obtained loans from our Company by forging certain documents pertaining to the customers. Based on the above, our Company had filed a complaint with the police and thereafter, the police registered a first information report against Vijay ("**FIR**"). Pursuant to the FIR, the Additional Chief Metropolitan Magistrate, Jaipur ("**ACJM**") imposed charges against Vijay, through its order dated September 9, 2016. The matter is currently pending before the ACJM.

9. Mohammad Umar Khan ("**Umar**") had obtained a loan from our Company to purchase a vehicle. However, Umar had persistently defaulted on the repayment of the loan facility extended by the Company. Thereafter our Company through two of its officers had approached the residence of Umar for the repayment of the loan facility. Our Company's officers were manhandled by Yonus Khan, who is a guarantor to the loan advanced by our Company to Umar, and were subjected to casteist remarks by Yonus. Our Company's officers had filed an FIR against Yonus Khan under Sections 323 and 341 of the IPC and Section 3 (1) (r) of the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities)

Act, 1989. Subsequently, Sofia, the wife of Umar filed an FIR under Sections 354, 451, 452, 323 and 341 of the IPC against these officers. Our Company and these officers have filed a criminal miscellaneous petition under Section 482 of the CrPC before High Court of Rajasthan at Jaipur ("**High Court**"), seeking to quash the FIR filed by Sofia. The matter is currently pending before the High Court.

10. Somabhai Manabhai Thori ("**Somabhai**") had obtained a loan from our Company to purchase a vehicle. However, Somabhai had defaulted on the repayment of the loan facility extended by the Company. Thereafter our Company through two of its officers had approached Sureshbhai and Rameshbhai, sons of Somabhai in relation to the repayment of the loan availed by Somabhai as it came to be known that Somabhai had passed away. However, the officers of our Company were abused by Sureshbhai and Rameshbhai and certain documents pertaining to the loan availed by Somabhai were snatched from our officers. Thereafter, Sureshbhai had filed an FIR against these officers under Sections 394, 427, 504 and 114 of the IPC. Our Company (acting on behalf of the officer) and these officers have filed a criminal miscellaneous petition under Section 482 of the CrPC before High Court of Gujarat at Ahmedabad ("**High Court**"), seeking to quash the FIR filed by Sureshbhai. The matter is currently pending before the High Court.

Litigation involving our Promoters

Criminal Litigation

Litigation against our Promoters

Our Promoter, Rajendra Kumar Setia, filed an FIR dated August 13, 2015 ("**FIR**") against Ashish Acharya under Sections 420,406 and 448 of the IPC, in respect of a tenancy agreement ("**Tenancy Agreement**") entered into between Rajendra Kumar Setia and Ashish Acharya. It has been alleged in the FIR that in terms of the Tenancy Agreement, a certain premises was to be rented out to our Company in exchange for an advance payment and monthly rent payments. It has further been alleged that in the month of August 2015, Ashish Acharya had tried to (a) illegally begin construction in the said premises; (b) evict the Company from the said premises and (c) misappropriate the security deposit paid in terms of the Tenancy Agreement. In relation to the same Tenancy Agreement, Ashish Acharya filed an another FIR under Section 420, 467, 468, 469, 403 and 44 of the IPC ("**Fresh FIR**") against Rajendra Kumar Setia alleging forgery of documents and land grabbing. Pursuant to the Fresh FIR, the police filed a negative final report ("**Final Report**") thereby concluding that case initiated by Ashish Acharya is false in nature. In response to the Final Report, Ashish Acharya has filed a protest petition against the Final Report thereby protesting the conclusions of the police in the Final Report before the Additional Chief Metropolitan Magistrate, Mahanagar. The matter is currently pending investigation.

Litigation by our Promoters

1. Our Promoter, Rajendra Kumar Setia was a partner at an LLP named M/s Vipul Premises LLP ("**Vipul Premises**") along with 13 other individuals. Vipul Premises had entered into a development agreement ("**Development Agreement**") with Adarsh Thoughts Works Private Limited ("**Developer**") to develop a piece of land that was purchased by Vipul Premises. However, the Developer had failed to complete the development of the land in terms of the stipulated timelines. On account of this delay, Vipul Premises terminated the Development Agreement. Upon the said termination, our Promoter, Rajendra Kumar Setia along with a few other partners of Vipul Premises resigned as partners. Pursuant to the resignation of the partners of Vipul Premises, one of the partners Ravi Kumar Setia had filed an FIR against four partners, namely Naresh Kumar Arora, Suneet Bagai, Shabeer Khan and Shakeel Khan, alleging that these partners have been concealing the books of accounts and other records of Vipul Premises. These partners who have been named in the FIR have filed a criminal miscellaneous petition ("**Petition**") under Section 482 of the CrPC before High Court of Rajasthan at Jaipur ("**High Court**"), seeking to quash the FIR filed by Ravi Kumar Setia. Our Promoter, Rajendra Kumar Setia has been arrayed as a respondent to the Petition in the capacity of having been one of the partners of Vipul Premises. The matter is currently pending before the High Court.

2. Our Promoter, Rajendra Kumar Setia, filed an FIR ("**FIR**") against Ashish Acharya under Sections 420,406 and 448 of the IPC, in respect of a tenancy agreement ("**Tenancy Agreement**") entered into between Rajendra Kumar Setia and Ashish Acharya. It has been alleged in the FIR that in terms of the Tenancy Agreement, a certain premises was to be rented out to our Company in exchange for an advance payment and monthly rent payments. It has further been alleged that in the month of August 2015, Ashish Acharya had tried to (a) illegally begin construction in the said premises; (b) evict the Company from the said premises and (c) misappropriate the security deposit paid in terms of the Tenancy Agreement. The matter is currently pending.

Material Civil Litigation

Nil

Litigation involving our Directors

Litigation against our Directors

Nil

Litigation by our Directors

Nil

Claims related to Direct and Indirect Taxes

Except as disclosed below, there are no proceedings related to direct and/ or indirect taxes pending against our Company, Promoters and Directors:

Nature of Case	Number of Cases	Amount involved (*in ₹ million*)
Our Company		
Direct Tax	6	3.35
Indirect Tax	4	176.19
Our Promoters		
Direct Tax	5	24.14
Indirect Tax	Nil	Nil
Our Directors*		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

* *Excludes litigation involving one of our Promoters i.e., Rajendra Kumar Setia.*

Outstanding dues to creditors

In terms of the Materiality Policy, creditors of our Company to whom an amount exceeding 5% of the total amounts derived from the head "creditor for other expenses" in the Restated Summary Statements as of December 31, 2023, based on the Restated Summary Statements of our Company was outstanding, were considered 'material' creditors. The total amounts due derived from the head "creditor for other expenses" in the Restated Summary Statements as of December 31, 2023, was ₹422.77 million and accordingly, creditors to whom outstanding dues as of December 31, 2023, exceed ₹21.14 million have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus. Details of outstanding dues towards our material creditors are available on the website of our Company at www.skfin.in/investor/investor-services.

Based on the Materiality Policy, details of outstanding dues owed as of December 31, 2023 by our Company, on a consolidated basis are set out below:

Type of creditors	Number of Creditors	Amount (in ₹ million)
Dues to Micro, Small and Medium Enterprises	9	0.12
Dues to Material Creditors	Nil	Nil
Dues to other creditors	3,237	194.11
Total	**3,246**	**194.23**

As of December 31, 2023, there are no material creditors to whom our Company owes any dues.

Material Developments

Except as set out below and as disclosed in this Draft Red Herring Prospectus, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments after December 31, 2023*" on page 432.

- The Board of Directors of our Company in its meeting held on February 1, 2024 and shareholders of our Company in the Extraordinary General Meeting held on March 11, 2024 approved the sub-division of shares from ₹2 per share to ₹1 per share and also approved the bonus share in the ratio of 1:1 with effect from March 16, 2024. Consequently, the authorized share capital of 150,000,000 equity shares of face value of ₹2 each were sub-divided into 300,000,000 Equity Shares of face value of ₹1 each, the paid-up equity of 33,436,266 of face value of ₹2 each were sub-divided into 66,872,532 Equity Shares of face value of ₹1 each and bonus Equity Shares were issued in the ratio of 1:1. The employee stock options and price per option has been adjusted accordingly.
- Pursuant to a resolution of the shareholders of our Company dated January 4, 2024 and Board resolutions dated January 5, 2024, preferential allotment of a total of 975,339 Equity Shares at ₹2,306.89 per equity share of face value of ₹2 to India Business Excellence Fund IV aggregating to ₹ 2,250.00 million was approved and the same is not required to be considered in the Restated Summary Statements.
- Pursuant to a resolution of the shareholders of our Company dated March 11, 2024 and Board resolutions dated March 14, 2024, preferential allotment of a total of 242,500 Equity Shares at ₹2,306.89 per equity share of face value of ₹2 to Girish Dangayach, Ritesh Sharma, Amarpreet Batra, Vivek Haripal Singh, Sameer Arora, Atul Arora and Raj Kumar Setia aggregating to ₹ 559.42 million was approved and the same is not required to be considered in the Restated Summary Statements.
- Our Company has issued non-convertible debentures which are listed on the debt segment of BSE after December 31, 2023. For further details of our indebtedness as of March 15, 2024 and our listed non-convertible debentures, see "Financial Indebtedness" on page 435.

GOVERNMENT AND OTHER APPROVALS

Our Company requires various approvals, licenses, registrations, and permits issued by relevant governmental and regulatory authorities under various rules and regulations to carry out our present business activities and to undertake the Offer. Set out below is an indicative list of all material approvals, licenses, registrations, and permits obtained by our Company, which are material and necessary for undertaking our business, and except as mentioned below, no further material approvals are required to carry on our present business activities. Certain of our key approvals, licenses, registrations, and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures, as necessary. For further details, in connection with the applicable regulatory and legal framework within which we operate, see "Risk Factors" and "Key Regulations and Policies" on pages 28 and 226, respectively.

I. Material approvals in relation to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 447.

II. Material approvals in relation to our Company

We require various approvals to carry on our business in India. We have received the following material government and other approvals pertaining to our business.

A. *Material approvals in relation to incorporation*

1. Certificate of incorporation dated November 21, 1994, issued by the RoC to our Company, in its former name, being Ess Kay Auto Finance Private Limited.

2. Fresh certificate of incorporation dated October 18, 1996, issued by the RoC to our Company, consequent upon change of name of our Company to Ess Kay Auto Finance Limited.

3. Fresh certificate of incorporation dated March 20, 1998, issued by the RoC to our Company, consequent upon change of name of our Company to Ess Kay Auto Finance Private Limited.

4. Fresh certificate of incorporation dated October 7, 2016, issued by the RoC to our Company, consequent upon change of name of our Company to Ess Kay Fincorp Private Limited.

5. Fresh certificate of incorporation dated September 4, 2017, issued by the RoC to our Company, consequent upon change of name of our Company to Ess Kay Fincorp Limited.

6. Fresh certificate of incorporation dated September 7, 2021, issued by the RoC to our Company, consequent upon change of name of our Company to SK Finance Limited.

B. *Material approvals in relation to our business*

The material approvals in relation to the business operations of our Company are set forth below:

1. The RBI granted a certificate of registration dated October 16, 1998, allotting registration number 10.00080, pursuant to which our Company (under its erstwhile name, 'Ess Kay Auto Finance Private Limited') was registered as an NBFC under Section 45-IA of the RBI Act.

2. The RBI granted a certificate of registration dated October 26, 2016 to our Company (under its erstwhile name, 'Ess Kay Fincorp Private Limited') and endorsed our Company as a NBFC-ND-AFC, with registration number B-10.00080 as an NBFC under Section 45-IA of the RBI Act.

3. The RBI granted a certificate of registration dated September 25, 2017 to our Company (under its erstwhile name, 'Ess Kay Fincorp Limited') and endorsed our Company as a NBFC-ND-AFC, with registration number B-10.00080 as an NBFC under Section 45-IA of the RBI Act.

4. The RBI granted a certificate of registration dated September 14, 2021 to our Company (under our current name) and endorsed our Company as a NBFC-ICC, with registration number B-10.00080 as an NBFC under Section 45-IA of the RBI Act.

5. Our Company is registered with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India ("**CERSAI**") for registration of security interest bearing registration number B1000080.

6. The legal entity identifier code number 33580098QG6CT1QH8721 has been granted to our

Company by the Legal Entity Identifier India Limited which is valid up to March 14, 2028.

7. Our Company has been registered as a principal entity bearing registration number 1401459750000019932 pursuant to a certificate of registration issued by Vodafone Idea Limited under the Telecom Commercial Communications Customer Preference Regulations, 2018.

8. Trade certificates as a dealer of light and heavy terrain vehicles for four wheeler vehicles bearing number RJ14TCFG0166, trade certificate as a dealer of four wheeler vehicles bearing number RJ14TC0218 and trade certificate as a dealer of two wheeler vehicles bearing number RJ14TC0219 issued by the District Council, Jaipur under the Central Motor Vehicles Rules 1989;

C. ***Approval from Taxation Authorities***

1. The permanent account number of our Company is AAACE5115F.

2. The tax deduction account number of our Company is JPRE01369E.

3. Our Company has obtained goods and services tax registrations under the Central Goods and Service Tax Act, 2017, in relation to certain of our branches and regional offices for our business operations in the following states:

Sr. No.	State	GSTIN
1.	Chhattisgarh	22AAACE5115F1ZC
2.	Delhi	07AAACE5115F1Z4
3.	Gujarat	24AAACE5115F1Z8
4.	Haryana	06AAACE5115F1Z6
5.	Himachal Pradesh	02AAACE5115F1ZE
6.	Karnataka	29AAACE5115F1ZY
7.	Madhya Pradesh	23AAACE5115F1ZA
8.	Maharashtra	27AAACE5115F1Z2
9.	Punjab	03AAACE5115F1ZC
10.	Rajasthan	08AAACE5115F1Z2
11.	Rajasthan (Input Service Distributor)	08AAACE5115F2Z1
12.	Uttar Pradesh	09AAACE5115F1Z0
13.	Uttarakhand	05AAACE5115F1Z8

III. Labour and commercial approvals

Our Company has obtained the following registrations under various employee and labour-related laws, namely the following:

1. Registration under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, bearing code number RJRAJ0020467000.

2. Registrations under the Rajasthan Shops and Commercial Establishments Act, 1958 for its Registered Office pursuant to registration number SCA/2018/14/133420 and for its Corporate Office pursuant to registration number SCA/2021/14/136468.

3. Registrations issued by the Employees' State Insurance Corporation, India under the Employees State Insurance Act, 1948, for the states where we carry our business operations, as applicable.

4. Our Company has also obtained registration as a principal employer from the Department of Labour, Government of Rajasthan pursuant to a registration number CLPE/2023/14/132/791 under the Contract Labour (Regulation and Abolition) Act, 1970 dated December 22, 2023.

5. Registrations from the state labour welfare boards for the following states where the Company is eligible:

Sr. No.	State Labour Welfare Board	Registration number
1.	Chhattisgarh	27468
2.	Delhi	DLWB/2022/00377
3.	Gujarat	HO/0013530
4.	Haryana	PSA/REG/RWR/LI-Rwr-I/0215602
5.	Madhya Pradesh	SKML233635
6.	Maharashtra	1731000311472077
7.	Punjab	20171131822

6. Professional tax registration with the state governments for the following states where the Company is eligible:

Sr. No.	State	Registration number
1.	Gujarat (Surat)	PRC03SE00037009
2.	Karnataka	305915450
3.	Madhya Pradesh	79739009900
4.	Maharashtra	27801559462P
5.	Punjab	E52AFMPV8645K

IV. Material approvals for our branches and regional offices

Our Company has obtained registrations in the ordinary course of business for our branches and regional offices across various states and union territories in India, including registrations under applicable shops and establishments legislation of the states in which the Company operates its branches.

Certain licences may have lapsed in their normal course and our Company has made applications to the appropriate authorities for fresh registrations or for renewal of existing registrations. For further details, please see *"Risk Factors – Certain statutory and regulatory licenses and approvals are required for conducting our business and any failure or omission to obtain, maintain or renew these licenses and approvals in a timely manner, or at all, could adversely affect our business, cash flows and results of operations."* and " – *Material approvals applied for but not received* " on page 51 and 446, respectively.

V. Material approvals applied for but not received

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no material approvals which our Company has applied for, but which have not been received:

1. Registrations of establishment under applicable shops and establishments legislation for 26 of our branches in the states of Rajasthan, Karnataka, Punjab, Uttar Pradesh, Chhattisgarh and Haryana;

2. Registration as a corporate agent to the Insurance Regulatory and Development Authority of India pursuant to an application for registration dated April 26, 2024.

VI. Material approvals expired and renewal to be applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals of our Company that have expired, and for which renewal is to be applied for.

VII. Material approvals required but not obtained or applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals which our Company was required to obtain but which has not been obtained or been applied for.

VIII. Intellectual Property

For details, see "*Our Business – Intellectual Property*" on page 223 and for risks associated with intellectual property, see "*Risk Factors – We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights"* on page 50.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on April 18, 2024 and our Shareholders have authorized the Fresh Issue pursuant to a special resolution passed at their meeting held on April 25, 2024.

This Draft Red Herring Prospectus has been approved by our Board pursuant to its resolution dated April 30, 2024 and by IPO Committee pursuant to its resolution dated May 1, 2024.

Authorisation by the Selling Shareholders

Each of the Selling Shareholders, severally and not jointly, has confirmed and authorized its participation in the Offer for Sale in relation to its portion of the Offered Shares, as set out below:

Name of the Selling Shareholder	Aggregate amount of Offer for Sale	Date of board resolution/ authorization	Date of consent letter
Rajendra Kumar Setia	Up to ₹1,800.00 million	-	April 29, 2024
Rajendra Kumar Setia HUF	Up to ₹ 200.00 million	April 29, 2024	April 29, 2024
Evolvence Coinvest I	Up to ₹ 750.00 million	April 16, 2024	April 29, 2024
Evolvence India Fund III Ltd	Up to ₹ 250.00 million	April 16, 2024	April 29, 2024
Norwest	Up to ₹ 7,000.00 million	April 15, 2024	April 29, 2024
TPG	Up to ₹ 7,000.00 million	April 3, 2024	April 29, 2024

Our Board has taken on record the approval/ consent for the Offer for Sale by the Selling Shareholders, as applicable pursuant to a resolution passed at its meeting held on April 30, 2024.

Our Company had filed an application dated April 30, 2024 with the RBI seeking prior written permission under the Scale Based Regulations to undertake the Offer. Pursuant to letter dated [●] from the RBI, our Company had received the RBI's permission to undertake the Offer .

Each of the Selling Shareholders, severally and not jointly, confirm that the Equity Shares offered by it as part of the Offer for Sale have been held in compliance with Regulation 8 of the SEBI ICDR Regulations, and it has held its respective portion of the Offered Shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus.

In-principle Listing Approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI, the RBI or other Governmental Authorities

None of our Company, Promoters, members of our Promoter Group, Directors or the Selling Shareholders are prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Company, Promoters or Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers.

Our Individual Promoters or Directors have not been declared as Fugitive Economic Offenders.

Directors associated with the Securities Market

Except Debanshi Basu, who is associated with Baring Private Equity India Investment Managers LLP, no Director is associated with securities market related business, in any manner. There have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018.

Each of our Company, Promoters, members of our Promoter Group and Selling Shareholders, severally and not jointly, confirms that it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- Our Company has an average operating profit of at least ₹150 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated basis; and

- Our Company has not changed its name in the last one year prior to the date of this Draft Red Herring Prospectus.

The computation of net tangible assets, operating profit, net worth, monetary assets, as restated and derived from the Restated Summary Statements, as at and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, is set forth below:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Net Tangible Assets (A) (₹ in million)	17,602.82	15,422.24	9,422.99
Pre-tax operating Profit (B) (₹ in million)	2,787.36	1,712.98	1,137.81
Net Worth (C) (₹ in million)	18,319.34	15,930.17	9,691.92
Total Monetary Assets, as restated (D) (₹ in million)	7,576.51	2,615.18	3,661.25
Percentage of monetary assets to restated net tangible assets (E)=(D)/(A) (in %)	43.04%	16.96%	38.85%

Notes:

1. *Net tangible assets, have been computed as the sum of all net assets of the Company, excluding intangible assets under development and other intangible assets as defined in Indian Accounting Standard (Ind AS) 38 and right of use assets*
2. *Monetary assets has been computed as the sum of cash and cash equivalents and freehold deposits with banks.*
3. *Pre-tax operating profit is computed by deducting finance costs, employee benefits expenses, depreciation and amortization, impairment on financial instruments and other expenses from total revenue from operations.*
4. *Net worth of the Company has been computed as the aggregate value of the paid-up equity share capital and other equity comprising of statutory reserve, securities premium, share options outstanding account, retained earning-other than remeasurement of post employment benefit obligations and retained earnings-remeasurement of post employment benefit obligations after deducting the aggregate value of the prepaid expenses.*

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

- Our Company, our Promoters, members of our Promoter Group, each of the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;

- The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

- Neither our Company, nor our Promoters, or Directors is a Wilful Defaulter;

- None of our Individual Promoters or Directors has been declared as a Fugitive Economic Offender;

- Except the employee stock options granted pursuant to the ESOP 2018, there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares as on the date of filing of this Draft Red Herring Prospectus, see "*Capital Structure – Employee Stock Option Schemes of our Company*" on page 102;

- Our Company along with Registrar to the Offer has entered into tripartite agreements dated October 12, 2018 and October 17, 2018 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;

- The Equity Shares held by our Promoters are in dematerialised form;

- All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus; and

- There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and applicable law.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED

OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, JEFFERIES INDIA PRIVATE LIMITED, MOTILAL OSWAL INVESTMENT ADVISORS LIMITED AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED ("BRLMS"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND EACH SELLING SHAREHOLDER IS, SEVERALLY AND NOT JOINTLY, RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MAY 1, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors and BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.skfin.in, or the respective websites of any affiliate of our Company would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoters, members of the Promoter Group, the Selling Shareholders and their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, our Promoters, the Selling Shareholders, their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer from the Selling Shareholders

Each of the Selling Shareholders, its respective directors, affiliates, associates, and officers accept no responsibility for any statements made in this Draft Red Herring Prospectus other than those specifically made or confirmed by such Selling Shareholder in relation to itself as a Selling Shareholder and in relation to its respective proportion of the Offered Shares.

Bidders will be required to confirm and will be deemed to have represented to the Selling Shareholders and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. The Selling Shareholders and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Jaipur, Rajasthan, India only. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold within the United States solely to persons who are reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act (referred to in this Draft Red Herring Prospectus as "**U.S. QIBs**") that are qualified purchasers ("**QPs**") as defined in Section 2(a)(51) of the U.S. Investment Company Act. The Equity Shares are being offered and sold outside the United States to investors that are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

Our Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act. Our Company is relying on the exemption provided by Section 3(c)(7) of the U.S. Investment Company Act, and as a result the Equity Shares are being offered and sold in the United States and to U.S. Persons only to persons who are both a U.S. QIB and a QP.

Our Company may be a "covered fund" for purposes of the "Volcker Rule" contained in the Dodd-Frank Act (Section 619: Prohibitions on Proprietary Trading and Certain Relationships with Hedge Funds and Private Equity Funds). Accordingly, entities that may be "banking entities" for the purposes of the Volcker Rule may be restricted from holding the Company's securities and should take specific advice before making an investment in our Company.

Eligible Investors

The Equity Shares are being offered and sold:

(i) within the United States or to, or for the account or benefit of, U.S. Persons, in each case to investors that are both U.S. QIBs and QPs, in transactions exempt from or not subject to the registration requirements of the U.S. Securities

Act and in reliance on Section 3(c)(7) of the U.S. Investment Company Act; and

(ii) outside the United States to investors that are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in "offshore transactions" in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur;

and in each case who are deemed to have made the representations set forth immediately below.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company, the Selling Shareholders and the Members of the Syndicate that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser (i) is a U.S. QIB and a QP, (ii) is aware that the sale to it was made in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act, (iii) was not formed for the purpose of investing in the Equity Shares and (iv) is acquiring such Equity Shares for its own account or for the account or benefit of one or more persons, each of which is a U.S. QIB and a QP, with respect to which it exercises sole investment discretion; the purchaser, and each account for which it is purchasing or otherwise acquiring Equity Shares, will purchase, hold or transfer Equity Shares amounting to at least US$250,000 or its equivalent in another currency.

4. The purchaser acknowledges that the Company has not registered, and does not intend to register, as an "investment company" (as such term is defined under the U.S. Investment Company Act) and that the Company has imposed the transfer and offering restrictions with respect to persons in the United States and U.S. Persons described herein so that the Company will qualify for the exception provided under Section 3(c)(7) of the U.S. Investment Company Act and will have no obligation to register as an investment company. The purchaser, and each person for which it is acting, also understands and agrees that the Company and the Members of the Syndicate shall have the right to request and receive such additional documents, certificates, representations and undertakings, from time to time, as they may deem necessary in order to comply with applicable legal requirements, including a U.S. investment representation letter forming part of the Bid cum Application Form;

5. the purchaser is not a broker-dealer which owns and invests on a discretionary basis less than US$25 million in securities of issuers unaffiliated with such broker-dealer;

6. the purchaser understands that, subject to certain exceptions, to be a QP, entities must have US$25 million in "investments" (as defined in Rule 2a51-1 of the U.S. Investment Company Act);

7. the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

8. the purchaser is not a participant-directed employee plan, such as a 401(k) plan, or a trust holding the assets of such plan, unless the investment decisions with respect to such plan are made solely by the fiduciary, trustee or sponsor of such plan;

9. the purchaser is not managed as a device for facilitating individual investment decisions of beneficial owners, but rather is managed as a collective investment vehicle;

10. the purchaser, and each account for which it is purchasing or otherwise acquiring Equity Shares, will purchase, hold or transfer Equity Shares amounting to at least US$250,000 or its equivalent in another currency;

11. it, and each person for which it is acting, was not formed, reformed or recapitalized for the purpose of investing in the Equity Shares and/or other securities of the Company;

12. if the purchaser, or any person for which it is acting, is an investment company excepted from the U.S Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or a foreign investment company under section 7(d) thereof relying on Section 3(c)(1) or 3(c)(7) with respect to its holders that are U.S. persons) and was formed on or before April 30, 1996, it has received the consent of its beneficial owners who acquired their interests on or before April 30, 1996, with respect to its treatment as a QP in the manner required by Section 2(a)(51)(C) of the U.S. Investment Company Act and the rules promulgated thereunder;

13. the purchaser, and each person for which it is acting, is not a partnership, common trust fund, or corporation, special

trust, pension fund or retirement plan, or other entity, in which the partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners, as the case may be, may designate the particular investments to be made, or the allocation thereof unless all such partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners are both U.S. QIBs and QPs;

14. the purchaser, and each person for which it is acting, has not invested more than 40.0% of its assets in the Equity Shares (or beneficial interests therein) and/or other securities of the Company after giving effect to the purchase of the Equity Shares (or beneficial interests therein) (unless all of the beneficial owners of such entity's securities are both U.S. QIBs and QPs);

15. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only outside the United States in an "offshore transaction" complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (such permitted transactions including, for the avoidance of doubt, a bona fide sale on the BSE or NSE). The purchaser agrees not to effect any sale, pledge or other transfer of any Equity Shares in a transaction unless the purchaser first executes a US Resale Letter in the form of Annexure A to this Draft Red Herring Prospectus and delivers such letter to the Company prior to the settlement if any, of the sale, pledge or other transfer of the Equity Shares that is not consummated on BSE or NSE. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

16. is not subscribing to, or purchasing, the Equity Shares with a view to, or for the offer or sale in connection with, any distribution thereof (within the meaning of the U.S. Securities Act) that would be in violation of the securities laws of the United States or any state thereof;

17. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

18. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility;

19. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares or "general solicitation" or "general advertising" (within the meaning of Rule 502(c) under the U.S. Securities Act), in the United States in connection with any offer or sale of the Equity Shares;

20. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

    THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A US PERSON BY PRE-ARRANGEMENT OR OTHERWISE IN AN "OFFSHORE TRANSACTION" COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, AND OTHERWISE IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT.

    THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER.

21. the purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold and agrees not to act as a swap counterparty or other type of intermediary whereby any other party will acquire an economic interest or beneficial interest in the Equity Shares acquired or reoffer, resell, pledge or otherwise transfer the Equity Shares or any beneficial interest therein, to any person except to a person that meets all of the requirements above and who agrees not to subsequently transfer the Equity Shares or any beneficial interest therein except in accordance with these transfer restrictions;

22. the purchaser understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of

a beneficial interest in the Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person authorized by the Company in connection with the foregoing;

23. the purchaser understands and acknowledges that the Company may be considered a "covered fund" for purposes of the Volcker Rule. The definition of "covered fund" in the Volcker Rule includes, in part, any entity that would be an investment company under the U.S. Investment Company Act but for the exclusions provided under Section 3(c)(1) or 3(c)(7) thereunder. Because the Company relies on Section 3(c)(7) of the U.S. Investment Company Act for its exclusion from registration thereunder, it may be considered a "covered fund". Accordingly, "banking entities" that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining our Equity Shares, absent any applicable exclusion or exemption under the Volcker Rule. Each purchaser must make its own determination as to whether it is a "banking entity" subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares;

24. the purchaser is knowledgeable, sophisticated and experienced in business and financial matters, fully understands the limitations on ownership and transfer and the restrictions on sales of the Equity Shares and is aware that there are substantial risks incidental to the purchase of the Equity Shares and is able to bear the economic risk of such purchase; and the purchaser acknowledges that the Company, the Selling Shareholders, the Members of the Syndicate, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Offer

Each purchaser that is a non-U.S. Person and acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with the Company, the Selling Shareholders and the Members of the Syndicate that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i)), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an "offshore transaction" meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, is a non-U.S. Person and was located outside the United States at each time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be a non-U.S. Person and located outside the United States and has not purchased such Equity Shares for the account or benefit of any U.S. Person or any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any U.S. Person or any person in the United States;

5. the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only outside the United States in an "offshore transaction" complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act to a person not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (such permitted transactions including, for the avoidance of doubt, a bona fide sale on the BSE or the NSE) The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them, and confirms that the proposed transfer of the Equity Shares is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act or the U.S. Investment Company Act;

7. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities

Act in the United States with respect to the Equity Shares;

8. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A US PERSON BY PRE-ARRANGEMENT OR OTHERWISE IN AN "OFFSHORE TRANSACTION" COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND OTHERWISE IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT.

THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER.

9. the purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold;

10. the purchaser understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of a beneficial interest in the Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person authorized by the Company in connection with the foregoing;

11. the purchaser understands and acknowledges that the Company may be considered a "covered fund" for purposes of the Volcker Rule. The definition of "covered fund" in the Volcker Rule includes, in part, any entity that would be an investment company under the U.S. Investment Company Act but for the exclusions provided under Section 3(c)(1) or 3(c)(7) thereunder. Because the Company relies on Section 3(c)(7) of the U.S. Investment Company Act for its exclusion from registration thereunder, it may be considered a "covered fund". Accordingly, "banking entities" that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining our Equity Shares, absent any applicable exclusion or exemption under the Volcker Rule. Each purchaser must make its own determination as to whether it is a "banking entity" subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares; and

12. the purchaser acknowledges that the Company, the Selling Shareholders, the Members of the Syndicate, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Employee Retirement Income Security Act ("ERISA") considerations

The following is a summary of certain considerations associated with the purchase and holding of Equity Shares by Benefit Plan Investors. A "Benefit Plan Investor" is (1) an "employee benefit plan" (as defined in Section 3(3) of the United States Employee Retirement Income Security Act, as amended ("**ERISA**")) that is subject to Title I of ERISA, (2) a plan, individual retirement account, "Keogh" plan or other arrangement subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), or provisions under any United States federal, state or local laws, or non-U.S. or other laws or regulations that are similar to such provisions of the Code or ERISA, (3) an entity whose underlying assets are considered to include "plan assets" by reason of a plan's investment in such entity (including but not limited to an insurance company general account) (each of (1),(2) and (3), a "**Plan**"), and (4) any entity that otherwise constitutes a "benefit plan investor" within the meaning of the regulations promulgated under ERISA by the U.S. Department of Labor (the "**DOL**"), as modified by Section 3(42) of ERISA (the "DOL Plan Asset Regulations").

The following is merely a summary, however, and should not be construed as legal advice or as complete in all relevant respects. All investors are urged to consult their own legal advisors before investing assets of a Plan in Equity Shares and to make their own independent decision.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code and prohibit certain transactions involving the assets of a Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Plan or the management or disposition of the assets of such a Plan, or who renders investment advice for a fee or other compensation to such a Plan, is generally considered to be a fiduciary of the Plan.

In considering an investment in Equity Shares with a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any similar law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable United States federal, state or local laws, or non-U.S. or other laws or regulations that are similar to the Code or ERISA (collectively, "**Similar Laws**").

Prohibited Transaction Considerations

Section 406 of ERISA and Section 4975 of the Code prohibit Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of Section 406 of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and may result in the disqualification of an individual retirement account. In addition, the fiduciary of the Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and/or the Code. Regardless of whether or not the underlying assets of the Company (if any) are deemed to include "plan assets," as described below, the acquisition and/or holding of Equity Shares by a Plan with respect to which the Company or an BRLM is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the DOL has issued prohibited transaction class exemptions, or PTCEs, that may apply to the acquisition and holding of Equity Shares. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction and provided further that the Plan receives no less, and pays no more, than adequate consideration in connection with the transaction. There can be no assurance that all of the conditions of any such exemptions will be satisfied or that any such exemptions will be available with respect to investments in interests in any Equity Shares.

Plan Asset Considerations

The DOL Plan Asset Regulations generally provide that when a Plan acquires an equity interest in an entity that is not (1) a "publicly-offered security," (2) a security issued by an investment company registered under the Investment Company Act, or (3) an "operating company," the Plan's assets are deemed to include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established that the equity participation in the entity by Benefit Plan Investors is not "significant" (the "**Insignificant Participation Test**").

For purposes of the DOL Plan Asset Regulations, an "operating company" is an entity that is primarily engaged, directly or through a majority-owned subsidiary or subsidiaries, in the production or sale of a product or service, other than the investment of capital. It is anticipated that the Company will qualify as an operating company within the meaning of the DOL Plan Asset Regulations, although no assurance can be given in this regard.

For purposes of the Insignificant Participation Test, the DOL Plan Asset Regulations provide that equity participation in an entity by Benefit Plan Investors is not significant if, immediately after the most recent acquisition of an equity interest in the entity, the Benefit Plan Investors' aggregate interest is less than 25% of the value of each class of equity interests in the entity, disregarding, for purposes of such determination, any interests held by any person that has discretionary authority or control with respect to the assets of the Company or who provides investment advice for a fee with respect to the assets of the Company or an affiliate of the Company (each, a "**Controlling Person**") other than Benefit Plan Investors. Following this offering, it is possible that Benefit Plan Investors will hold and will continue to hold, less than 25% of the value of each class of equity interests of the Company, disregarding, for purposes of such determination, any interests held by any Controlling Person other than Benefit Plan Investors and, as such, that the Company may rely on the Insignificant Participation Test; however, we cannot be certain or make any assurance that this will be the case.

Plan Asset Consequences

If assets of the Company were deemed to constitute "plan assets" pursuant to the DOL Plan Asset Regulations, the operation and administration of the Company would become subject to the requirements of ERISA, including the fiduciary duty rules and the "prohibited transaction" prohibitions of ERISA, as well as the "prohibited transaction" prohibitions contained in the Code. If the Company becomes subject to these regulations, unless appropriate administrative exemptions are available (and there can be no assurance that they would be), the Company could, among other things, be restricted from entering into otherwise favorable transactions, and certain transactions entered into by the Company in the ordinary course of business could constitute non-exempt prohibited transactions and/or breaches of applicable fiduciary duties under ERISA and/or the Code, which could, in turn, result in potentially substantial excise taxes and other penalties and liabilities under ERISA and the Code.

Representation

Because of the foregoing, Equity Shares should not be acquired or held by any Benefit Plan Investor or any other person investing "plan assets" of any Plan, unless such acquisition and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code and will not constitute a similar violation of any applicable Similar Law.

Any purchaser or subsequent transferee, including, without limitation, any fiduciary purchasing on behalf of a Plan, a Benefit Plan Investor, or a governmental, church or non-U.S. plan which is subject to Similar Laws will be deemed to have represented and warranted, in its corporate and fiduciary capacity, that if the purchaser or subsequent transferee is a Benefit Plan Investor, none of the Company or the BRLMs or any of their respective affiliates, has acted as the Plan's fiduciary (within the meaning of ERISA or the Code), or has been relied upon for any advice, with respect to the purchaser or transferee's decision to acquire and hold Equity Shares, and shall not at any time be relied upon as the ERISA Plan's fiduciary with respect to any decision to acquire, continue to hold or transfer Equity Shares.

The foregoing discussion is general in nature, is not intended to be all-inclusive. Such discussion should not be construed as legal advice. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering investing in Equity Shares on behalf of, or with the assets of, any Plan consult with counsel regarding the potential applicability of ERISA, Section 4975 of the Code and Similar Laws to such investment and whether an exemption would be applicable to the acquisition and/or holding of Equity Shares.

Certain U.S. Federal Income Tax Considerations

The following is a discussion of certain U.S. federal income tax consequences to U.S. Holders (defined below) of acquiring, owning and disposing of Equity Shares, but it does not purport to be a comprehensive discussion of all tax considerations that may be relevant to a particular person's decision to acquire Equity Shares. This discussion applies only to a U.S. Holder that acquires Equity Shares in the Offer and that owns Equity Shares as capital assets for U.S. federal income tax purposes. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, U.S. Treasury regulations promulgated under the Code, and administrative rulings and judicial interpretations thereof, in each case as in effect of the date of this Draft Red Herring Prospectus. Except as expressly described herein, this discussion does not address the U.S. federal income tax consequences that may apply to U.S. Holders under the Convention Between the Government of the United States of America and the Government of the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "**Treaty**"). All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below. No ruling will be sought from the U.S. Internal Revenue Service (the "**IRS**") with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, that a court will uphold such statement or conclusion.

In addition, this discussion does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including any U.S. state, local or non-U.S. tax law, the Medicare tax on net investment income, and any estate or gift tax laws, and it does not describe differing tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain banks or financial institutions;
- regulated investment companies and real estate investment trusts;
- dealers or traders in securities that use a mark-to-market method of tax accounting;

- insurance companies;
- persons holding Equity Shares as part of a hedge, straddle, constructive sale, wash sale, or conversion, integrated or similar transaction;
- persons liable for the alternative minimum tax;
- persons required for U.S. federal income tax purposes to accelerate the recognition of any item of gross income with respect to our Equity Shares as a result of such income being recognized on an applicable financial statement;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities or arrangements classified as partnerships or pass-through entities for U.S. federal income tax purposes or holders of equity interests therein;
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs";
- certain U.S. expatriates;
- persons that own, directly, indirectly or constructively, ten percent (10%) or more of the total voting power or value of all of our outstanding stock; or
- persons owning Equity Shares in connection with a trade or business conducted outside the United States.

U.S. Holders should consult their tax advisors concerning the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning and disposing of Equity Shares in their particular circumstances.

For purposes of this discussion, a "U.S. Holder" is a person that, for U.S. federal income tax purposes, is a beneficial owner of Equity Shares and is:

- an individual citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust or otherwise if the trust has a valid election in effect under current U.S. Treasury regulations to be treated as a United States person (as defined in the Code).

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes owns Equity Shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the status and activities of the partnership. Partnerships owning Equity Shares and partners in such partnerships should consult their tax advisors as to the particular U.S. federal income tax consequences of acquiring, owning and disposing of the Equity Shares.

THE DISCUSSION OF U.S. FEDERAL INCOME TAX CONSIDERATIONS SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP, OR DISPOSITION OF EQUITY SHARES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE APPLICABILITY AND EFFECT OF OTHER FEDERAL, STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS, INCLUDING THE TREATY, AND POSSIBLE CHANGES IN TAX LAW.

Taxation of Distributions

Subject to the discussion below under "—*Passive Foreign Investment Company Rules*," the gross amount of any distribution of cash or property paid with respect to our Equity Shares (including any amounts withheld in respect of Indian taxes), will generally be included in a U.S. Holder's gross income as dividend income on the date actually or constructively received to the extent such distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of our current and accumulated earnings and profits will be treated first as a non-taxable return of capital, thereby reducing the U.S. Holder's adjusted tax basis in our Equity Shares (but not below zero), and thereafter as either long-term or short-term capital gain depending upon whether the U.S. Holder held our Equity Shares for more than one year as of the time such distribution is actually or constructively received. Because we do not prepare calculations of our earnings and profits using U.S. federal income tax principles, it is expected that distributions generally will be taxable to U.S. Holders as dividends, and taxable at ordinary income tax rates.

Dividends on our Equity Shares generally will not be eligible for the dividends-received deduction generally available to U.S.

corporations with respect to dividends received from other U.S. corporations. With respect to certain non-corporate U.S. Holders, including individual U.S. Holders, dividends will be taxed at the lower capital gains rate applicable to "qualified dividend income," provided that (i) our Company is eligible for the benefits of the Treaty, (ii) our Company is not a PFIC (as discussed below under "—*Passive Foreign Investment Company Rules*") for its taxable year in which the dividend is paid and the preceding taxable year, and (iii) certain holding period and other requirements are met. For so long as our Company is treated as a PFIC with respect to a U.S. Holder (or were treated as a PFIC with respect to the U.S. Holder in the preceding taxable year), dividends paid to certain non-corporate U.S. Holders will not be eligible for taxation as "qualified dividend income." The amount of any dividend paid in Rupee will be the U.S. dollar value of the Rupee received calculated by reference to the spot rate of exchange in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into U.S. dollars on such date. U.S. Holders should consult their own tax advisors regarding the treatment of any foreign currency gain or loss.

A U.S. Holder may be entitled to a credit against its U.S. federal income tax liability, or to a deduction, if elected, in computing its U.S. federal taxable income, for non-refundable non-U.S. income taxes withheld from dividends at a rate not exceeding the rate provided in the Treaty (if applicable). For purposes of the foreign tax credit limitation, dividends paid by our Company generally will constitute foreign source income in the "passive category income" basket. However, there are significant complex limitations on a U.S. Holder's ability to claim such a credit or deduction. U.S. Holders should consult their tax advisors concerning their availability in their particular circumstances.

Sale or Other Taxable Disposition of Equity Shares

Subject to the discussion below under "—*Passive Foreign Investment Company Rules*," a U.S. Holder generally will recognize gain or loss for U.S. federal income tax purposes on the sale, exchange or other taxable disposition of our Equity Shares in an amount equal to the difference between the amount realized on the disposition and the U.S. Holder's adjusted tax basis in the Equity Shares disposed of, in each case as determined in U.S. dollars. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period for the Equity Shares exceeds one year. Long-term capital gains of certain non-corporate U.S. Holders (including individuals) are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

A U.S. Holder's initial tax basis in our Equity Shares will be the U.S. dollar value of the Rupee denominated purchase price determined on the date of purchase, and the amount realized on a sale, exchange or other taxable disposition of our Equity Shares will be the U.S. dollar value of the payment received determined on the date of disposition. If our Equity Shares are treated as traded on an "established securities market," a cash method U.S. Holder or, if it elects, an accrual method U.S. Holder, will determine the U.S. dollar value of (i) the cost of such Equity Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase, and (ii) the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the sale, exchange or other taxable disposition. Such an election by an accrual method U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Accrual-method U.S. Holders that do not elect to be treated as cash-method taxpayers for this purpose may have a foreign currency gain or loss for U.S. federal income tax purposes, which in general will be treated as U.S.-source ordinary income or loss. U.S. Holders should consult their advisors as to the U.S. federal income tax consequences of the receipt of Rupee.

If any Indian tax is imposed on the sale or other disposition of our Equity Shares, a U.S. Holder's amount realized will include the gross amount of the proceeds of the sale or other disposition before deduction of the Indian tax. See "*Statement of Special Tax Benefits*" on page 133 for a description of when a disposition may be subject to taxation by India. Any capital gain or loss recognized on the sale, exchange or other taxable disposition of an Equity Share by a U.S. Holder generally will be treated as income or loss from sources within the United States for foreign tax credit limitation purposes. Therefore, U.S. Holders may not be able to claim a credit for any Indian tax imposed upon a sale, exchange or other taxable disposition of an Equity Share unless (subject to special limits) such U.S. Holder has other income from foreign sources and certain other requirements are met. There are significant complex limitations on a U.S. Holder's ability to claim such a credit or any deduction in lieu of such credit. U.S. Holders should consult their own tax advisors concerning the creditability or deductibility of any Indian income tax imposed on the disposition of Equity Shares in their particular circumstances.

Passive Foreign Investment Company Rules

In general, a corporation organized outside the United States will be treated as a PFIC for U.S. federal income tax purposes in any taxable year in which (a) 75% or more of its gross income is passive income (the "**income test**") or (b) 50% or more of its assets by value either produce passive income or are held for the production of passive income, generally based on the quarterly average of the fair market value of such assets (the "**asset test**"). For this purpose, "gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. For purposes of the PFIC income test and asset test described above, if our Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, our Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation.

Based on the Company's gross income, gross assets, and the nature of the Company's business, we believe that we were a PFIC for the taxable year ending March 31, 2023, and taking into account certain estimates of the aforementioned items, together with the expected use of the proceeds from the Offer and the Company's anticipated Market Capitalization for the taxable year ending March 31, 2024, we expect to be a PFIC for our current taxable year or in the foreseeable future. Further, because a determination of whether a company is a PFIC must be made annually after the end of each taxable year, and because our PFIC status for each taxable year will depend on facts, including the composition of our income and assets, and the value of our assets from time to time (and the value of our assets, including goodwill, may be determined in part by reference to the market value of our outstanding common shares, which will change over time), it is possible that we may be a PFIC in any given taxable year. Our U.S. counsel expresses no opinion with respect to our PFIC status for our past, current or future taxable years. We will not provide an annual determination of our PFIC status for any taxable year. If the Company is or becomes a PFIC, a U.S. Holder who owns our Equity Shares will generally be subject to adverse tax treatment, as discussed in more detail below. Accordingly, U.S. Holders are urged to consult their tax advisors regarding the risks associated with investing in a company that may be a PFIC.

Under attribution rules, if we were a PFIC for any taxable year and any subsidiary or other entity in which we held a direct or indirect equity interest is also a PFIC (a "**Lower-tier PFIC**"), U.S. Holders would be deemed to own their proportionate share of any such Lower-tier PFIC and would be subject to U.S. federal income tax according to the rules described in the following paragraph on (i) certain distributions by the Lower-tier PFIC and (ii) a disposition of equity interests of the Lower-tier PFIC, in each case as if the U.S. Holders held such interests directly, even though the U.S. Holders have not received the proceeds of those distributions or dispositions directly. Generally, a mark-to-market election (as described below) cannot be made for equity interests in a Lower-tier PFIC. Therefore, if we are a PFIC for any taxable year during which a U.S. Holder holds our Equity Shares, such U.S. Holder generally will continue to be subject to the rules described in the following paragraph with respect to its indirect interest in any Lower-tier PFIC, even if it were to make a valid mark-to-market election with respect to our Equity Shares. U.S. Holders are urged to consult their tax advisors about the application of the PFIC rules to our subsidiaries.

Generally, if we are a PFIC for any taxable year during which a U.S. Holder owns our Equity Shares, gain recognized by the U.S. Holder upon a disposition (including, under certain circumstances, a pledge) of Equity Shares would be allocated ratably over the U.S. Holder's holding period for such shares. The amounts allocated to the taxable year of disposition and to years before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and an interest charge would be imposed on the tax attributable to each allocated amount. Further, to the extent that any distribution received by a U.S. Holder on the Equity Shares exceeds 125% of the average of the annual distributions on such shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner. If we are a PFIC for any year during which a U.S. Holder owns Equity Shares, we would generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which the U.S. Holder owns the Equity Shares, even if we ceased to meet the threshold requirements for PFIC status.

If we are or become a PFIC, certain elections would result in alternative treatments, such as a mark-to-market election (discussed below) of the Equity Shares, or such as a ''qualified electing fund'' ("**QEF**") election to include in income the U.S. Holder's share of the corporation's income on a current basis. A U.S. taxpayer may generally make a QEF election with respect to shares of a foreign corporation only if such taxpayer is furnished annually with a PFIC annual information statement as specified in the applicable U.S. Treasury regulations. We do not intend to provide information necessary for U.S. Holders to make QEF elections. Therefore, U.S. Holders should assume that they will not receive such information from us and would therefore be unable to make a QEF election with respect to any of our Equity Shares.

Alternatively, if we are a PFIC for any taxable year and if the Equity Shares are "regularly traded" on a "qualified exchange," a U.S. Holder could make a mark-to-market election with respect to the Equity Shares (but not with respect to any Lower-tier PFICs, if any) that would result in tax treatment different from the general tax treatment for PFICs described above. The Equity Shares will be treated as "regularly traded" in any calendar year in which more than a *de minimis* quantity of the Equity Shares is traded on a qualified exchange on at least 15 days during each calendar quarter. A foreign exchange is a "qualified exchange" if it is regulated by a governmental authority in the jurisdiction in which the exchange is located and certain other requirements are met with respect to it. The IRS has not identified specific foreign exchanges that are "qualified" for this purpose. U.S. Holders should consult their tax advisers as to whether BSE or NSE is a "qualified exchange" for this purpose. There can be no assurance, therefore, that the mark-to-market election would be available to a U.S. Holder of Equity Shares.

Generally, under the mark-to-market election the U.S. Holder will recognize at the end of each taxable year (i) ordinary income in respect of any excess of the fair market value of the Equity Shares over their adjusted tax basis or (ii) ordinary loss in respect of any excess of the adjusted tax basis of the Equity Shares over their fair market value (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder makes the election, the U.S. Holder's tax basis in the Equity Shares will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of Equity Shares in a year when we were a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). U.S. Holders should consult their tax advisors regarding the availability and advisability of making a mark-to-market election in their particular circumstances. As to any elections with respect to our Equity Shares, including mark-to-market elections or QEF elections, U.S. Holders should consult their own tax advisors to determine whether any of these elections would be available or advisable if we are or become a PFIC and, if so, what the consequences of the alternative treatments would be in their particular circumstances.

If a U.S. Holder owns our Equity Shares during any year in which we are a PFIC, the U.S. Holder generally will be required to file an IRS Form 8621 annually with respect to the Company, generally with the U.S. Holder's U.S. federal income tax return for that year unless specified exceptions apply.

U.S. Holders should consult their tax advisors regarding our PFIC status for any taxable year and the potential application of the PFIC rules.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds from a sale, exchange or other taxable disposition (including redemption) of our Equity Shares that are made within the United States, by a U.S. payor or through certain U.S.-related financial intermediaries to a U.S. Holder generally are subject to information reporting, unless the U.S. Holder is a corporation or other exempt recipient, and if required, demonstrates that fact. In addition, such payments may be subject to backup withholding, unless (1) the U.S. Holder is a corporation or other exempt recipient or (2) the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding in the manner required.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will generally be allowed as a credit against the U.S. Holder's U.S. federal income tax liability or may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Foreign Financial Asset Reporting

Certain U.S. Holders who are individuals or certain specified entities that own "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000 (and in some circumstances, a higher threshold) may be required to report information relating to the Equity Shares by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets (which requires U.S. Holders to report "foreign financial assets," which generally include financial accounts held at a non-U.S. financial institution, interests in non-U.S. entities, as well as stock and other securities issued by a non-U.S. person), to their tax return for each year in which they hold our Equity Shares, subject to certain exceptions (including an exception for our Equity Shares held in accounts maintained by U.S. financial institutions). U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to their acquisition, ownership, and disposition of the Equity Shares.

Disclaimer Clause of RBI

The disclaimer clause of the RBI as included in the certificate of registration dated September 14, 2021 is as follows:

"*The company is having a valid certificate of Registration dated September 14, 2021 issued by Reserve Bank of India under section 45IA of the Reserve Bank of India Act, 1934. However, the Reserve Bank of India does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for the repayment of deposits/discharge of liabilities by the company.*"

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior filing with the RoC.

Listing

The Equity Shares Allotted through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] shall be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or such period as may be prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders in accordance with applicable law for the delayed period.

If our Company does not allot Equity Shares pursuant to the Offer within three Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate as may be prescribed by the SEBI.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Legal Advisors to the Company Bankers to our Company, the BRLMs, the Registrar to the Offer, CRISIL and independent chartered accountant, have been obtained; and consents in writing of the Syndicate Members, Monitoring Agency, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Banks to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated May 1, 2024 from S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26 (1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated April 18, 2024 on our Restated Summary Statements; and (ii) their report dated April 30, 2024 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated May 1, 2024 from B S R & Co LLP, Chartered Accountants, to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act to the extent and in their capacity as our Previous Statutory Auditor in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated May 1, 2024 from Shah Patni & Co., Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name, in this Draft Red Herring Prospectus, as an 'expert' as defined under Section 2(38) of Companies Act in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Particulars regarding capital issues by our Company and listed group company, subsidiaries or associates during the last three years

- Other than as disclosed in "*Capital Structure*" on page 84, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

- As of the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary or associates.

- As of the date of this Draft Red Herring Prospectus, our Company does not have any listed Group Company.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public offer of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for the last five years by our Company.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public issue or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

Our Company does not have any subsidiaries and none of our Promoters is listed.

Price information of past issues handled by the BRLMs

Kotak Mahindra Capital Company Limited

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	India Shelter Finance Corporation Limited	12,000.00	493	December 20, 2023	620.00	+17.64%, [1.48%]	+10.50%, [+4.28%]	Not Applicable
2.	Honasa Consumer Limited	17,014.40	324[1]	November 7, 2023	330.00	+17.58%, [+7.89%]	+34.77%, [+12.61%]	Not Applicable
3.	Cello World Limited	19,000	648[2]	November 6, 2023	829.00	+21.92%, [+7.44%]	+32.99%, [+12.58%]	Not Applicable
4.	Blue Jet Healthcare Limited	8,402.67	346	November 1, 2023	380.00	+4.08%, [+6.02%]	+10.10%, [+14.47%]	+11.16%, [+18.07%]
5.	JSW Infrastructure Limited	2,800.00	119	October 3, 2023	143.00	+41.34%, [-2.93%]	+75.04%, [+10.27%]	+106.30%, [+12.42%]
6.	Signatureglobal (India) Limited	7,300.00	385	September 27, 2023	444.00	+35.79%, [-4.36%]	+112.43%, [+8.28%]	+244.65%, [+12.07%]
7.	SAMHI Hotels Limited	13,701.00	126	September 22, 2023	130.55	+15.16%, [-0.93%]	+ 27.94%, [+ 6.81%]	+62.98%, [+9.09%]
8.	Concord Biotech Limited	15,505.21	741[3]	August 18, 2023	900.05	+36.82%, [+4.57%]	+ 83.91%, [+ 1.89%]	+88.78%, [+12.60%]
9.	SBFC Finance Limited	10,250.00	57[4]	August 16, 2023	82.00	+51.75%, [+3.28%]	+61.14%, [-0.11%]	+54.12%, [+11.91%]
10.	Utkarsh Small Finance Bank Limited	5,000.00	25	July 21, 2023	40.00	+92.80%, [-2.20%]	+119.00%, [-0.37%]	+144.40%, [+11.58%]

Source: www.nseindia.com; www.bseindia.com

Notes:

1. *In Honasa Consumer Limited, the issue price to eligible employees was ₹ 294 after a discount of ₹ 30 per equity share*
2. *In Cello World Limited, the issue price to eligible employees was ₹ 587 after a discount of ₹ 61 per equity share*
3. *In Concord Biotech Limited, the issue price to eligible employees was ₹ 671 after a discount of ₹ 70 per equity share*
4. *In SBFC Finance Limited, the issue price to eligible employees was ₹ 55 after a discount of ₹ 2 per equity share*
5. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
6. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
7. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.*
8. *Restricted to last 10 equity initial public issues.*

Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2024-25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	11	179,436.83	-	-	-	2	4	5	-	-	-	7	-	1
2022-23	10	367,209.37	-	1	2	-	3	4	-	2	1	2	3	2

Notes:

1. *The information is as on the date of this Draft Red Herring Prospectus.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

Jefferies India Private Limited

Price information of past issues handled by Jefferies India Private Limited:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Entero Healthcare Limited	16,000.00	1,258.00^	February 16, 2024	1,149.50	-19.65% [+0.30%]	NA	NA
2	Concord Biotech Limited	15,505.21	741.00*	August 18, 2023	900.05	+36.82% [+4.57%]	+76.23% [+2.36%]	+93.81% [+11.94%]
3	Mankind Pharma Limited	43,263.55	1,080.00	May 9, 2023	1,300.00	+37.61% [+2.52%]	+74.13% [+6.85%]	+64.36% [+5.28%]
4	KFin Technologies	15,000.00	366.00	December 29, 2022	367.00	-13.55% [-3.22%]	-24.56% [-6.81%]	-4.48% [+2.75%]
5	Global Health Limited	22.055.70	336.00	November 16, 2022	401.00	+33.23% [-0.03%]	+35.94% [-3.47%]	+61.67% [-0.52%]

***Source**: www.nseindia.com*

Notes:

i. *^ - A Discount of ₹ 119 per equity was offered to eligible employees bidding in the employee reservation portion.*
ii. ** - A Discount of ₹ 70 per equity was offered to eligible employees bidding in the employee reservation portion.*
iii. *The S&P CNX NIFTY is considered as the Benchmark Index.*
iv. *Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
v. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.*
vi. *Not Applicable – Period not completed.*

Summary statement of disclosure

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Entero Healthcare Limited	16,000.00	1,258.00^	February 16, 2024	1,149.50	-19.65% [+0.30%]	NA	NA
2	Concord Biotech Limited	15,505.21	741.00*	August 18, 2023	900.05	+36.82% [+4.57%]	+76.23% [+2.36%]	+93.81% [+11.94%]
3	Mankind Pharma Limited	43,263.55	1,080.00	May 9, 2023	1,300.00	+37.61% [+2.52%]	+74.13% [+6.85%]	+64.36% [+5.28%]
4	KFin Technologies	15,000.00	366.00	December 29, 2022	367.00	-13.55% [-3.22%]	-24.56% [-6.81%]	-4.48% [+2.75%]
5	Global Health Limited	22.055.70	336.00	November 16, 2022	401.00	+33.23% [-0.03%]	+35.94% [-3.47%]	+61.67% [-0.52%]

***Source**: www.nseindia.com*

Notes:

i. *^ - A Discount of ₹ 119 per equity was offered to eligible employees bidding in the employee reservation portion.*
ii. ** - A Discount of ₹ 70 per equity was offered to eligible employees bidding in the employee reservation portion.*
iii. *The S&P CNX NIFTY is considered as the Benchmark Index.*
iv. *Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
v. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.*
vi. *Not Applicable – Period not completed.*

Motilal Oswal Investment Advisors Limited

Price information of past issues handled by Motilal Oswal Investment Advisors Limited:

S. No.	Issue name	Designated Stock Exchange	Issue size (₹ in million)	Issue Price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1	R K Swamy Limited (6)	BSE	4,235.60	288.00	March 12, 2024	252.00	-1.30%[+1.86%]	Not applicable	Not applicable

S. No.	Issue name	Designated Stock Exchange	Issue size (₹ in million)	Issue Price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
2	Happy Forgings Limited	NSE	10,085.93	850.00	December 27, 2023	1000.00	+14.06% [-1.40%]	+4.44%[+2.04%]	Not applicable
3	Cello World Limited (5)	NSE	19,000.00	648.00	November 06, 2023	829.00	+21.92% [+7.44%]	+32.99% [+12.58%]	Not applicable
4	Updater Services Limited	BSE	6,400.00	300.00	October 04, 2023	299.90	-13.72% [-1.76%]	+9.05% [+10.80%]	6.77%[+12.92%]
5	Sai Silks (Kalamandir) Limited	BSE	12,009.98	222.00	September 27, 2023	230.10	+8.09% [-4.49%]	+25.09% [+7.54%]	-12.30%[+10.15%]
6	Rishabh Instruments Limited	NSE	4907.83	441.00	September 11, 2023	460.05	+20.12% [-1.53%]	+13.24% [+4.87%]	+5.94%[+12.49%]
7	IKIO Lighting Limited	BSE	6,065.00	285.00	June 16, 2023	391.00	+44.77% [+4.22%]	+23.84% [+6.44%]	+23.86% [+9.73%]
8	Radiant Cash Management Limited	NSE	2,566.41	94.00	January 04, 2023	103.00	+2.55% [-2.40%]	2.23% [-3.75%]	-1.31%[+6.35%]
9	Tamilnad Mercantile Bank Limited	BSE	8,078.40	510.00	September 15, 2022	510.00	-8.43% [-3.36%]	+2.14% [+4.34%]	-11.07% [-1.33%]
10	Dreamfolks Services Limited	BSE	5,621.01	326.00	September 6, 2022	505.00	+12.07% [-1.91%]	+14.80% [+6.20%]	+12.94%, [+1.24%]

Source: Information has been taken from (nseindia.com, bseindia.com) as per respective Designated Stock Exchange of the above Issuer Companies, as applicable

Notes:

1. *The S&P CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index, depending upon the Designated Stock Exchange.*
2. *Price is taken from NSE or BSE, depending upon Designated Stock Exchange for the above calculations.*
3. *The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*
4. *Not applicable – Period not completed.*
5. *A discount of Rs. 61 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
6. *A discount of Rs. 27 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*

Summary statement of disclosure

Financial Year	Total no. of IPOs#	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2023- 24*	7	62,704.34	-	-	2	-	1	4	-	-	1	-	-	3
2022-23	3	16,265.81	-	-	1	-	-	2	-	-	2	-	-	1
2021-22	4	69,360.95	-	-	1	1	1	1	-	1		2	-	1

* *The information is as on the date of the DRHP.*

\# *The information for each of the financial years is based on issues listed during such financial year.*

Notes: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available

Data for number of IPOs trading at premium/discount taken at closing price on NSE or BSE on the respective date, depending upon the Designated Stock Exchange.

Nomura Financial Advisory and Securities (India) Private Limited

Price information of past issues handled by Nomura Financial Advisory and Securities (India) Private Limited:

Sr. No.	Issue Name	Issue Size (₹ in million)	Issue Price (in ₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Protean eGov Technologies Limited	4,899.51	792[1]	November 13, 2023	792.00	+45.21% [+7.11%]	+73.18% [+10.26%]	Not applicable
2.	Avalon Technologies Limited	8,649.99	436	April 18, 2023	436.00	-10.09% [+2.95%]	+59.45%[+10.78%]	+21.32% [+11.84%]
3.	Five-Star Business Finance Limited	15,885.12	474	November 21, 2022	468.80	+29.72% [+1.24%]	+19.20% [-1.19%]	+11.72% [+0.24%]
4.	Life Insurance Corporation of India	205,572.31	949[2]	May 17, 2022	867.20	-27.24% [-3.27%]	-28.12% [+9.47%]	-33.82% [+13.76%]
5.	MedPlus Health Services Limited	13,982.95	796[3]	December 23, 2021	1,015.00	+53.22% [+3.00%]	23.06% [+1.18%]	-6.55% [-9.98%]
6.	Shriram Properties Limited	6,000.00	118[4]	December 20, 2021	90.00	-12.42% [+9.02%]	-33.39% [+4.05%]	-46.69% [-7.95%]
7.	RateGain Travel Technologies Limited	13,357.35	425[5]	December 17, 2021	360.00	+11.99% [+7.48%]	-31.08% [-0.06%]	-35.24% [-7.38%]
8.	Fino Payments Bank	12,002.93	577	November 12, 2021	548.00	-30.55% [-3.13%]	-34.56% [-3.66%]	-52.33% [-10.42%]
9.	Sansera Engineering	12,829.78	744	September 24, 2021	811.35	+0.30% [+1.29%]	+1.57% [-5.19%]	-21.26% [-3.43%]
10.	CarTrade Tech Limited	29,985.13	1,618	August 20, 2021	1,599.80	-10.31% [+6.90%]	-32.68% [+8.80%]	-61.17% [+5.48%]

Source: *www.nseindia.com, www.bseindia.com*

1. *Discount of INR 75.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
2. *Discount of INR 60.00 per Equity Share was offered to eligible policyholders bidding in the Policyholder Reservation Portion, discount of INR 45.00 per Equity Share was offered to eligible employees and retail individual bidders bidding in the Employee Reservation Portion and the Retail Portion respectively*
3. *Discount of INR 78.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
4. *Discount of INR 11.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
5. *Discount of INR 40.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*

Notes:

a. *For each issue, depending on its Designated Stock Exchange, BSE or NSE; Sensex or Nifty50 is considered as the benchmark for each issue*
b. *For each issue, depending on its Designated Stock Exchange, price on BSE or NSE is considered for above calculations*
c. *In case 30th/90th/180th day is not a trading day, closing price on BSE or NSE of the previous trading day has been considered*
d. *Not applicable – Period not completed*
e. *Above list is limited to last 10 equity initial public issues*

Summary statement of disclosure

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2024-2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023-2024	2	13,549.50	-	-	1	-	1	-	-	-	-	-	-	1
2022-2023	2	221,457.43	-	1	-	-	1	-	-	1	-	-	-	1

***Source**: www.nseindia.com, www.bseindia.com*

***Notes**:*

a) *The information is as on the date of this document*
b) *The information for each of the financial years is based on issues listed during such financial year*

Track record of the Book Running Lead Managers

For details regarding the track record of the BRLM(s), as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLM(s) mentioned below.

S. No.	Name of BRLM	Website
1.	Kotak Mahindra Capital Company Limited	https://investmentbank.kotak.com
2.	Jefferies India Private Limited	www.jefferies.com
3.	Motilal Oswal Investment Advisors Limited	www.motilaloswalgroup.com
4.	Nomura Financial Advisory and Securities (India) Private Limited	www.nomuraholdings.com/company/group/asia/india/index.html

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All Offer-related grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs with whom the Bid cum Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the post-Offer BRLM shall also compensate the investors at the rate higher of ₹100 or 15% per annum of the Bid Amount for the period of such delay. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	Instantly revoke the blocked funds other than the original application amount and ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor at the rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of SEBI ICDR Regulations.

For helpline details of the Book Running Lead Managers pursuant to the SEBI Circular SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 78.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Bidders can contact our Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Disposal of Investor Grievances by our Company

Our Company has obtained authentication on the SCORES in terms of the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI master circular SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint, provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Each of the Selling Shareholders, severally and not jointly, has authorized the Company Secretary and the Compliance Officer of our Company, to deal with, on its behalf, any investor grievances received in the Offer in relation to such Selling Shareholder or its respective portion of the Offered Shares. . Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of the Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus.

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. Our Company has also appointed Anagha Bangur, as our Company Secretary and Compliance Officer. For details, see "*General Information – Company Secretary and Compliance Officer*" on page 77.

Our Company has constituted a Stakeholders' Relationship Committee comprising of Amar Lal Daultani (Chairperson and Non-Executive Independent Director); Rajendra Kumar Setia, (Managing Director and Chief Executive Officer); Simit Batra (Non-Executive Director); and Yash Setia (Whole-time Director). For details, see "*Our Management - Stakeholders'*

Relationship Committee" on page 258.

Exemption from complying with any provisions of SEBI ICDR Regulations

Our Company has not applied for or received any exemption from complying with any provisions of SEBI ICDR Regulations.

Other confirmations

No person connected with the Offer, except for fees or commission for services rendered in relation to the Offer, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered, Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale, and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other governmental, statutory or regulatory authorities while granting their approval for the Offer, to the extent and for such time as these continue to be applicable.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. For details in relation to the sharing of Offer expenses amongst our Company and each of the Selling Shareholders, see "*Objects of the Offer – Offer related expenses*" on page 110.

Ranking of the Equity Shares

The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares being offered and Allotted/ transferred in the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, MoA and AoA and shall rank *pari passu* with the existing Equity Shares in all respects including voting, right to receive dividends and other corporate benefits. For further details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 498.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines, regulations or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" on pages 276 and 498, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹1 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Offer Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Offer Price, Price Band, and the minimum Bid Lot size for the Offer will be decided by our Company, in consultation with the BRLMs, and advertised in all editions of [●], a widely circulated English national daily newspaper and in all editions of [●], a widely circulated Hindi national daily newspaper (Hindi also being the regional language of Rajasthan, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the Book Running Lead Managers, after the Bid/ Offer Closing Date on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;

- Right to vote on a poll either in person or by proxy or "e-voting", in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see "*Description of Equity Shares and Terms of Articles of Association*" on page 498.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, and the SEBI Listing Regulation, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated October 12, 2018 amongst our Company, NSDL and Registrar to the Offer; and
- Tripartite agreement dated October 17, 2018 amongst our Company, CDSL and Registrar to the Offer.

For details in relation to the Basis of Allotment, see "*Offer Procedure*" on page 478.

Market Lot and Trading Lot

Since trading of the Equity Shares on the Stock Exchanges is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialised and electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details on the Basis of Allotment, see "*Offer Procedure*" on page 478.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Jaipur, Rajasthan, India.

Period of operation of subscription list

See "*– Bid/ Offer Programme*" on page 471.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the Sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of Sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is modified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or modified by nominating any other person in place of the present nominee, by the holder of the Equity Shares who made the nomination, by giving a notice of such cancellation or variation to our Company. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Transfer Agent of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Bid/Offer Programme

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
BID/OFFER OPENS ON	[●][1]
BID/OFFER CLOSES ON	[●][2][3]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to dematerialized accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

(1) *Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations*

(2) *Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations*

(3) *UPI mandate end time and date shall be at 5:00 pm IST on Bid/ Offer Closing Date, i.e. [●]*

* *In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidders shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read with SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable, issued by SEBI, and any other applicable law in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, read with SEBI master circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, shall use UPI. RIBs and Eligible Employees Bidding under Employee Reservation Portion for up to ₹ 500,000 and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.*

The above timetable other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholders or the BRLMs.

Any circulars or notifications from the SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day, and submit confirmation to the BRLMs and the Registrar on the daily basis. To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings. The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
Bid/Offer Closing Date	
Submission of electronic applications (online ASBA through 3-in-1 accounts) for RIBs and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of electronic application (bank ASBA through online channels like internet banking, mobile banking and syndicate ASBA applications through UPI as a payment mechanism where Bid Amount is up to ₹0.50 million)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of electronic applications (syndicate non-retail, non-individual applications of QIBs and NIIs)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of physical applications (syndicate non-retail, non-individual applications where Bid Amount is more than ₹0.50 million)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/Revision/cancelled of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories[#]	Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/ Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST

* *UPI mandate end time shall be 5:00 p.m. on the Bid/ Offer Closing Date*

\# *QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids*

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received RIBs and Eligible Employees under the Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs, or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and in any case no later than 1:00 p.m. IST on the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids and any revision in Bids will be accepted only during Working Days during the Bid/ Offer Period and revision shall not be accepted on Saturdays and public holidays. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. Bidders may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE, respectively. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company, in consultation with the BRLMs reserves the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, in consultation with the BRLMs, for reasons to be recorded in writing, may extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public announcement and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer for Sale in accordance with the SEBI ICDR Regulations. In the event our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue, on the Bid/ Offer Closing Date; or (ii) minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, if any, in accordance with applicable law, or if the subscription level falls below the thresholds mentioned above after the Bid/Offer Closing Date, on account of withdrawal of applications or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being issued or offered under the Red Herring Prospectus, the Selling Shareholders, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. If there is a delay beyond two days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum.

However, in case of under-subscription in the Offer, the Equity Shares will be allotted in the following order: (i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue portion is subscribed; (ii) upon (i), all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted (in proportion to the Offered Shares being offered by each Selling Shareholder); and (iii) once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by the Company towards the balance 10% of the Fresh Issue portion.

Each Selling Shareholder shall reimburse, severally and not jointly, and only to the extent of the Equity Shares offered by such Selling Shareholder in the Offer, any expenses and interest incurred by our Company on behalf of such Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law, provided that such Selling Shareholder shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder in relation to its portion of the Offered Shares.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

No liability to make any payment of interest or expenses shall accrue to any Selling Shareholder unless the delay in making any of the payments/refund hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder and to the extent of its portion of the Offered Shares.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Withdrawal of the Offer

The Offer shall be withdrawn in the event the requirement of the minimum subscription as prescribed under Regulation 45 of the SEBI ICDR Regulations is not fulfilled. Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Selling Shareholders, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly. In terms of the UPI Circulars, in relation to the Offer, the BRLMs will submit reports of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

If our Company, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC.

Restrictions, if any on transfer and transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of our Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 84 and except as provided under the Articles of Association and under SEBI ICDR Regulations, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association"* on page 498.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

OFFER STRUCTURE

The Offer is of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹22,000.00 million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹5,000.00 million and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹17,000.00 million by the Selling Shareholders.

The Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹[●] million, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer less the Employee Reservation Portion is the Net Offer.

The Offer and Net Offer shall constitute [●]% and [●]% of the post-Offer paid-up Equity Share capital of our Company, respectively.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, as may be permitted under the applicable law, aggregating up to ₹1,000.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation* (2)	Up to [●] Equity Shares##	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/allocation	The Employee Reservation Portion shall constitute up to [●]% of the post-Offer paid-up Equity Share capital of our Company	Not more than 50% of the Net Offer shall be available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Offer. One third of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹200,000 and up to ₹1,000,000; and two third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either the sub-categories mentioned above may be allocated to applicants in the other sub-category of Non-Institutional Bidders	Not less than 35% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate#; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding ₹500,000	Proportionate as follows (excluding the Anchor Investor Portion): a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●]	The allotment of specified securities to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. For details, see "*Offer Procedure*" on page 478.	The allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see "*Offer Procedure*" on page 478.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
		Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from Mutual Funds at or above the Anchor Investor Allocation Price		
Minimum Bid	[●] Equity Shares	[●] Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, (excluding the Anchor portion) subject to applicable limits to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, (excluding the QIB portion) subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Bidding	Through ASBA process only (except Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI Mechanism. In case of Non-Institutional Investors, ASBA process (including the UPI Mechanism), to the extent of Bids up to ₹ 500,000.			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Mode of Allotment	Compulsorily in dematerialised form			
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply(3)(4)	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250.00 million, pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the GoI through resolution F. No.2/3/2005-DD-II dated November 23, 2005, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
		funds set up and managed by the Department of Posts, India and Systemically Important NBFCs, in accordance with applicable laws.		
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids(3) **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank(s) through the UPI Mechanism (other than Anchor Investors) that is specified in the ASBA Form at the time of submission of the ASBA Form			

* *Assuming full subscription in the Offer.*

\# *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. The undersubscribed portion, if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.*

\#\# *Our Company, in consultation with the BRLMs, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date.*

(1) *Our Company, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company, in consultation with the BRLMs.*

(2) *Subject to valid Bids being received at or above the Offer Price. This Offer is made in accordance with the Rule 19(2)(b) of the SCRR and is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations.*

(3) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website of the Stock Exchanges and the BRLMs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.*

(4) *In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder is required in the Bid cum Application Form and such First Bidder will be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares. Further, a Bidder Bidding in the Employee Reservation Portion may also Bid under the Net Offer and such Bids shall not be treated as multiple Bids. To clarify, an Eligible Employee Bidding in the Employee Reservation Portion above ₹[●], shall not be allowed to Bid in the Net Offer as such Bids shall be treated as multiple Bids.*

Eligible Employees Bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid.

The Bids by FPIs with certain structures as described under "*Offer Procedure - Bids by FPIs*" on page 484 and having same PAN will be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) will be proportionately distributed.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Offer*" on page 469.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public announcement and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

All Bidders should read the General Information Document for investing in public offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "General Information Document") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, including in relation to the process for Bids by UPI Bidders. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in Allotment or refund.

*SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated June 2, 2021, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022, SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard from time to time ("UPI Circulars") has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. For details on the phased implementation of UPI as a payment mechanism, see "– Phased Implementation of Unified Payments Interface" below on page 479. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45) dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹0.50 million shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The Registrar and SCSBs will comply with any additional circulars or other Applicable Law, and the instructions of the BRLMs, as may be issued in connection with this circular. Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. Pursuant to SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the revised timeline of T+3 days had been made applicable in two phases i.e. (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023 ("**T+3 Notification**").*

The Offer will be undertaken pursuant to the processes and procedures as notified in the T+3 Notification under Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances, including the reduction of time period for unblocking of application monies from 15 days to four days. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, in accordance with the T+3 Notification, the Bidder shall be compensated at a uniform rate of ₹100 or 15% per annum of the Bid Amount, whichever is higher, per day for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, in accordance with the T+3 Notification, the reduced timelines for refund of Application money has been made two days.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

Our Company, the Selling Shareholders and the BRLMs, members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the GID and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus, when filed.

Further, our Company, the Selling Shareholders and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

This Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process and is in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein in terms of Regulation 32(1) of the SEBI ICDR Regulations, not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, subject to availability of Equity Shares in the respective categories, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, up to [●] Equity Shares, aggregating up to ₹[●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for UPI Bidders), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer will be made under UPI Phase III of the UPI Circular (on mandatory basis). The Offer will be advertised in all editions of [●], a widely circulated English national daily newspaper and in all editions of [●], a widely circulated Hindi national daily newspaper (Hindi also being the regional language of Rajasthan, where our Registered Office is located) each with wide circulation on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint SCSBs as the Sponsor Bank(s) to act as conduits between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 ("**UPI Streamlining Circular**"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process, which shall include the UPI Mechanism in case of UPI Bidders. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected.

ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in their respective ASBA Accounts, or (ii) the UPI ID, as applicable in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected.

Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

(i) UPI Bidders using UPI Mechanism may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) QIBs and Non-Institutional Bidders (other than Non-Institutional Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular is applicable for all categories of investors viz. Retail, QIB and NIB and also for all modes through which the applications are processed.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which shall be effective from September 1, 2022.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (except UPI Bidders). ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank(s), as applicable at the time of submitting the Bid.

UPI Bidders bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form.

Anchor Investors are not permitted to participate in the Offer through the ASBA process. For Anchor Investors, the Anchor Investor Application Form will be available with the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) *Electronic Bid cum Application forms and the Abridged Prospectus will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).*

(2) *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.*

(3) *Bid cum Application Forms for Eligible Employees shall be available at the Registered Office of the Company.*

In case of ASBA forms, the relevant Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges and the Stock Exchanges validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. The Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on application monies blocked. For UPI Bidders, the Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis through API integration to enable the Sponsor Banks to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI mandate request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking of funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Banks, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an issue.

The Sponsor Banks and Bankers to the Offer shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in circulars prescribed by SEBI, from time to time.

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format prescribed by SEBI or applicable law.

Pursuant to NSE circular dated August 3, 2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

a. Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue till further notice.

b. There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.

c. Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.

d. Exchanges shall display bid details of only successful ASBA blocked applications i.e. Application with latest status as RC 100 – Block Request Accepted by Investor/ Client.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer, subject to applicable laws.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 pm IST for Retail Individual Bidders and Eligible Employees and 4:00 pm for Non-Institutional Bidders and QIBs, on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

d) QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

Participation by Promoters and Promoter Group of the Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis or in any other manner as introduced under applicable laws and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLMs) or pension funds sponsored by entities which are associates of the BRLMs nor; (ii) any person related to the Promoters or Promoter Group shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoter or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoter or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs. Further, persons related to our Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

Except to the extent of participation in the Offer for Sale by the Promoter, the Promoter Group will not participate in the Offer.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000.

However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Allotment in the Employee Reservation Portion will be as detailed in the section "*Offer Structure*" on page 475.

However, Allotments to Eligible Employees in excess of ₹200,000 shall be considered on a proportionate basis, in the event of under-subscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. Subsequent under-subscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer.

Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

(i) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).

(ii) Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.

(iii) In case of joint bids, the Sole Bidder or the First Bidder shall be the Eligible Employee.

(iv) Bids by Eligible Employees may be made at Cut-off Price.

(v) Only those Bids, which are received at or above the Offer Price would be considered for allocation under this portion.

(vi) The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹500,000.

(vii) Eligible Employees bidding in the Employee Reservation Portion can Bid through the UPI mechanism

(viii) If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(ix) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

(x) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form or Revision Form

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure*" on page 478.

Bids by Eligible Non-resident Indians ("NRIs")

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour). Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non- Resident External ("**NRE**") accounts, or FCNR accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs applying on a non-repatriation basis in the Offer through the UPI Mechanism are advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Participation of Eligible NRIs in the Offer shall be subject to compliance with the FEMA NDI Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up Equity Share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

For further details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 497.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA NDI Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

Bids by Hindu Undivided Families ("HUFs")

Bids by Hindu Undivided Families or HUFs should be made, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by Foreign Portfolio Investors ("FPIs")

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our total paid-up Equity Share capital on a fully diluted basis. Further, in terms of the FEMA NDI Rules, the total holding by each FPI (or a group) shall be less than 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

As specified in the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations ("**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 21(1) of the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA NDI Rules.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in the Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance finds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹ 250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company, in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by Securities and Exchange Board of India ("SEBI") registered Venture Capital Funds ("VCFs"), Alternate Investment Funds ("AIFs") and Foreign Capital Investors ("FVCIs")

The SEBI FVCI Regulations as amended, *inter alia*, prescribe the investment restrictions on VCFs, and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, subject to FEMA NDI Rules, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in an investee company directly or through investment in the units of other AIF. A Category III AIFs cannot invest more than 10% of the investible funds in an investee company directly or through investment in the units of other AIF. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Selling Shareholders, severally and not jointly, and the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA NDI Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"). and the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banking company's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company, subject to prior approval of the RBI, if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid up share capital and reserves.

The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make investment in a (i) subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed); and (ii) non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, read with the Investments – Master Circular dated October 27, 2022, each amended ("**IRDAI Investment Regulations**") are broadly set forth below:

- equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;
- the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below:

1. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.

2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4. Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.

5. Our Company, in consultation with the BRLMs will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

6. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the Book Running Lead Managers before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8. If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

9. Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations. 50% Equity Shares allotted to Anchor Investors shall be locked–in for a period of 90 days from the date of Allotment, whereas, the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

10. Neither the (a) Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associate of the Book Running Lead Managers or insurance companies promoted by entities which are associate of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers) or pension fund sponsored by entities which are associate of the Book Running Lead Managers nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category.

11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

    For more information, please read the General Information Document.

The information set out above is given for the benefit of the Bidders. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as will be specified in the Red Herring Prospectus and the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges

General Instructions

QIB Bidders and Non-Institutional Bidders are not allowed to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date.

***Do's*:**

1. Ensure that your PAN is linked with Aadhaar and you are in compliance with the notification of the Central Board of Direct Taxes dated February 13, 2020 and press release dated June 25, 2021;

2. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

5. Ensure that you (other than in the case of Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number) in the Bid cum Application Form if you are not an UPI Bidder in the Bid cum Application Form and if you are an UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

6. UPI Bidders through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the GID;

8. Ensure that you mandatorily have funds equal to or higher than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

9. If the First Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all ASBA Bidders other than UPI Bidders);

10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

11. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

12. The ASBA bidders shall ensure that bids above ₹ 500,000, are uploaded only by the SCSBs;

13. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

14. UPI Bidders Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

15. Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs or the relevant Designated Intermediary, as applicable;

16. UPI Bidders in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

17. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

18. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

19. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/Dop/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular no. MRD/DoP/SE/Cir- 8 /2006 dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

20. Ensure that the Demographic Details are updated, true and correct in all respects;

21. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

22. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

23. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;

24. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

25. UPI Bidders who wish to Bid should submit Bid with the Designated Intermediaries, pursuant to which the UPI Bidder should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;

26. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

27. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

28. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 12:00 p.m. IST of the Working Day immediately after the Bid/ Offer Closing Date;

29. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

30. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

31. Bids by Eligible NRIs for a Bid Amount of less than ₹200,000 would be considered under the retail category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the non-institutional category for allocation in the Offer;

32. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and

33. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

34. Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Bank(s) issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner.

35. UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

3. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

4. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

5. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

6. Do not submit the Bid for an amount more than funds available in your ASBA account;

7. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;

8. In case of ASBA Bidders, do not submit more than one ASBA Form ASBA Account;

9. If you are an UPI Bidder, do not submit more than one Bid cum Application Form for each UPI ID;

10. Anchor Investors should not Bid through the ASBA process;

11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

13. Do not submit the General Index Register (GIR) number instead of the PAN;

14. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

18. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

19. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

20. Do not Bid for Equity Shares more than what is specified for each category;

21. If you are a QIB, do not submit your Bid after 3 p.m. IST on the QIB Bid/Offer Closing Date (for online applications) and after 12:00 p.m. on the Bid/ Offer Closing Date (for physical applications);

22. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs or Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres. If you are UPI Bidder, do not submit the ASBA Form directly with SCSBs;

25. If you are an UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

26. Do not Bid if you are an OCB;

27. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;

28. Do not submit the Bid cum Application Forms to any non-SCSB bank;

29. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by UPI Bidder);

30. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders) and ₹500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

31. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders; and

32. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹500,000.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in list available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time is liable to be rejected.

Grounds for technical rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

(a) Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

(b) Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

(c) Bids submitted on a plain paper;

(d) Bids submitted by UPI Bidders through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

(e) Bids under the UPI Mechanism submitted by UPI Bidders using third-party bank accounts or using a third-party linked bank account UPI ID (subject to availability of information regarding third-party account from Sponsor Bank(s));

(f) Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Managers;

(g) Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

(h) ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;

(i) ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

(j) Bids submitted without the signature of the First Bidder or Sole Bidder;

(k) The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

(l) Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

(m) GIR number furnished instead of PAN;

(n) Bids by RIBs with Bid Amount of a value of more than ₹200,000;

(o) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

(p) Bids accompanied by stock invest, money order, postal order, or cash; and

(q) Bids uploaded by QIBs after 4.00 pm on the QIB Bid/Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/Offer Closing Date, and Bids by RIBs and Eligible Employees uploaded after 5.00 p.m. on the Bid/Offer Closing Date, unless extended by the Stock Exchanges. On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received RIBs and Eligible Employees under the Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

Further, in case of any pre-Offer or post -Offer related issues regarding share certificates/ demat credit/refund orders/unblocking etc., investors can reach out the Company Secretary and Compliance Officer. For further details of the Company Secretary and Compliance Officer, see "*General Information*" and "*Our Management*" on pages 76 and 246, respectively.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchanges, along with the Book Running Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the Red Herring

Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

The allotment of Equity Shares to each RIBs shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to NIBs. The Equity Shares available for allocation to NIBs under the Non -Institutional Portion, shall be subject to the following: (i) one-third of the portion available to NIBs shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to NIBs shall be reserved for applicants with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of NIBs. The allotment to each NIB shall not be less than ₹200,000, subject to the availability of Equity Shares in the Non -Institutional Portion, and the remaining Equity Shares if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

The allotment of Equity Shares to each RIB shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Accounts

Our Company, in consultation with the BRLMs will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Banks and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of [●], a widely circulated English national daily newspaper and in all editions of [●], a widely circulated Hindi national daily newspaper (Hindi also being the regional language of Rajasthan, where our Registered Office is located) each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/ Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment advertisement

The Allotment advertisement shall be uploaded on the websites of our Company, BRLMs and Registrar to the Offer, before 9 p.m. IST, on the date of receipt of the final listing and trading approval from the Stock Exchanges, provided such final listing and trading approval from all the Stock Exchanges is received prior to 9:00 p.m. IST on that day. In an event, if final listing and trading approval from the Stock Exchanges is received post 9:00 p.m. IST on that date, then the Allotment Advertisement shall be uploaded on the websites of our Company, BRLMs and Registrar to the Offer, following the receipt of final listing and trading approval from all the Stock Exchanges.

Our Company, the Book Running Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●], a widely circulated English national daily newspaper and in all editions of [●], a widely circulated Hindi national daily newspaper (Hindi also being the regional language of Rajasthan, where our Registered Office is located) each with wide circulation

The information set out above is given for the benefit of the Bidders/Applicants. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the RoC

(a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price, but prior to filing of the Prospectus.

(b) After signing the Underwriting Agreement, a Prospectus will be filed with the RoC in accordance with applicable law. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see "*Terms of the Offer*" on page 469.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within three Working Days from the Bid/ Offer Closing Date or such other prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Promoters' contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- that if our Company does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two Working Dats of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- that if the Offer is withdrawn after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently; and
- Except for the Pre-IPO Placement, any allotment of Equity Shares upon any exercise of options vested pursuant to the ESOP Scheme, no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

Each Selling Shareholder severally and not jointly, in respect of itself as a Selling Shareholder and its portion of the Equity Shares offered by it in the Offer, undertakes the following in respect of itself and its respective portion of the Offered Shares:

- its Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- it shall deposit its portion of Offered Shares in an escrow demat account in accordance with the Share Escrow Agreement;
- it is the legal and beneficial owner of the Offered Shares that such Offered Shares shall be transferred in the Offer,

free from liens, charges and encumbrances; and

- it shall not have recourse to the proceeds of the Offer, which shall be held in escrow in its favour, until the final approval for listing and trading of the Equity Shares from the Stock Exchanges where listing is sought has been received.

Utilisation of Offer Proceeds

Our Company specifically confirm that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who –*

(a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1.00 million or 1% of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT (formerly Department of Industrial Policy & Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the "**FDI Policy**"), which consolidates and supersedes all previous press note, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020.

In terms of Press Note 3 of 2020, dated April 17, 2020 ("**Press Note**"), issued by the DPIIT, the FDI Policy and the FEMA (Non-debt Instruments) Rules has been amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Further, in accordance with the amendment to the Companies (Share Capital and Debentures) Rules, 2014 vide notification dated May 4, 2022 issued by Ministry of Corporate Affairs, a declaration shall be inserted in the share transfer form stipulating whether government approval shall be required to be obtained under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to transfer of shares, as applicable. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the FEMA Non-debt Instruments Rules and FDI Policy read with Press Note, 100% foreign direct investment is permitted under the automatic route for NBFCs, however, investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by FPIs*" on page 484.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold within the United States solely to persons who are reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act (referred to in this Draft Red Herring Prospectus as "**U.S. QIBs**") that are qualified purchasers ("**QPs**") as defined in Section 2(a)(51) of the U.S. Investment Company Act. The Equity Shares are being offered and sold outside the United States to investors that are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

Our Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act. Our Company is relying on the exemption provided by Section 3(c)(7) of the U.S. Investment Company Act, and as a result the Equity Shares are being offered and sold in the United States and to U.S. Persons only to persons who are both a U.S. QIB and a QP.

Our Company may be a "covered fund" for purposes of the "Volcker Rule" contained in the Dodd-Frank Act (Section 619: Prohibitions on Proprietary Trading and Certain Relationships with Hedge Funds and Private Equity Funds). Accordingly, entities that may be "banking entities" for the purposes of the Volcker Rule may be restricted from holding the Company's securities and should take specific advice before making an investment in our Company.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction. The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. The main provisions of the Articles of Association of our Company are detailed below.

*The Articles of Association of the Company include two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the date of filing of the red herring prospectus with the Registrar of Companies by the Company ("**RHP Filing Date**") pursuant to the proposed initial public offer of equity shares of the Company ("**Offer**") or such earlier date as prescribed by the Securities and Exchange Board of India (such date being, the "**Event**"). In case of any inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall prevail and be applicable until the Event. All articles of Part B shall automatically terminate and cease to have any force and effect on and from the Event and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.*

PART A

Authorised share capital

The authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

New capital part of the existing capital

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Sub-division, consolidation and cancellation of share certificate

Subject to the provisions of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;

(c) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

(d) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act; and

(e) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

Reduction of capital

The Company may, by a Special Resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act—

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any share premium account

and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or (iii) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

Dematerialisation of securities

(a) The Company shall recognise interest in dematerialised securities under the Depositories Act, 1996.

Subject to the provisions of the Act, either the Company or the investor may exercise an option to issue (in case of the Company only), deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other applicable laws.

(b) Dematerialisation/Re-materialisation of securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re materialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the regulations framed thereunder, if any.

(c) Option to receive security certificate or hold securities with the Depository

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

(d) Securities in electronic form

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.

(e) Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

(f) Register and index of beneficial owners

The Company shall cause to be kept a register and index of Members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of Members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a branch Register of Members, of Members resident in that state or country.

Buy back of shares

Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

Annual general meetings

(a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year and not more than fifteen months shall elapse between the dates of two annual general meetings.

(b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

Extraordinary general meetings

All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

Extraordinary meetings on requisition

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

Notice for general meetings

All General Meetings shall be convened by giving not less than clear twenty-one (21) days' notice, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Act. Notice shall be given to all the Members and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member or other person to whom it should be given shall not invalidate the proceedings of any General Meetings.

The Members may participate in General Meetings through such modes as permitted by applicable laws.

Shorter notice admissible

Upon compliance with the relevant provisions of the Act, in the case of an annual general meeting, by not less than ninety-five per cent. of the members entitled to vote thereat; and in the case of any other general meeting, by members of the Company holding majority in number of members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the Company as gives a right to vote at the meeting.

Voting rights of members

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) On a show of hands every Member holding Equity Shares and present in person shall have one vote.

(b) On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid-up Equity Share capital.

(c) A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Number of directors

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

Board composition

(a) The Board of the Company shall at all times be constituted in compliance with the applicable law including the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) The Board, which shall exercise such powers, shall manage the Company and functions as are permitted under the Act and the Charter Documents. The Board shall at all times comprise a maximum of 15 (fifteen) Directors

Meetings of the Board

(a) The Board of Directors shall meet at least four (4) times a year with a maximum gap of one hundred and twenty (120) days between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act. Place of meetings of the Board shall be at a location as specified in the notice convening the meeting.

(b) The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

(c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.

(d) To the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

Miscellaneous

From the date of consummation of the Company's qualified initial public offer, in the event Norwest ("**Investor-1**") (together with its affiliates, the "**NVP Group**") holds 5% or more of the share capital; in the Company, Investor-1's voting rights will get limited to 4.99999 % of any class of shares of the Company, on account of applicable regulatory restrictions under the US Bank Holding Company Act of 1956. Such voting restriction will not apply to the NVP Group and it shall be able to exercise voting rights commensurate to its shareholding in connection with any matter that (a) materially and adversely alters or changes the rights of the shares held by NVP Group; (b) increases the authorized number of shares or securities senior to the shares held by NVP Group; (c) results in the buyback or repurchase of the shares held by NVP Group; (d) results in any liquidation, dissolution or winding up of the Company, (e) amends or waives any provision of the charter documents in a manner that materially or adversely affects the rights of the shares held by NVP Group; or (f) involves the declaration of any dividend on the shares where dividends are accrued but unpaid in respect of the shares held by NVP Group.

PART B

Part B of the Articles of Association provides for, amongst other things, the rights of certain shareholders pursuant to the SHA. For more details in relation to the SHA, see *"History and Certain Corporate Matters – Shareholders' agreements and other agreements"* on page 242.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus filed with the RoC, and also the documents for inspection referred to hereunder may be inspected at our Registered Office, from 10.00 a.m. to 5.00 p.m. IST on Working Days and at [●] from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date (except for such documents or agreements executed after the Bid/ Offer Closing Date).

A. Material contracts for the Offer

1. Offer Agreement dated May 1, 2024 between our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated April 29, 2024 between our Company, the Selling Shareholders and the Registrar to the Offer.
3. Cash Escrow and Sponsor Bank Agreement dated [●] between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s).
4. Share Escrow Agreement dated [●] between the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.
6. Monitoring agency agreement dated [●] between our Company and the Monitoring Agency.
7. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters.

B. Material documents

1. Certified copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of incorporation dated November 21, 1994, issued by the RoC to our Company, in its former name, being Ess Kay Auto Finance Private Limited.
3. Fresh certificate of incorporation dated October 18, 1996, issued by the RoC to our Company, consequent upon change of name of our Company to Ess Kay Auto Finance Limited.
4. Fresh certificate of incorporation dated March 20, 1998, issued by the RoC to our Company, consequent upon change of name of our Company to Ess Kay Auto Finance Private Limited.
5. Fresh certificate of incorporation dated October 7, 2016, issued by the RoC to our Company, consequent upon change of name of our Company to Ess Kay Fincorp Private Limited.
6. Fresh certificate of incorporation dated September 4, 2017, issued by the RoC, consequent upon conversion of our Company to public limited company, being Ess Kay Fincorp Limited.
7. Fresh certificate of incorporation dated September 7, 2021, issued by the RoC to our Company, consequent upon change of name of our Company to SK Finance Limited.
8. Certificate of registration dated October 16, 1998, allotting registration number 10.00080, pursuant to which our Company (under its erstwhile name, ‘Ess Kay Auto Finance Private Limited’) was registered as an NBFC under Section 45-IA of the RBI Act.
9. Certificate of registration dated October 26, 2016 to our Company (under its erstwhile name, ‘Ess Kay Fincorp Private Limited’) and designated our Company as a NBFC-ND-AFC, with registration number B-10.00080 as an NBFC under Section 45-IA of the RBI Act.
10. Certificate of registration dated September 25, 2017 to our Company (under its erstwhile name, ‘Ess Kay Fincorp Limited’) and designated our Company as a NBFC-ND-AFC, with registration number B-10.00080 as an NBFC under Section 45-IA of the RBI Act.
11. Certificate of registration dated September 14, 2021 to our Company (under our current name) and designated our Company as a NBFC-ICC, with registration number B-10.00080 as an NBFC under Section 45-IA of the

RBI Act.

12. Resolutions of the Board of Directors and Shareholders' dated April 18, 2024 and April 25, 2024, authorising the Offer and other related matters.

13. Resolutions of the Board of Directors dated April 30, 2024 and of the IPO Committee dated May 1, 2024, approving this Draft Red Herring Prospectus.

14. Copies of the annual reports of our Company for the Financial Years 2023, 2022 and 2021.

15. Consent letters received from the selling shareholders as applicable, authorising their participation in the Offer.

16. CRISIL consent letter dated April 29, 2024 for the CRISIL Report.

17. The report titled "*Analysis of NBFC Sector and Select Asset Classes in India*" dated April 2024 prepared by CRISIL, which has been commissioned by and paid for by our Company pursuant to an engagement letter with CRISIL MI&A dated January 30, 2024, exclusively for the purposes of the Offer.

18. The examination report of the Statutory Auditors dated April 18, 2024 on our Company's Restated Summary Statements, included in this Draft Red Herring Prospectus.

19. The report on statement of special tax benefits dated April 30, 2024 from S.R. Batliboi & Associates LLP, Chartered Accountants.

20. Consent of the Directors, the BRLMs, the Syndicate Members, Domestic Legal Counsel to our Company, Registrar to the Offer, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s), Sponsor Bank(s), Monitoring Agency, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

21. Consent dated May 1, 2024 from Shah Patni & Co., Chartered Accountants, holding a valid peer review certificate from the ICAI, to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our independent chartered accountant.

22. Certificate dated May 1, 2024 issued by Shah Patni & Co., Chartered Accountants certifying the KPIs of the Company.

23. Resolution dated April 30, 2024 passed by the Audit Committee approving the KPIs for disclosure.

24. Consent dated May 1, 2024 from B S R & Co. LLP, Chartered Accountants, to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act to the extent and in their capacity as our Previous Statutory Auditor and in respect of their examination report, dated April 18, 2024 on our Restated Summary Statements for the year ended March 31, 2021 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

25. Consent dated May 1, 2024 from S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated April 18, 2024 on our Restated Summary Statements; and (ii) their report dated April 30, 2024 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

26. Amended and restated shareholders' agreement dated November 3, 2023 (including the deeds of accession and deeds of adherence executed in its terms thereof) entered into by and among our Company, Norwest, Karma Holdings Mauritius Limited, Baring Private Equity India AIF 2, Evolvence Coinvest I, TPG, Evolvence India Fund III Ltd., 360 One Special Opportunities Fund– Series 9, Massachusetts Institute Of Technology, 238 Plan Associates LLC, 360 One Special Opportunities Fund – Series 10, Baring Private Equity India AIF 2 Co-Invest, DC Ikka Ltd., DC Uno Ltd., Axis Growth Avenues AIF – I, Ananta Capital Ventures Fund – 1, Mirae Asset Late Stage Opportunities Fund, India Business Excellence Fund and Rajendra Kumar Setia.

27. Amendment agreement dated April 24, 2024 to the Shareholders' Agreement dated November 3, 2023 entered into by and among our Company, Norwest, Karma Holdings Mauritius Limited, Baring Private Equity India

AIF 2, Evolvence Coinvest I, TPG, Evolvence India Fund III Ltd., 360 One Special Opportunities Fund– Series 9, Massachusetts Institute Of Technology, 238 Plan Associates LLC, 360 One Special Opportunities Fund – Series 10, Baring Private Equity India AIF 2 Co-Invest, DC Ikka Ltd., DC Uno Ltd., Axis Growth Avenues AIF – I, Ananta Capital Ventures Fund – 1, Mirae Asset Late Stage Opportunities Fund, India Business Excellence Fund and Rajendra Kumar Setia.

28. Letter agreement dated January 17, 2024 to the Shareholders' Agreement dated November 3, 2023 entered into between Karma Holdings Mauritius Limited, Baring Private Equity India AIF 2, Baring Private Equity India AIF 2 Co-Invest, Evolvence Coinvest I and Evolvence India Fund III Ltd.

29. The Managing Director Agreement dated May 19, 2022, as amended by amendment agreement to the Managing Director agreement dated January 30, 2024, executed between Rajendra Kumar Setia and our Company.

30. The Whole-time Director Agreement dated January 30, 2023, executed between Yash Setia and our Company.

31. Resolution dated May 3, 2023 and August 3, 2022, passed by the Board and Shareholders, respectively, approving the terms of appointment and remuneration of our Managing Director.

32. Resolutions dated January 30, 2023 and May 3, 2023 passed by our Board and a resolution dated January 30, 2023, passed by Shareholders, approving the terms of appointment and remuneration of our Whole Time Director.

33. Due diligence certificate dated May 1, 2024 addressed to SEBI from the BRLMs.

34. In-principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.

35. Tripartite agreement dated October 12, 2018, between our Company, NSDL and the Registrar to the Offer.

36. Tripartite agreement dated October 17, 2018, between our Company, CDSL and the Registrar to the Offer.

37. SEBI observation letter dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

____

Amar Lal Daultani
Chairperson and Non-Executive Independent Director

Place: London

Date: May 1, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines and regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

____

Rajendra Kumar Setia
Managing Director and Chief Executive Officer

Place: Jaipur

Date: May 1, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Yash Setia
Whole-time Director

Place: Jaipur

Date: May 1, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines and regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Anand Raghavan
Non-Executive Independent Director

Place: Chennai

Date: May 1, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines and regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

____

Nanda Sameer Dave
Non-Executive Independent Director

Place: Bangalore

Date: May 1, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines and regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

____

Mukul Mathur
Non-Executive Independent Director

Place: Bhutan

Date: May 1, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Simit Batra
Non-Executive Nominee Director

Place: Mumbai

Date: May 1, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines and regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

____

Debanshi Basu
Non-Executive Nominee Director

Place: Mumbai

Date: May 1, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines and regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

Signed by the Chief Financial Officer of our Company

____

Atul Arora
Chief Financial Officer

Place: Jaipur

Date: May 1, 2024

DECLARATION BY SELLING SHAREHOLDER

I, Rajendra Kumar Setia, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by me in this Draft Red Herring Prospectus about or in relation to me, as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures or undertakings including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Rajendra Kumar Setia

Place: Jaipur

Date: May 1, 2024

DECLARATION BY SELLING SHAREHOLDER

We, Rajendra Kumar Setia HUF, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by us in this Draft Red Herring Prospectus about or in relation to us, as a Selling Shareholder and our portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures or undertakings including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

____

Signed for and on behalf of Rajendra Kumar Setia HUF

Name: Rajendra Kumar Setia

Designation of authorised signatory: Karta

Place: Jaipur

Date: May 1, 2024

DECLARATION BY SELLING SHAREHOLDER

We, Evolvence Coinvest I, hereby confirm, and declare that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as a Selling Shareholder for any other statements, disclosures or undertakings including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

____

Signed for and on behalf of Evolvence Coinvest I

Name: Mooneshwaree Lalbeharry

Designation: Director

Place: Singapore

Date: May 1, 2024

DECLARATION BY SELLING SHAREHOLDER

We, Evolvence India Fund III Ltd, hereby confirm, and declare that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as a Selling Shareholder for any other statements, disclosures or undertakings including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

____

Signed for and on behalf of Evolvence India Fund III Ltd

Name: Mooneshwaree Lalbeharry

Designation: Director

Place: Singapore

Date: May 1, 2024

DECLARATION BY SELLING SHAREHOLDER

We, Norwest Venture Partners X - Mauritius, hereby confirm, and declare that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as a Selling Shareholder for any other statements, disclosures or undertakings including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Signed for and on behalf of Norwest Venture Partners X - Mauritius

Name: Dilshad Rajabalee

Designation: Director

Place: Mauritius

Date: May 1, 2024

DECLARATION BY SELLING SHAREHOLDER

We, TPG Growth IV SF Pte. Ltd., hereby confirm, and declare that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as a Selling Shareholder for any other statements, disclosures or undertakings including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

____

Signed for and on behalf of TPG Growth IV SF Pte. Ltd.

Name: Adrian Chong

Designation: Director

Place: Singapore

Date: May 1, 2024

ANNEXURE A – US RESALE LETTER

[On the letterhead of an investor who is a U.S. Person or a person in the United States; to be executed after resale of the Equity Shares outside the United States which was not consummated on the BSE or the NSE; to be delivered to the Company prior to the settlement of any sale or other transfer of Shares]

SK FINANCE LIMITED

[Address]

Ladies and Gentlemen:

This letter ("**Resale Letter**") relates to the sale or other transfer by us of equity shares (the "**Shares**") of the Company, which is required to be in an "offshore transaction" pursuant to Regulation S ("**Regulation S**") under the Securities Act of 1933, as amended (the "**U.S. Securities Act**"). Terms used in this Resale Letter are used as defined in Regulation S, except as otherwise stated herein.

We hereby represent and warrant to you as follows:

(a) We previously purchased the Shares for our own account (or for one or more beneficial owners for which we have acted as fiduciary or agent, with complete investment discretion and with authority to bind each such person), as both a "qualified institutional buyer" (as defined in Rule 144A under the U.S. Securities Act) and a "qualified purchaser" (as defined in Section 2(a)(51) and related rules of the Investment Company Act of 1940, as amended, and the rules thereunder (the "**U.S. Investment Company Act**"). We understand that the Shares have not been and will not be registered under the US Securities Act and that the Company has not registered and will not register as an investment company under the U.S. Investment Company Act).

(b) The offer and sale of the Shares by us was not made to a person in the United States or to a U.S. Person (as defined in Regulation S).

(c) Either:

(i) at the time the buy order for the sale of the Shares by us was originated, the buyer was outside the United States or we and any person acting on our behalf reasonably believed that the buyer was outside the United States; or

(ii) the transfer of the Shares by us was executed in, on or through the facilities of the [●] Stock Exchange or the [●] Stock Exchange, and neither we nor any person acting on our behalf has reason to believe that the transaction was pre-arranged with a buyer in the United States.

(d) Neither we, nor any of our affiliates, nor any person acting on our or their behalf, has made any directed selling efforts (as such term is defined in Regulation S) in the United States with respect to the Equity Shares.

(e) The transfer of the Equity Shares by us was not and is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act or the U.S. Investment Company Act.

(f) None of the Company, any of its agents nor any of their respective affiliates participated in the sale of the Equity Shares by us.

(g) We agree that the Company, its agents and their respective affiliates may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Where there are joint transferors, each must sign this US Resale Letter. A US Resale Letter of a corporation must be signed by an authorized officer or be completed otherwise in accordance with such corporation's constitution (and evidence of such authority may be required).

Yours sincerely,

(Name of Transferor)

By:

Title:

Date: