DRAFT RED HERRING PROSPECTUS
Dated: January 18, 2025
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)

VERITAS FINANCE LIMITED

CORPORATE IDENTITY NUMBER: U65923TN2015PLC100328

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
SKCL Central Square 1 South and North Wing 7th Floor, Unit # C28 - C35, CIPET Road Thiru Vi Ka Industrial Estate, Guindy Chennai 600 032, Tamil Nadu, India	V. Aruna *Company Secretary and Compliance Officer*	**Email:** cs@veritasfin.in **Telephone:** +91 044 4615 0011	www.veritasfin.in

OUR COMPANY IS A PROFESSIONALLY MANAGED COMPANY AND DOES NOT HAVE AN IDENTIFIABLE PROMOTER

DETAILS OF THE OFFER

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 ₹10 each aggregating up to ₹6,000 million	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹22,000 million	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹28,000 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 462. 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 483.

DETAILS OF THE OFFER FOR SALE

NAME OF THE SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED / AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)#
Norwest Venture Partners X – Mauritius	Investor Selling Shareholder	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹5,500 million	201.12
Kedaara Capital Fund II LLP	Investor Selling Shareholder	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹5,500 million	247.22
British International Investment plc	Investor Selling Shareholder	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹5,000 million	82.85
Lok Capital Growth Fund	Investor Selling Shareholder	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹4,250 million	92.56
Growth Catalyst Partners LLC	Investor Selling Shareholder	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹750 million	330.00

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Vidya Arulmany	Individual Selling Shareholder	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹360 million	10.00
P. Surendra Pai	Individual Selling Shareholder	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹210 million	135.04
Savita S Pai	Individual Selling Shareholder	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹210 million	135.04
Sheela Pai Cole	Individual Selling Shareholder	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹140 million	39.56
Moneisha Sharad Gandhi	Individual Selling Shareholder	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹80 million	10.00

[#] As certified by R P S V & Co., Chartered Accountants, by way of their certificate dated January 18, 2025.
For further details, see "The Offer" beginning on page 69.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 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"* beginning on page 130 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 an active and/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 32.

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 such Selling Shareholders 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, BSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

NAME AND LOGO OF THE BRLMS		CONTACT PERSON	TELEPHONE AND E-MAIL
	ICICI Securities Limited	Nikita Chirania/ Sumit Singh	**Tel**: +91 22 6807 7100 **E-mail:** veritas.ipo@icicisecurities.com
	HDFC Bank Limited	Sanjay Chudasama/ Bharti Ranga	**Tel:** +91 22 3395 8233 **E-mail:** veritas.ipo@hdfcbank.com

DRAFT RED HERRING PROSPECTUS
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Please read Section 32 of the Companies Act, 2013
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Jefferies	Jefferies India Private Limited	Suhani Bhareja	**Tel**: +91 22 4356 6000 **E-mail:** veritas.IPO@jefferies.com
kotak Investment Banking	Kotak Mahindra Capital Company Limited	Ganesh Rane	**Tel**: +91 22 4336 0000 **E-mail:** veritas.ipo@kotak.com
nuvama	Nuvama Wealth Management Limited	Pari Vaya	**Tel:** +91 22 4009 4400 **E-mail:** veritas.ipo@nuvama.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:** veritas.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 a Pre-IPO Placement of Specified Securities aggregating up to ₹ 1,200 million, as may be permitted under applicable law, 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 Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant 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 Red Herring Prospectus and the Prospectus.*

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

DRAFT RED HERRING PROSPECTUS
Dated: January 18, 2025
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

VERITAS FINANCE LIMITED

Our Company was incorporated as 'Veritas Finance Private Limited' at Chennai, Tamil Nadu as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated April 30, 2015, issued by the RoC. The RBI had granted a certificate of registration dated October 15, 2015, allotting registration number N-07.00810, pursuant to which our Company was registered as an NBFC under Section 45-IA of the RBI Act. Further, we have been categorised as NBFC-Middle Layer as per the Scale Based Regulations. Subsequently, our Company was converted to a public limited company and the name of our Company changed to 'Veritas Finance Limited' pursuant to a Shareholder's resolution dated June 10, 2024 and a fresh certificate of incorporation dated October 23, 2024 was issued by the RoC. For further details, see "*History and Certain Corporate Matters – Brief History of our Company*" on page 264.

Registered and Corporate Office: SKCL Central Square 1, South and North Wing, 7th Floor, Unit # C28 - C35, CIPET Road, Thiru Vi Ka Industrial Estate, Guindy, Chennai 600 032, Tamil Nadu, India
Tel: +91 044 – 4615 0011; **Website**: www.veritasfin.in; **Contact person**: V. Aruna, Company Secretary and Compliance Officer; **E-mail**: cs@veritasfin.in
Corporate Identity Number: U65923TN2015PLC100328

OUR COMPANY IS A PROFESSIONALLY MANAGED COMPANY AND DOES NOT HAVE AN IDENTIFIABLE PROMOTER

[INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF VERITAS FINANCE LIMITED ("OUR COMPANY" OR "THE COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹28,000 MILLION COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹6,000 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹22,000 MILLION ("OFFERED SHARES") BY THE SELLING SHAREHOLDERS, CONSISTING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹5,500 MILLION BY NORWEST VENTURE PARTNERS X – MAURITIUS, UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹5,500 MILLION BY KEDAARA CAPITAL FUND II LLP, UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹5,000 MILLION BY BRITISH INTERNATIONAL INVESTMENT PLC, UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹4,250 MILLION BY LOK CAPITAL GROWTH FUND AND UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹750 MILLION BY GROWTH CATALYST PARTNERS LLC, , (COLLECTIVELY REFERRED TO AS THE "INVESTOR SELLING SHAREHOLDERS"), UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹360 MILLION BY VIDYA ARULMANY, UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹210 MILLION BY SAVITA S PAI , UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹210 MILLION BY P. SURENDRA PAI, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹140 MILLION BY SHEELA PAI COLE AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹80 MILLION BY MONEISHA SHARAD GANDHI (COLLECTIVELY THE "INDIVIDUAL SELLING SHAREHOLDER" AND ALONG WITH THE INVESTOR SELLING SHAREHOLDERS AS THE "SELLING SHAREHOLDERS") ("OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER").]

OUR COMPANY, IN CONSULTATION WITH THE BRLMS, MAY CONSIDER A PRE-IPO PLACEMENT OF SPECIFIED SECURITIES AGGREGATING UPTO ₹ 1,200 MILLION, AS MAY BE PERMITTED UNDER APPLICABLE LAW, 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 PRE-IPO PLACEMENT, IF UNDERTAKEN, SHALL NOT EXCEED 20% OF THE SIZE OF THE FRESH ISSUE. PRIOR TO THE COMPLETION OF THE OFFER, OUR COMPANY SHALL APPROPRIATELY INTIMATE THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT 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 RED HERRING PROSPECTUS AND THE PROSPECTUS.

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH, AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). OUR COMPANY, IN CONSULTATION WITH THE BRLMS MAY OFFER A DISCOUNT OF UP TO [●]% OF THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"), SUBJECT TO NECESSARY APPROVALS AS MAY BE REQUIRED. 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 ₹10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.THE PRICE BAND, EMPLOYEE DISCOUNT AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, [●] EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITIONS OF [●], A TAMIL DAILY NEWSPAPER (TAMIL BEING THE REGIONAL LANGUAGE OF TAMIL NADU, WHERE OUR REGISTERED AND CORPORATE 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 AND NSE (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 unforeseen 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 one Working Day, 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 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 of face value of ₹ 10 each shall be added to the remaining QIB Portion ("**Net QIB Portion**"). Further, 5% of the Net QIB Portion (excluding the Anchor Investor 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 Net 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 on a proportionate basis 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 corresponding 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 487.

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 ₹10 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 130 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 an active and/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*" beginning on page 32.

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 such Selling Shareholders 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 BSE. 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 533.

BOOK RUNNING LEAD MANAGERS					REGISTRAR TO THE OFFER
ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6807 7100 **E-mail:** veritas.ipo@icicisecurities.com **Website:** www.icicisecurities.com **Investor Grievance ID:** customercare@icicisecurities.com **Contact Person:** Nikita Chirania/ Sumit Singh **SEBI Registration Number:** INM000011179	**HDFC Bank Limited** Investment Banking Group Unit no. 701, 702 and 702- A 7th floor, Tower 2 and 3, One International Centre Senapati Bapat Marg, Prabhadevi Mumbai 400013 **Telephone:** +91 22 3395 8233 **E-mail:** veritas.ipo@hdfcbank.com **Investor Grievance ID:** investor.redressal@hdfcbank.com **Website:** www.hdfcbank.com **Contact Person:** Sanjay Chudasama/Bharti Ranga **SEBI Registration Number:** INM000011252	**Jefferies India Private Limited** Level 16, Express Towers, Nariman Point Mumbai 400 021 Maharashtra, India **Tel:** +91 22 4356 6000 **E-mail:** veritas.ipo@jefferies.com **Website:** www.jefferies.com **Investor Grievance ID:** jipl.grievance@jefferies.com **Contact Person:** Suhani Bhareja **SEBI Registration Number:** INM000011443	**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:** veritas.ipo@kotak.com **Website:** https://investmentbank.kotak.com **Investor Grievance ID:** kmccredressal@kotak.com **Contact Person:** Ganesh Rane **SEBI Registration Number:** INM000008704	**Nuvama Wealth Management Limited** 801 - 804, Wing A, Building No 3 Inspire BKC, G Block Bandra Kurla Complex Bandra East Mumbai – 400 051 Maharashtra, India **Tel:** +91 22 4009 4400 **E-mail:** veritas.ipo@nuvama.com **Investor grievance email:** customerservice.mb@nuvama.com **Contact Person:** Pari Vaya **Website:** www.nuvama.com **SEBI registration no:** INM000013004	**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**: veritas.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.*

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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, policies shall be to such legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, 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 "Objects of the Offer", "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" beginning on pages 123, 130, 147, 153, 249, 264, 305, 451, 454, 461, 487 and 507, respectively, shall have the meanings ascribed to such terms in the relevant sections.

General Terms

Term	Description
"our Company" or "the Company"	Veritas Finance Limited, a public limited company incorporated under the Companies Act, 2013, having its Registered and Corporate Office at SKCL Central Square 1, South and North Wing, 7th Floor, Unit # C28 - C35, CIPET Road, Thiru Vi Ka Industrial Estate, Guindy, Chennai 600 032, Tamil Nadu, 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 the Board – Audit Committee*" on page 276
"Board" or "Board of Directors"	The board of directors of our Company or a duly constituted committee thereof where applicable or implied by context as described in "*Our Management*" on page 270
"Chief Executive Officer" or "CEO"	Chief executive officer of our Company, namely, D. Arulmany
"Chief Financial Officer" or "CFO"	The interim chief financial officer of our Company, namely, S.V. Laxmi, appointed with effect from September 16, 2024. For further details see "*Our Management – Key Managerial Personnel*" on page 283
Committee(s)	Duly constituted committee(s) of our Board
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company, namely, V Aruna. For further details see "*Our Management – Key Managerial Personnel*" on page 283
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 281
Corporate Office	The corporate office of our Company, situated at SKCL Central Square 1, South and North Wing, 7th Floor, Unit # C28 - C35, CIPET Road, Thiru Vi Ka Industrial Estate, Guindy, Chennai 600 032, Tamil Nadu, India
Director(s)	The directors on our Board, as appointed from time to time. For further details see "*Our Management*" on page 270
Equity Shares	Unless otherwise stated, equity shares of face value of ₹10 each of our Company
ESOS A, 2016	Veritas Employee Stock Option Scheme, 2016 approved pursuant to the resolutions passed by our Board on January 8, 2016 and our Shareholders on January 8, 2016 and as last amended by Board and Shareholders resolutions dated January 9, 2025 and January 13, 2025 respectively

Term	Description
ESOS B, 2018	Veritas Employee Stock Option Scheme, 2018 approved pursuant to the resolutions passed by our Board on January 29, 2018 and our Shareholders on February 26, 2018 and as last amended by Board and Shareholders resolutions dated January 9, 2025 and January 13, 2025 respectively
ESOS C, 2018	Veritas Employee Stock Option Scheme, 2018 approved pursuant to the resolutions passed by our Board on October 31, 2018 and our Shareholders on November 22, 2018 and as last amended by Board and Shareholders resolutions dated January 9, 2025 and January 13, 2025 respectively
ESOS 2021	Veritas Employee Stock Option Scheme, 2021 approved pursuant to the resolutions passed by our Board on January 20, 2021 and our Shareholders on February 11, 2021 and as last amended by Board and Shareholders resolutions dated January 9, 2025 and January 13, 2025 respectively
ESOS 2024	Veritas Employee Stock Option Scheme, 2024 approved pursuant to the resolutions passed by our Board on March 6, 2024 and our Shareholders on March 15, 2024 and as last amended by Board and Shareholders resolutions dated January 9, 2025 and January 13, 2025 respectively
"Executive Director(s)"	The executive Directors on our Board, as disclosed in "*Our Management*" beginning on page 270
Founder	Founder of our Company, namely, D. Arulmany.
"Non-Executive Independent Director(s)" or "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 270
Independent Chartered Accountant	R P S V & Co., Chartered Accountants
Individual Selling Shareholders	Vidya Arulmany, P. Surendra Pai, Savita S Pai, Moneisha Sharad Gandhi and Sheela Pai Cole
Investor Selling Shareholders	Collectively, Norwest Venture Partners X – Mauritius, Lok Capital Growth Fund, Growth Catalyst Partners LLC, British International Investment plc and Kedaara Capital Fund II LLP
IPO Committee	The IPO committee of our Board comprising Raj Vikash Verma, D. Arulmany, Suresh Subramanian and Sudhir Variyar
"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 283
"Managing Director" or "MD"	Managing Director on our Board, as described in "*Our Management*" on page 270
"Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended from time to time
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 278
Nominee Director(s)	Nominee directors on our Board, as described in "*Our Management*" on page 270
Non-Executive Director(s)	Non-executive directors on our Board, as described in "*Our Management*" on page 270
"Preference Shares" or "CCPS"	Collectively, the Series A CCPS, the Series B CCPS, the Series C CCPS, the Series D CCPS and the Series E CCPS
Previous Statutory Auditor	Sundaram & Srinivasan, Chartered Accountants
Registered and Corporate Office	The registered and corporate office of our Company, situated at SKCL Central Square 1, South and North Wing, 7th Floor, Unit # C28 - C35, CIPET Road, Thiru Vi Ka Industrial Estate, Guindy, Chennai 600 032, Tamil Nadu, India
"Registrar of Companies" or "RoC"	The Registrar of Companies, Tamil Nadu at Chennai
Restated Summary Statements	Restated Summary Statements of the Company comprising the Restated Summary Statements of Assets and Liabilities as at September 30, 2024, and March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Summary Statements of Profit and Loss (including Other Comprehensive Income), the Restated Summary Statements of Cash Flows and the Restated Summary Statement of Changes in Equity for the six month period ended September 30, 2024, and for each of the years ended March 31, 2024, March 31, 2023 and March 31, 2022, together with the Summary of Material Accounting Policies and explanatory information thereon, based on the audited financial statements (i) as at and for the six month period ended September 30, 2024 prepared in accordance with Ind AS 34; and (ii) as at and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with Ind AS and each restated in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, 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 280
Selling Shareholders	Collectively, the Investor Selling Shareholders and the Individual Selling Shareholders
Series A CCPS	Compulsorily convertible series A preference shares having face value ₹10 each
Series B CCPS	Compulsorily convertible series B preference shares having face value ₹10 each
Series C CCPS	Compulsorily convertible series C preference shares having face value ₹10 each
Series D CCPS	Compulsorily convertible series D preference shares having face value ₹15 each
Series E CCPS	Compulsorily convertible series E preference shares having face value ₹10 each

Term	Description
"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 283
"SHA" or "Shareholders' Agreement"	Amended and restated shareholders' agreement dated May 6, 2024, as supplemented by the deed of adherence dated November 25, 2024, entered into by and amongst our Company, Norwest Venture Partners X – Mauritius, British International Investment plc, Lok Capital Growth Fund, Growth Catalyst Partners LLC, Evolvence India Fund III Ltd, Caspian Impact Investment Adviser Limited, Kedaara Capital Fund II LLP, Multiples Private Equity Fund III, Mallika Srinivasan, Venus Investments Private Limited, Avendus Future Leaders Fund II, D. Arulmany, Evolvence India Coinvest PCC, Lok Capital IV LLC, and Lok Capital Co-Investment Trust
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 279
"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 comprises share capital, securities premium, retained earnings including current year profit. Tier I Capital (%) is computed in accordance with the relevant RBI guidelines
Tier II Capital	Tier II capital comprises general provision and loss reserve. Tier II Capital (%) is computed in accordance with the relevant RBI guidelines
Waiver-cum-Amendment Agreement	Waiver cum Amendment Agreement dated January 18, 2025 to the SHA
Whole-time Director	Whole-time director on our Board, as described in "*Our Management*" on page 270

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 each of 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 determined 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" or "Anchor Investor Bidding Date"	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 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

Term	Description
	includes the account of an UPI Bidders in which the Bid Amount 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
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), the Public Offer Account Bank(s), the Sponsor Bank(s) and the 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 487
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
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut-off Price, the Cap Price (net of the Employee Discount) multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA 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 ₹0.50 million (net of the Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million. 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 ₹0.20 million, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of the Employee Discount)
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares of face value of ₹10 each and in multiples of [●] Equity Shares of face value of ₹10 each 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 [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered and Corporate 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 [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered and Corporate 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

Term	Description
"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, ICICI Securities Limited, HDFC Bank Limited, Jefferies India Private Limited, Kotak Mahindra Capital Company Limited and Nuvama Wealth Management 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 bank 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
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" or "CRISIL MI&A Report"	The report titled "*CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Report on Loans and Financial Services in India, released in Mumbai, India*" dated January 2025 prepared by CRISIL MI&A, appointed by our Company pursuant to an engagement letter dated June 14, 2024, commissioned for by our Company. The CRISIL Report is available on the website of our Company at https://www.veritasfin.in/drhp.php and has also been included in "*Material Contracts and Documents for Inspection – Material Documents*" on page 533
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 to successful Bidders 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

Term	Description
	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 (except Anchor Investors) can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the 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), as updated from time to time.
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	BSE
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated January 18, 2025 filed with SEBI and 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 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. 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
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 Discount	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 Employee(s) 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
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares of face value of ₹10 each (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
Fresh Issue	Fresh issue of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹6,000 million by our Company. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of Specified Securities aggregating upto ₹1,200 million, as may be permitted under applicable law, 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

Term	Description
	the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant 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 Red Herring Prospectus and the Prospectus.
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
HDFC	HDFC Bank Limited
Jefferies	Jefferies India Private Limited
Kotak	Kotak Mahindra Capital Company Limited
Materiality Policy	The policy adopted by our Board in its meeting dated January 9, 2025 in relation to the Offer for (i)identification of group companies, (ii) determination of material outstanding litigation involving our Company and Directors and (iii) identification of 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
Mutual Fund Portion	Up to 5% of the Net QIB Portion or [●] Equity Shares of face value of ₹10 each 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 123
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Bidders" or "NIBs"	All Bidders that are not QIBs (including Anchor Investors) or 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 of face value of ₹10 each 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: (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
Nuvama	Nuvama Wealth Management Limited
Offer	The initial public offer of up to [●] Equity Shares of face value of ₹10 each for cash consideration at a price of ₹[●] each, aggregating up to ₹28,000 million comprising the Fresh Issue and the Offer for Sale, comprising the Net Offer and Employee Reservation Portion. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of Specified Securities aggregating upto ₹1,200 million, as may be permitted under applicable law, 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. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant 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 Red Herring Prospectus and the Prospectus.

Term	Description
	For further information, see "*The Offer*" on page 69
Offer Agreement	The offer agreement dated January 18, 2025 entered into amongst our Company, the Selling Shareholders and the BRLMs, pursuant to the requirement of SEBI ICDR Regulations, based on which certain arrangements have been agreed upon in relation to the Offer
Offer for Sale	Offer for Sale of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹22,000 million by the Selling Shareholders consisting of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹5,500 million by Norwest Venture Partners X – Mauritius, up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹5,500 million by Kedaara Capital Fund II LLP, up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹5,000 million by British International Investment plc, up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹4,250 million by Lok Capital Growth Fund, up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹750 million by Growth Catalyst Partners LLC, up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹360 million by Vidya Arulmany, up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹210 million by Savita S Pai, up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹210 million by P. Surendra Pai, up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹140 million by Sheela Pai Cole and up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹80 million by Moneisha Sharad Gandhi
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. A discount of (a) up to [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) may be offered to Eligible Employees Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required. The Employee Discount, if any, will be decided by our Company, in consultation with the BRLMs
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 123
Offered Shares	Up to [●] Equity Shares of face value of ₹10 each aggregating to ₹22,000 million offered by the Selling Shareholders in the Offer for Sale
Pre-IPO Placement	Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of Specified Securities aggregating upto ₹1,200 million, as may be permitted under the applicable law, 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. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant 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, with the relevant financial ratios calculated at the Floor Price and at the Cap Price at least two Working Days prior to the Bid/ Offer Opening Date, [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered and Corporate Office is located), each with wide circulation and shall 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, in compliance with the SEBI ICDR Regulations
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

Term	Description
Public Offer Account Bank(s)	A bank which is a clearing member and which is registered with SEBI under the SEBI BTI Regulations, 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 [●]
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 of face value of ₹10 each 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 by our Company 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)	The bank(s) which are clearing members registered with SEBI under the SEBI BTI Regulations, 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 SEBI and 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 and the UPI Circulars
Registrar Agreement	The registrar agreement dated January 18, 2025 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 of face value of ₹10 each, 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
Specified Securities	Specified securities means 'equity shares' and 'convertible securities' as defined under Regulation 30(2)(1)(eee) of SEBI ICDR Regulations
"SCORES"	SEBI complaints redressal system
"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
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

Term	Description
	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 payment instructions of the UPI Bidders and carry out other responsibilities, in terms of the UPI Circulars
"Sub Syndicate" or "Sub-syndicate Member(s)"	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-1/P/CIR/2024/0154 dated November 11, 2024, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, (to the extent these circulars are not rescinded by the SEBI RTA Master Circular), SEBI RTA Master Circular (to the extent that such circular pertains to the UPI Mechanism), 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 UPI Bidders in accordance with the UPI Circulars to make an ASBA Bid in the Offer
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower 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
Adjusted Finance Cost	Finance Costs reduced by interest expenses on lease liabilities for the relevant period/year
ALM	Asset liability management
AML	Anti-money laundering
ASM	Additional surveillance measures
Attrition rate	The total employees or Key Managerial Personnel and Senior Management who have left our Company in the relevant period/year divided by total number of employees or Key Managerial Personnel and Senior Management during the relevant period/year
AUM	Assets under management which comprise loans outstanding as of the last day of the period/year
AUM Growth	The percentage growth in AUM as of the last day of the relevant year over AUM as of the last day of the previous year
AUM per Branch	Calculated as AUM as of the last day of the relevant period/year divided by the number of branches as of the last day of the relevant period/year
AUM per sales manager	Our assets under management as of the last day of the relevant period/year divided by the number of sales managers as of the last day of the relevant period/year
Average AUM	The simple average of AUM as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year
Average Cost of Borrowings	The adjusted finance cost for the relevant period/year as a percentage of Average Total Borrowings in such period/year. Adjusted finance cost represents finance costs reduced by interest expenses on lease liabilities for the relevant period/year. Average Total Borrowings is the simple average of Total Borrowings outstanding as of the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding year.
Average Equity	Average Equity is the simple average of Equity as of the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding year
Average Incremental Cost of Borrowings	The weighted average cost of borrowings in the relevant period/ year, weights being availed amount of each borrowing during the period/ year
Average Interest-earning Assets	The simple average of total interest-earning assets as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year
Average Interest-earning Assets / Average Total Assets	Average Interest-earning Assets as a percentage of Average Total Assets in such year
Average Net Worth	The simple average of Net Worth as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year
Average Residual Tenure of Borrowings	The average tenure of borrowings as of the last day of the relevant period or year weighted based on residual tenure
Average tenure of borrowings	The weighted average tenure of borrowings (including securitization) based on origination tenure
Average Tenure of Borrowings at Origination	The average tenure of borrowings as of the last day of the relevant period or year weighted based on origination tenure
Average ticket size	The average sanctioned amount per loan that is active as on the last day of the relevant period / year
Average ticket size (in terms of disbursements)	The average sanctioned amount per loan disbursed during the period/year
Average Total Assets	The simple average of Total Assets as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year
Average Total Borrowings	The simple average of Total Borrowings as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year
Average Total Borrowings/ Average Total Assets	Average Total Borrowings/ Average Total Assets is calculated as Average Total Borrowings for a period/year as a percentage of Average Total Assets in such period/year
Average Total Interest-earning Assets / Average Total Borrowings	Average Total Interest-earning Assets / Average Total Borrowings is calculated as Average Total Interest-earning Assets in a period/year as a percentage of Average Total Borrowings in such period/year
Average Yield on Disbursement	The weighted Average Yield on Disbursement, weights being sanctioned amount of each loan disbursed during the relevant period/year
Basic EPS	Basic earnings per equity share is computed by dividing net profit after tax attributable to the equity shareholders for the period/ year by the weighted average number of equity shares outstanding during the period/ year
BPS	Basis points
Budget	Union Budget for Financial Year 2025
CAGR	Compounded annual growth rate
Collections efficiency	Collections efficiency is calculated by dividing total amount collected (excluding foreclosures and restricting collections to 1 EMI per loan) by total amount due during the relevant period/year

Term	Description
Cost to income ratio	The ratio of Operating Expenses to Total Income for such relevant period/year.
CPI	Consumer price index
CRAR	Capital adequacy ratio or capital to risk weighted assets ratio (CRAR) is computed by dividing our Tier I and Tier II capital by risk weighted assets (CRAR (%) is computed in accordance with the relevant RBI guidelines).
Credit cost	The impairment loss allowance on loans - measured at amortized cost, on receivables and other financial assets - measured at amortized cost, loans written off and recovery on loans written off for the relevant period/year
Credit cost as a percentage of Average AUM	The credit cost for the relevant period/year as a percentage of Average AUM in such period/year
Credit Cost to Average AUM	Credit cost to average AUM is calculated as the credit cost for the relevant period/year as a percentage of Average AUM in such period/year
CSR	Corporate social responsibility
DDT	Dividend distribution tax
Debt to Equity Ratio	Debt to equity ratio is computed by dividing total borrowings by total equity
Debt to Equity ratio (times)	The Total Borrowings as of the last day of the relevant period/year as a percentage of Equity as of the last day of the relevant period/year
Diluted EPS	Diluted earnings per equity share is computed and disclosed by dividing the net profit after tax attributable to the equity shareholders for the period/ year after giving impact of dilutive potential equity shares for the period/ year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the period/ year
Disbursement per branch	Disbursements in the relevant period/year divided by simple average of number of branches as of the last day of the relevant period/year and as of the last day of the preceding period/year
Disbursement per Sales Manager	Disbursements in the relevant period/year divided by simple average of number of Sales managers as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year
Disbursements	The aggregate of all loan amounts extended to customers in the relevant period/year
Disbursements Growth	The percentage growth in Disbursements for the relevant year over Disbursements of the previous year
DPD	Days past due
DPD 1+	DPD 1+ represents AUM outstanding after the due date as of the end of the relevant period/year
DPD 30+	DPD 30+ represents AUM outstanding for more than 30 days after the due date for the relevant year/period
DPD 60+	DPD 60+ represents AUM outstanding for more than 60 days after the due date as of the end of the relevant period/year
DPD 90+	DPD 90+ represents AUM outstanding for more than 90 days after the due date as of the end of the relevant period/year
DSA	Direct Sales Agent
EMI	Equated monthly instalments
Equity Share capital raised	The proceeds from issue of equity shares including securities premium received on shares issued during the period / year
ESI	Employee State Insurance
Finance Costs to Average AUM	Calculated as the finance costs excluding interest expenses on lease liabilities for the relevant period/year as a percentage of Average AUM in such period/year
Fresh borrowings	The aggregate of all loan amounts drawn from our lenders in the relevant period or year
GDP	Gross domestic product
GeM	Government e-Marketplace
GNPA	Gross non-performing assets
GoI	Government of India
Gross Carrying Amount - Loans – Stage 1 (%)	The Gross Carrying Amount - Loans - Stage 1 as a percentage of Gross Carrying Amount - Loans - Total as of the last day of the relevant period/year
Gross Carrying Amount - Loans – Stage 2 (%)	The Gross Carrying Amount - Loans - Stage 2 as a percentage of Gross Carrying Amount - Loans - Total as of the last day of the relevant period/year
Gross Carrying Amount - Loans – Stage 3 (%)	The Gross Carrying Amount - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total as of the last day of the relevant period/year
GSM	Graded surveillance measures
Interest Income on loans to Average AUM	Calculated as the interest income on loans for the relevant period/year as a percentage of Average AUM in such period/year
KYC	Know-your-customer
LCR	Liquidity coverage ratio
LIG	Low-income group
LMS	Loan management system
Loans (AUM)	The aggregate of Loans and Impairment loss allowance - loans

Term	Description
LTV	Loan to value; The ratio of total loans sanctioned against value of collateral mortgaged
LTV ratio based on disbursements	The average of LTV for the loans disbursed in the relevant period/year, weighted based on the sanctioned loan amount
M&HCV	Medium and heavy commercial vehicles
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act, 2005
MIG	Middle-income group
MOSPI	Ministry of Statistics and Programme Implementation
MPC	Monetary Policy Committee
MSME	Micro, small and medium enterprises
NAV per share	Net Worth as at the end of the relevant period/year divided by the aggregate of total number of equity shares and instruments entirely equity in nature outstanding at the end of such period/year
NBFC	Non-banking financial company
NCD	Non-convertible debentures
Net Carrying Amount - Loans - Stage 1 (%)	The Gross Carrying Amount - Stage 1 – Loans reduced by Impairment Loss Allowance - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total reduced by Impairment Loss Allowance - Loans - Stage 1 as of the last day of the relevant period/year
Net Carrying Amount - Loans - Stage 2 (%)	The Gross Carrying Amount - Stage 2 – Loans reduced by Impairment Loss Allowance - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total reduced by Impairment Loss Allowance - Loans - Stage 2 as of the last day of the relevant period/year
Net Carrying Amount - Loans - Stage 3 (%)	The Gross Carrying Amount - Stage 3 – Loans reduced by Impairment Loss Allowance - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total reduced by Impairment Loss Allowance - Loans - Stage 3 as of the last day of the relevant period/year
Net Income	Net Income represents the difference between Total Income and Finance Cost for the relevant year
Net Income to Average Total Assets	Net Income to Average Total Assets represents Net Income for the relevant year to Average Total Assets for such year
Net Interest Income	Net Interest Income represents Interest income on loans reduced by adjusted finance cost
Net Interest Income to Average AUM	Calculated as the net interest income for the relevant period/year as a percentage of Average AUM in such period/year
Net Interest Margin	The net interest income for the relevant period/year as a percentage of Average AUM in such period/year. Average AUM represents the simple average of AUM as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year
Net Total Income to Average AUM	Calculated as the total income net of Finance Costs for the relevant period/year as a percentage of Average AUM in such period/year
Net worth	The aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net worth is calculated as equity share capital plus Instrument entirely equity in nature plus other equity
Operating Expenses	The sum of Employee benefits expenses, Fees and commission expense, Depreciation and Amortization, Interest expenses on lease liabilities and Other expenses for the relevant period/year
Operating Expenses as a percentage of Average AUM	Operating Expenses for the relevant period/year as a percentage of Average AUM in such period/year
Operating Expenses to Average AUM	Operating Expenses to Average AUM is calculated as the operating expense for the relevant period/year as a percentage of Average AUM in such period/year
Other Income to Average AUM	Other Income to Average AUM is calculated as other income for the relevant period/year as a percentage of average AUM in such period/year
PBC	Principal business criteria
Pre-impairment Provisioning Profit	The aggregate of Profit Before Tax and Impairment on financial instruments
Pre-impairment Provisioning Profit to Average AUM	Pre-impairment Provisioning Profit to Average AUM is calculated as the Pre-impairment provisioning profit for the relevant period/year as a percentage of Average AUM in such period/year
Profit After Tax to Average Net Worth	Profit After Tax to Average Net Worth represents Profit After Tax for the relevant period/year as a percentage of Average Net Worth for such period/year
Profit After Tax to Average Total Assets	Profit After Tax to Average Total Assets represents Profit After Tax for the relevant period/year as a percentage of Average Total Assets for such period/year
Profit before tax to Average AUM	Profit before tax to Average AUM is calculated as the Profit before tax for the relevant period/year as a percentage of Average AUM in such period/year

Term	Description
Provision Coverage ratio	The Impairment Loss Allowance – Loans – Stage 3 for a period/year as a percentage of Gross Carrying Amount – Stage 3 - Loans for such period/year
Provision Coverage Ratio (%)	Provision Coverage Ratio (%) represents Impairment Loss Allowance for Stage 3 Assets as a percentage of total Stage 3 assets (Gross) as of the last day of such year
RBI	Reserve Bank of India
Return on AUM	The profit for period/ year as a percentage of Average AUM in such year
Return on Average AUM	The profit for the period/ year as a percentage of Average AUM in such year
Return on Average Net Worth	Calculated as the profit for the period/ year as a percentage of average net worth in such year. Average Net Worth represents the simple average of net worth as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year
Return on Equity	The profit for the period/ year as a percentage of Average Equity in such year
Return on Total Assets	Return on total assets is calculated as the profit for the period/ year as a percentage of average total assets in such year
SFOs	Small fleet operators
Spread	Yield on Average Gross Loans reduced by Average Cost of Borrowings in such period/year
Total Borrowings	The aggregate of debt securities and borrowings (other than debt securities) as of the last day of the relevant period/year
Total Interest-earning Assets	The aggregate of assets under management, balances in deposit accounts with banks as of the previous period/year
TReDS	Trade Receivables and Discounting System
Undrawn borrowing facilities	The aggregate of borrowings that have been sanctioned by lenders but yet to be drawn by the Company
Used CV Loans	Used Commercial Vehicle Loans
Yield on Average AUM	The Interest income on loans for the relevant period/year as a percentage of Average AUM in such period/year
Yield on Average Gross Loans	The Interest income on loans for the relevant period/year as a percentage of Average assets under management in such period/year
Yield on Interest-earning Assets	The Total interest from the Interest-earning Assets for the relevant period/year as a percentage of Average Interest-earning Assets in such year

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
BSE	BSE Limited
Calendar Year	Unless the context otherwise requires, shall refer to the twelve-month period ending December 31
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
"Companies Act" or "Companies Act, 2013"	Companies Act, 2013, along with the relevant rules made thereunder, as amended
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a pandemic on March 11, 2020
CPC	Code of Civil Procedure, 1908, as amended
CrPC	Code of Criminal Procedure, 1973, as amended
DA	Direct assignment
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996, as amended
DIN	Director Identification Number
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
EBITDA	EBITDA represents profit for the year after adding back total tax expense, finance costs and depreciation and amortization of the relevant period/year

Term	Description
ECBs	External commercial borrowings
EGM	Extraordinary general meeting
ESOS	Employee Stock Option Scheme
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
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
Income Tax Act	The Income Tax Act, 1961, as amended
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) Rules, 2021
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
KYC	Know Your Customer
LLP	Limited Liability Partnership
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
NACH	National Automated Clearing House
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
"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
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
"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

Term	Description
p.a.	Per annum
P/E Ratio	Price to Earnings Ratio
PAN	Permanent Account Number
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
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
Scale Based Regulations	Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended
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 Master Circular	SEBI master circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024
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 Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI RTA Master Circular	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations, as amended
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
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. Securities Act	U.S. Securities Act of 1933, as amended
U.S. QIBs	“qualified institutional buyers”, as defined in Rule 144A
UTs	Union Territories
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
WACA	Weighted average cost of acquisition

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.

In this Draft Red Herring Prospectus, unless otherwise specified:

- any time mentioned is in IST;
- all references to a year are to a calendar year; and
- all references to page numbers 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.

Restated Summary Statements of the Company comprising the Restated Summary Statements of Assets and Liabilities as at September 30, 2024, and March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Summary Statements of Profit and Loss (including Other Comprehensive Income), the Restated Summary Statements of Cash Flows and the Restated Summary Statement of Changes in Equity for the six month period ended September 30, 2024, and for each of the years ended March 31, 2024, March 31, 2023 and March 31, 2022, together with the Summary of Material Accounting Policies and explanatory information thereon, based on the audited financial statements (i) as at and for the six month period ended September 30, 2024 prepared in accordance with Ind AS 34; and (ii) as at and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with Ind AS and each restated in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, 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, 2024, March 31, 2023 and March 31, 2022, were audited by the Previous Statutory Auditors, being Sundaram & Srinivasan, Chartered Accountants. The financial statements of our Company as at and for the six-month period ended September 30, 2024 were audited by the current Statutory Auditors, being S.R. Batliboi & Associates LLP, Chartered Accountants.

Financial information for the six months period ended September 30, 2024 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, 2024, March 31, 2023, and March 31, 2022. Further, financial information for the six months period ended September 30, 2024 has not been annualized.

For further information, see "*Summary of Financial Information*", "*Restated Summary Statements*", "*Other Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 71, 305, 414 and 420, respectively.

There are significant differences between the Ind AS, the IFRS, the Indian GAAP, 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. For further details, see "*Risk Factors - Significant differences exist between Indian Accounting Standards and other accounting principles, such as Indian Generally Accepted Accounting Principles, U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards, which may be relevant to investors' assessment of our financial condition, results of operations and cash flows.*" on page 58.

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. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded-off to such number of decimal points as provided in such respective sources. Our Statutory Auditors have provided no assurance or services related to any prospective financial information.

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 32, 217 and 420, 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 and operational performance, such as Net worth, Net asset value per share, Total borrowings, Net interest income, Debt to equity ratio, Cost to income ratio (%), Net Carrying Amount - Loans - Stage 3, Net Carrying Amount - Loans - Stage 3 (%), Gross Carrying Amount - Loans - Stage 3 (%), Provision Coverage Ratio (%), Operating Expenses, Pre-impairment provisioning profit, Credit cost, EBITDA, Adjusted Finance cost, Loans (AUM), Total borrowings / 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 business, performance and liquidity 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. These non-GAAP financial measures relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across industry. Therefore, such non-GAAP measures may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other entities in India or elsewhere. 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 420 and "*Other Financial Information*" on page 414. For further details see "*Risk Factors – We have included in this Draft Red Herring Prospectus certain non-generally accepted accounting principle financial measures and certain other selected statistical information related to our operations and financial condition. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the industry in which we operate and therefore may not be comparable with financial and statistical information of similar nomenclature that may be computed and presented by other peer group companies.*" on page 58.

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.

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 period indicated, information with respect to the exchange rate between the Rupee and USD:

Currency	As at and for the period/year ended			
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1 USD	83.79	83.37	82.22	75.81

Source: Foreign exchange reference rates as available on www.fbil.org.in
Note: Exchange rate is rounded off to two decimal point

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the CRISIL Report prepared by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited ("**CRISIL MI&A/CRISIL**") and publicly available information as well as other industry publications and sources.

CRISIL is an independent agency which has no relationship with our Company, any of our Directors, the Selling Shareholders or Key Managerial Personnel, Senior Management Personnel, or the Book Running Lead Managers. The CRISIL Report has been exclusively commissioned and paid for by our Company pursuant to an engagement letter with CRISIL dated June 14, 2024, 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 https://www.veritasfin.in/drhp.php and has also been included in "*Material Contracts and Documents for Inspection – Material Documents*" on page 533.

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 solely 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 however, no material data in connection with the Offer has been omitted. Data from these sources may also not be comparable.

Industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. 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 industry and market-related information from an industry report prepared by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited, which has been commissioned and paid for by us in connection with the Offer, and any reliance on such information in making an investment decision in the Offer is subject to inherent risks.*", on page 58. Accordingly, investment decision should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price - Quantitative Factors – Comparisons with listed industry peers*" beginning on page 132 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified herein. Such industry sources and 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 solely on such information.

About CRISIL Market Intelligence & Analytics

CRISIL Market Intelligence & Analytics ("**CRISIL MI&A**"), a division of CRISIL Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. CRISIL MI&A operates independently of CRISIL's other divisions and subsidiaries, including, CRISIL Ratings Limited. CRISIL MI&A's informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies.

For the preparation of the CRISIL Report, CRISIL MI&A has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in the CRISIL Report are based on certain assumptions, which in its opinion are true as on the date of the CRISIL Report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. The CRISIL Report does not consist of any investment advice and nothing contained in the CRISIL Report should be construed as a recommendation to invest/disinvest in any entity. This industry report is intended for use only within India.

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 the Offer, including the merits and risks involved. The Equity Shares offered in the Offer have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any other applicable law of the United States and, unless so registered, 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 (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "**U.S. QIBs**"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "**QIBs**") pursuant to Section 4(a) of the U.S. Securities Act and (b) outside of the United States in "offshore transactions" as defined in and in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. See "*Other Regulatory and Statutory Disclosures – Eligibility and Transfer Restrictions*" on page 464.

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.

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 may 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", "are likely", "believe", "continue", "can", "could", "expect", "estimate", "intend", "likely to", "seek to", "strive to", "shall", "objective", "plan", "project", "propose" "will", "will achieve", "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 involves exposure to high credit risk, first-time borrowers in under-served households and businesses in India (with such loans constituting 24.72% of our Loans (AUM) as of September 30, 2024). These borrowers may be adversely affected by economic and other factors that affect their income-earning capacity. Such factors could lead to increased customer defaults which could adversely affect our business, financial condition, results of operations and cash flows.
2. Non-payment or defaults by our borrowers may lead to increased levels of Gross Carrying Amount – Loans – Stage 3 (which aggregated to ₹1,267.61 million, ₹1,025.97 million, ₹772.92 million and ₹861.43 million as of September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, respectively) and related provisioning and write-offs on our balance sheet, which could adversely affect our business, financial condition, results of operations and cash flows.
3. We require substantial funds for our business (our total borrowings as of September 30, 2024 were ₹48,894.18 million) and any disruption in our sources of funds could adversely affect our business, financial condition, results of operations and cash flows.
4. We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income and net interest margin to vary and adversely affect our business, financial condition, results of operations and cash flows.
5. Our Working Capital loans (constituting 8.83% of our Loans (AUM) as of September 30, 2024) are unsecured and are susceptible to credit risks which may result in increased levels of Gross Carrying Amount – Loans – Stage 3, which could adversely affect our business, financial condition, results of operations and cash flows.
6. We depend on the accuracy and completeness of information submitted by our borrowers. Any misrepresentation, fraud, errors in or incompleteness of such information could adversely affect the quality of our credit assessment and adversely affect our asset quality, business, financial condition, results of operations and cash flows.
7. We have recently expanded into affordable home loans and used commercial vehicle loans as new lines of business and if we are unable to grow these new businesses successfully or develop new businesses to address changing borrower needs, our business, reputation, financial condition, results of operations and cash flows may be adversely affected.
8. An inability to recover outstanding amounts due under defaulted loans within our secured loan portfolio (aggregating to 91.17% of our Loans (AUM) as of September 30, 2024) from the sale of collateral, in a timely manner or at all, could adversely affect our business, financial condition, results of operations and cash flows.
9. An inability to meet our obligations, including financial and other covenants under our financing arrangements, could adversely affect our business, results of operations and cash flows.
10. We operate in a highly regulated industry and changes in the applicable regulatory environment or our inability to comply with applicable regulations may adversely affect our business, financial condition, results of operations and cash flows.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*", "*Industry Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 32, 217, 153 and 420, 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 on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors 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 belief 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. Neither our Company, any Selling Shareholder, our Directors, the Syndicate nor 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 the SEBI ICDR Regulations, our Company shall ensure that Bidders in India are informed of material developments, until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity Shares pursuant to the Offer. In accordance with the requirements of the SEBI ICDR Regulations, each of the Selling Shareholders shall, severally and not jointly, ensure that our Company and BRLMs are informed of material developments in relation to the statements and undertakings specifically made or undertaken by such Selling Shareholder in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares in this Draft Red Herring Prospectus, from the date thereof until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer. Only statements and undertakings which are specifically confirmed or undertaken by the Selling Shareholders, as the case may be, in this Draft Red Herring Prospectus shall, severally and not jointly, deemed to be statements and undertakings made by such Selling Shareholder.

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 Principal Shareholders", "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 32, 69, 85, 123, 153, 217, 288, 305, 420, 454, 487 and 507, respectively.

Summary of the business of our Company

We are a retail-focused NBFC primarily providing loans to MSMEs and self-employed individuals. Through our network of 424 branches (excluding service centres) across 10 states and one union territory in India, we provide loans for small businesses, home loans and used commercial vehicle loans, among others. As of September 30, 2024, our Loans (AUM) aggregated to ₹65,172.17 million across our various products. We provide retail credit to borrowers lacking access to formal financing channels and documentation across rural and semi-urban areas. Our growth is supported by our diverse product portfolio, geographic diversity, and proprietary credit assessment model. For further details, see "*Our Business*" on page 217.

Summary of the industry in which our Company operates

MSMEs in India faces a growing credit gap, estimated at ₹58.4 trillion in 2017, which is projected to have expanded to approximately ₹103 trillion by Financial Year 2024. The affordable housing finance market, measured by outstanding loans, was valued at ₹12 trillion as of Financial Year 2024, with incremental demand projected at ₹50-60 trillion. Additionally, the unsecured business loans sector reached ₹70.90 trillion in Financial Year 2024, growing at a CAGR of 16.3% from Financial Year 2019. Additionally, the commercial vehicle financing market in India is expected to grow at a CAGR of 13% between Financial Years 2024 and 2027 (Source: *CRISIL MI&A Report*). For further details, see "*Industry Overview*" on page 153.

Our Promoters

Our Company is a professionally managed company and does not have any identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act.

Offer size

The details of the Offer are set out below:

Offer of Equity Shares(1)(2)(3)(4)	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹28,000 million
of which:	
(i) Fresh Issue(1)(4)	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹6,000 million
(ii) Offer for Sale(2)(3)	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹22,000 million
The Offer comprises:	
Employee Reservation Portion (5)	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹[●] million
Net Offer	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹[●] million

(1) *The Offer (including the Fresh Issue) has been approved by our Board pursuant to the resolution passed at its meeting held on January 9, 2025 and our Shareholders have authorized the Fresh Issue pursuant to a special resolution passed at their meeting held on January 13, 2025.*

(2) *Our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated January 17, 2025.*

(3) *The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale in the terms of Regulation 8 of the 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. For further details, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 69 and 461, respectively. 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/corporate authorization*	*Date of consent letter*
Investor Selling Shareholders				
Norwest Venture Partners X – Mauritius	*Up to ₹5,500 million*	*Up to [●] Equity Shares of face value of ₹10*	*July 3, 2024*	*January 17, 2025*
Kedaara Capital Fund II LLP	*Up to ₹5,500 million*	*Up to [●] Equity Shares of face value of ₹10*	*January 14, 2025*	*January 17, 2025*
British International Investment plc	*Up to ₹5,000 million*	*Up to [●] Equity Shares of face value of ₹10*	*December 20, 2024*	*January 17, 2025*
Lok Capital Growth Fund	*Up to ₹ 4,250 million*	*Up to [●] Equity Shares of face value of ₹10*	*January 13, 2025*	*January 17, 2025*
Growth Catalyst Partners LLC	*Up to ₹750 million*	*Up to [●] Equity Shares of face value of ₹10*	*January 13, 2025*	*January 17, 2025*
Individual Shareholders				

Name of the Selling Shareholder	*Aggregate proceeds from Offer for Sale*	*Maximum number of Offered Shares*	*Date of board resolution/corporate authorization*	*Date of consent letter*
Vidya Arulmany	*Up to ₹360 million*	*Up to [●] Equity Shares of face value of ₹10*	*NA*	*January 17, 2025*
P. Surendra Pai	*Up to ₹210 million*	*Up to [●] Equity Shares of face value of ₹10*	*NA*	*January 17, 2025*
Savita S Pai	*Up to ₹210 million*	*Up to [●] Equity Shares of face value of ₹10*	*NA*	*January 17, 2025*
Sheela Pai Cole	*Up to ₹140 million*	*Up to [●] Equity Shares of face value of ₹10*	*NA*	*January 17, 2025*
Moneisha Sharad Gandhi	*Up to ₹80 million*	*Up to [●] Equity Shares of face value of ₹10*	*NA*	*January 17, 2025*

(4) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of Specified Securities aggregating upto ₹1,200 million, as may be permitted under the applicable law, 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. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant 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 Red Herring Prospectus and the Prospectus.*

(5) *Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹0.50 million. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million (net of the Employee Discount). 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 ₹0.20 million (net of the Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹0.50 million (net of the Employee Discount). For further details, see "Offer Procedure" and "Offer Structure" on pages 487 and 483, 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*", "*Other Regulatory and Statutory Disclosures*" and "*Offer Structure*" beginning on pages 69, 461 and 483, respectively.

Objects of the Offer

Our Company proposes to utilize the Net Proceeds from the Offer in the following manner:

Particulars	**Amount(1) (₹ in million)**
Augmenting our capital base to meet future business requirements of our Company toward onward lending	[●]

(1) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of Specified Securities aggregating upto ₹1,200 million, as may be permitted under the applicable law, 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. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant 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 Red Herring Prospectus and the Prospectus.*

For further details, see "*Objects of the Offer*" on page 123.

Aggregate pre-Offer and post-Offer shareholding of the Selling Shareholders as a percentage of our paid-up Equity Share capital

The aggregate pre-Offer and post-Offer shareholding of 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 on a fully diluted basis (%)***	**Percentage of the post-Offer paid-up Equity Share capital (%)**
Investor Selling Shareholders				
1.	Norwest Venture Partners X – Mauritius	28,750,308	21.76	[●]
2.	Lok Capital Growth Fund	10,757,276	8.14	[●]
3.	Growth Catalyst Partners LLC	1,121,212	0.85	[●]
4.	British International Investment plc	13,760,568	10.41	[●]
5.	Kedaara Capital Fund II LLP	20,087,374	15.20	[●]
Individual Selling Shareholders				
1.	Vidya Arulmany	500,000	0.38	[●]
2.	P. Surendra Pai	592,376	0.45	[●]
3.	Savita S Pai	688,626	0.52	[●]
4.	Moneisha Sharad Gandhi	200,000	0.15	[●]
5.	Sheela Pai Cole	3,364,247	2.55	[●]

* *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 Schemes as on the date of this DRHP, as applicable.*

For further details of the Offer, see "*Capital Structure*" beginning on page 85.

Summary of Selected Financial Information

The details of our Equity Share capital, Other equity, Net Worth, Total Income, Profit for the period/ year, Earnings per share - Basic and Earnings per share - Diluted, Net Asset Value per Share and Total borrowings for the six months period ended September 30, 2024 and financial years ended March 31, 2024, 2023 and 2022 derived from the Restated Summary Statements are as follows:

(₹ in million, unless otherwise stated)

Particulars	As at and for the six months period ended September 30, 2024	As at and for the year ended March 31,		
		2024	2023	2022
Equity share capital	1,313.58	1,275.19	1,142.23	1,135.79
Other equity	24,792.93	22,020.35	14,770.34	12,944.68
Net Worth (1)	26,106.51	23,295.54	15,912.57	14,080.47
Total income	7,201.12	11,174.93	6,807.97	4,422.27
Profit for the period/year	1,331.08	2,450.52	1,764.04	754.04
- Earnings per share, par value of INR 10 each – Basic* (in INR) (2)	10.10	19.04	14.85	6.75
- Earnings per share, par value of INR 10 each – Diluted* (in INR) (2)	10.02	18.86	14.52	6.60
Net Asset Value per share (₹) (3)	198.86	182.68	148.35	132.06
Total borrowings (4)	48,894.18	39,958.07	24,253.24	11,956.52

* *Not annualised for the period ended September 30, 2024*

Notes:

1. Net worth of the Company means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net Worth is calculated as equity share capital plus Instrument entirely equity in nature plus other equity.
2. Basic and Diluted EPS are computed in accordance with Indian Accounting Standard (Ind AS) 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Basic earnings per equity share is computed by dividing net profit after tax attributable to the equity shareholders for the period/year by the weighted average number of equity shares outstanding during the period/ year. Diluted earnings per equity share is computed and disclosed by dividing the net profit after tax attributable to the equity shareholders for the period/ year after giving impact of dilutive potential equity shares for the period/ year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the period/ year.
3. Net Asset Value Per Share is calculated as Net Worth as at the end of the relevant period/year divided by the aggregate of total number of equity shares and instruments entirely equity in nature outstanding at the end of such period/year.
4. Total Borrowings represents the aggregate of debt securities and borrowings (other than debt securities) as of the relevant period/year

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

There are no qualifications of the statutory auditors 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 and Directors, if applicable, as disclosed in the section titled "*Outstanding Litigation and Other Material Developments*" beginning on page 454 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	Material civil litigation	Aggregate amount involved (₹ in million)(1)
Company					
By the Company	3,227	NA	NA	Nil	491.90(2)
Against the Company	5	Nil	Nil	Nil	NA
Directors					
By the Directors	Nil	NA	NA	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil

(1) To the extent quantifiable
(2) This includes the aggregate amount of ₹ 19.83 million involving 698 proceedings initiated by our Company under the Negotiable Instruments Act, 1881.

As on the date of this DRHP, the Company does not have any Group Company. For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 454.

Risk Factors

Specific attention of the investors is invited to the section "*Risk Factors*" beginning on page 32 to have an informed view before making an investment decision. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. Set forth below are the top 10 risk factors applicable to our Company:

Sr. No.	Risk Factors
1.	Our business involves exposure to high credit risk, first-time borrowers in under-served households and businesses in India (with such loans constituting 24.72% of our Loans (AUM) as of September 30, 2024). These borrowers may be adversely affected by economic and other factors that affect their income-earning capacity. Such factors could lead to increased customer defaults which could adversely affect our business, financial condition, results of operations and cash flows.
2.	Non-payment or defaults by our borrowers may lead to increased levels of Gross Carrying Amount – Loans – Stage 3 (which aggregated to ₹1,267.61 million, ₹1,025.97 million, ₹772.92 million and ₹861.43 million as of September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, respectively) and related provisioning and write-offs on our balance sheet, which could adversely affect our business, financial condition, results of operations and cash flows.
3.	We require substantial funds for our business (our total borrowings as of September 30, 2024 were ₹48,894.18 million) and any disruption in our sources of funds could adversely affect our business, financial condition, results of operations and cash flows.
4.	We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income and net interest margin to vary and adversely affect our business, financial condition, results of operations and cash flows.
5.	Our Working Capital loans (constituting 8.83% of our Loans (AUM) as of September 30, 2024) are unsecured and are susceptible to credit risks which may result in increased levels of Gross Carrying Amount – Loans – Stage 3, which could adversely affect our business, financial condition, results of operations and cash flows.
6.	We depend on the accuracy and completeness of information submitted by our borrowers. Any misrepresentation, fraud, errors in or incompleteness of such information could adversely affect the quality of our credit assessment and adversely affect our asset quality, business, financial condition, results of operations and cash flows.
7.	We have recently expanded into affordable home loans and used commercial vehicle loans as new lines of business and if we are unable to grow these new businesses successfully or develop new businesses to address changing borrower needs, our business, reputation, financial condition, results of operations and cash flows may be adversely affected.
8.	An inability to recover outstanding amounts due under defaulted loans within our secured loan portfolio (aggregating to 91.17% of our Loans (AUM) as of September 30, 2024) from the sale of collateral, in a timely manner or at all, could adversely affect our business, financial condition, results of operations and cash flows.
9.	An inability to meet our obligations, including financial and other covenants under our financing arrangements, could adversely affect our business, results of operations and cash flows.
10.	We operate in a highly regulated industry and changes in the applicable regulatory environment or our inability to comply with applicable regulations may adversely affect our business, financial condition, results of operations and cash flows.

Summary table of contingent liabilities

The details of our contingent liabilities as per Ind AS 37 - provisions, contingent liabilities and contingent assets as at September 30, 2024 are set forth in the table below:

(₹ in million)

Particulars	As at September 30, 2024
Claims against the Company not acknowledged as debt	0.99
Bank Guarantee	2.50

Summary of related party transactions

Set out below is a summary of related party transactions for Financial Years 2024, 2023 and 2022 and for the six months period ended September 30, 2024 as per the requirements of Ind AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations, as derived from the Restated Summary Statements:

Name of the related party	Nature of relationship	Nature of transaction	For the six month period ended	For the year ended		
			September 30, 2024 (₹ in million)	March 31, 2024 (₹ in million)	March 31, 2023 (₹ in million)	March 31, 2022 (₹ in million)
Veritas Foundation	Entity with significant influence by key management personnel	Donation towards Corpus	-	-	1.00	-
Veritas Foundation	Entity with significant influence by key management personnel	CSR contribution	52.57	10.00	18.47	-
D. Arulmany	Managing Director and Chief Executive Officer	Remuneration to Key Managerial Personnel * - Short-term employee benefits	10.82	22.20	17.67	13.21
V.G. Suchindran	Chief Financial Officer (Upto September 13, 2024)	Remuneration to Key Managerial Personnel * - Short-term employee benefits	7.01	16.36	13.15	10.22
S V Laxmi	Chief Financial Officer (Effective from September 16, 2024)	Remuneration to Key Managerial Personnel * - Short-term employee benefits	0.19	-	-	-
V. Aruna	Company Secretary and Compliance Officer (effective from February 4, 2022)	Remuneration to Key Managerial Personnel * - Short-term employee benefits	0.81	1.36	1.03	0.16
N. A. Madhavi	Company Secretary and Compliance Officer (Upto February 3, 2022)	Remuneration to Key Managerial Personnel * - Short-term employee benefits	-	-	-	1.17
N. A. Madhavi	Company Secretary and Compliance Officer (Upto February 3, 2022)	Remuneration to Key Managerial Personnel * - Post employement benefits	-	-	-	0.03
V.G. Suchindran	Chief Financial Officer (Upto September 13, 2024)	Remuneration to Key Managerial Personnel * - Post employement benefits	9.32	-	-	-
V.G. Suchindran	Chief Financial Officer (Upto September 13, 2024)	Remuneration to key managerial personnel* - Share based payments	-	0.80	-	-

Name of the related party	Nature of relationship	Nature of transaction	For the six month period ended	For the year ended		
			September 30, 2024 (₹ in million)	March 31, 2024 (₹ in million)	March 31, 2023 (₹ in million)	March 31, 2022 (₹ in million)
S V Laxmi	Chief Financial Officer (Effective from September 16, 2024)	Remuneration to key managerial personnel* - Share based payments	0.36	-	-	-
V. Aruna	Company Secretary and Compliance Officer (effective from February 4, 2022)	Remuneration to key managerial personnel* - Share based payments	0.24	0.71	0.13	-
N. A. Madhavi	Company Secretary and Compliance Officer (Upto February 3, 2022)	Remuneration to key managerial personnel* - Share based payments	-	-	-	0.03
Abhijit Sen	Independent Director (Upto May 21, 2024)	Director Sitting Fees - Short term	0.10	0.73	0.55	0.48
M Sivaraman	Independent Director (Upto May 21, 2024)	Director Sitting Fees - Short term	0.08	0.53	0.45	0.43
N Mohan Raj	Independent Director (Upto May 21, 2024)	Director Sitting Fees - Short term	0.13	0.85	0.60	0.53
Suresh Subramanian	Independent Director (effective from December 23, 2023) (additional director for the period November 24, 2023 to December 22, 2023)	Director Sitting Fees - Short term	0.35	0.13	-	-
Mathew Joseph	Independent Director (effective from December 23, 2023) (additional director for the period November 24, 2023 to December 22, 2023)	Director Sitting Fees - Short term	0.40	0.13	-	-
Sankarson Banerjee	Independent Director (effective from April 20, 2024) (additional director for the period March 27, 2024 to April 19, 2024)	Director Sitting Fees - Short term	0.23	-	-	-
Raj Vikash Verma	Non- Executive Chairman & Independent Director (effective from September 30, 2024) (additional director for the period July 16, 2024 to September 29, 2024)	Director Sitting Fees - Short term	0.05	-	-	-
Susan Thomas	Independent Director (effective from September 30, 2024) (additional director for the period July 16, 2024 to September 29, 2024)	Director Sitting Fees - Short term	0.10	-	-	-
Abhijit Sen	Independent Director (Upto May 21, 2024)	Commission to Directors - Short term	-	2.00	1.50	1.50

Name of the related party	Nature of relationship	Nature of transaction	For the six month period ended	For the year ended		
			September 30, 2024 (₹ in million)	March 31, 2024 (₹ in million)	March 31, 2023 (₹ in million)	March 31, 2022 (₹ in million)
M Sivaraman	Independent Director (Upto May 21, 2024)	Commission to Directors - Short term	-	2.00	1.50	1.50
N Mohan Raj	Independent Director (Upto May 21, 2024)	Commission to Directors - Short term	-	2.00	1.50	1.50
Suresh Subramanian	Independent Director (effective from December 23, 2023) (additional director for the period November 24, 2023 to December 22, 2023)	Commission to Directors - Short term	-	0.65	-	-
Mathew Joseph	Independent Director (effective from December 23, 2023) (additional director for the period November 24, 2023 to December 22, 2023)	Commission to Directors - Short term	-	0.65	-	-
Sankarson Banerjee	Independent Director (effective from April 20, 2024) (additional director for the period March 27, 2024 to April 19, 2024)	Commission to Directors - Short term	-	0.05	-	-
Mr. Raj Vikash Verma	Non- Executive Chairman & Independent Director ((effective from September 30, 2024) (additional director for the period July 16, 2024 to September 29, 2024)	Commission to Directors - Short term	-	-	-	-
Susan Thomas	Independent Director ((effective from September 30, 2024) (additional director for the period July 16, 2024 to September 29, 2024)	Commission to Directors - Short term	-	-	-	-
N. A. Madhavi	Company Secretary and Compliance Officer (Upto February 3, 2022)	Receipt of money on account of exercise of ESOP	-	-	-	0.02
D. Arulmany	Managing Director and Chief Executive Officer	Receipt of call money from issue of partly paid up shares	-	1.39	-	-
V.G. Suchindran	Chief Financial Officer (Upto September 13, 2024)	Receipt of call money from issue of partly paid up shares	-	0.80	-	-
V.G. Suchindran	Chief Financial Officer (Upto September 13, 2024)	Forfeiture of partly paid up shares	0.80	-	-	-
D. Arulmany	Managing Director and Chief Executive Officer	Receipt of pending call money of partly paid up shares	33.42	98.78	-	-

Name of the related party	Nature of relationship	Nature of transaction	For the six month period ended	For the year ended		
			September 30, 2024 (₹ in million)	March 31, 2024 (₹ in million)	March 31, 2023 (₹ in million)	March 31, 2022 (₹ in million)
D. Arulmany	Managing Director and Chief Executive Officer	Receipt of securities premium**	1,137.66	688.06	-	-
N. A. Madhavi	Company Secretary and Compliance Officer (Upto February 3, 2022)	Receipt of securities premium**	-	-	-	0.30

* *Amount attributable to post-employment benefits have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.*

** *Amount excludes transfer from Share Based Payment reserve to Securities Premium on exercise of employee stock option*

Financing Arrangements

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 the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

There have been no acquisitions of equity shares or CCPS by the Selling Shareholders in the last one year.

Average cost of acquisition of Equity Shares of the Selling Shareholders

The average cost of acquisition of 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	Average cost of acquisition per Equity Share* (in ₹)*
Investor Selling Shareholders		
Norwest Venture Partners X – Mauritius	28,750,308	201.12
Lok Capital Growth Fund	10,757,276	92.56
Growth Catalyst Partners LLC	1,121,212	330.00
British International Investment plc	13,760,568	82.85
Kedaara Capital Fund II LLP	20,087,374	247.22
Individual Selling Shareholders		
Vidya Arulmany	500,000	10.00
P. Surendra Pai	592,376	135.04
Savita S Pai	688,626	135.04
Moneisha Sharad Gandhi	200,000	10.00
Sheela Pai Cole	3,364,247	39.56

* *As certified by R P S V & Co., Chartered Accountants, by way of certificate dated January 18, 2025.*

Details of price at which specified securities were acquired by each of the 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 Selling Shareholders and Shareholders entitled with the right to nominate directors or other rights in the Company.

Sr. No.	Name	Date of acquisition of the Equity Shares	Number of Equity Shares acquired	Nature of Transaction	Face Value	Acquisition price per equity share (in ₹)
Shareholders with the right to nominate directors						
1.	D. Arulmany	July 5, 2023	1,389,518	Private Placement	10	485.63
2.	Multiples Private Equity Fund III	July 5, 2023	5,904,333	Secondary acquisition	10	485.63
3.	Multiples Private Equity Fund III	July 5, 2023	3,571,855	Private Placement	10	485.63
4.	Multiples Private Equity Fund III	July 27, 2023	819,716	Secondary acquisition	10	485.63

* *As certified by R P S V & Co., Chartered Accountants, by way of certificate dated January 18, 2025.*

For further details, see "History and Certain Corporate Matters" and "Description of Equity Shares and Terms of Articles of Association" on pages 264 and 507, respectively.

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

Period	Weighted Average Cost of Acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition^	Range of acquisition price: Lowest Price – Highest Price (in ₹)
Last one year preceding the date of this Draft Red Herring Prospectus	637.56	[●]	135-644
Last 18 months preceding the date of this Draft Red Herring Prospectus	612.54	[●]	10-644
Last three years preceding the date of this Draft Red Herring Prospectus	471.65	[●]	10-644

* *As certified by R P S V & Co., Chartered Accountants, by way of certificate dated January 18, 2025.*
^ *To be included upon the finalization of the Price Band.*

Details of the pre-IPO placement

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of Specified Securities aggregating upto ₹1,200 million, as may be permitted under applicable law, 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. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue.

Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant 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 Red Herring Prospectus and the 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 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 101.

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

Our Company has not undertaken sub-division or consolidation of its Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

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 received or 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 the Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If any or some combination of the following risks actually occur, our business, prospects, financial condition, results of operations and cash flows could suffer, the trading price of the Equity Shares could decline, and prospective investors may lose all or part of their investment.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones relevant to us or the Equity Shares and the industry in which we currently operate or propose to operate. Some risks may be unknown to us and other risks, currently believed to be immaterial, could be or become material. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. To obtain a complete understanding of our business, prospective investors should read this section in conjunction with the sections "Our Business", "Industry Overview", "Key Regulations and Policies", "Selected Statistical Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Outstanding Litigation and Material Developments" and "Restated Summary Statements" on pages 217, 153, 249, 291, 420, 454 and 305, respectively, as well as the other financial and statistical information included elsewhere in this Draft Red Herring Prospectus.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Offer, including the merits and risks involved. Prospective investors should also pay particular attention to the fact that we are subject to an extensive regulatory environment, which may differ significantly from one jurisdiction to another. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in the Equity Shares.

This Draft Red Herring Prospectus contains forward-looking statements which refer to future events that involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. See "Forward-Looking Statements" on page 21.

*Unless otherwise indicated, the industry and market-related information contained in this Draft Red Herring Prospectus is derived from the report titled "Report on Loans and Financial Services in India" dated January 2025 (the "**CRISIL MI&A Report**"), which has been commissioned and paid for by our Company for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CRISIL Market Intelligence & Analytics, a division of CRISIL Limited ("**CRISIL MI&A**"), in connection with the preparation of the CRISIL MI&A Report pursuant to an engagement letter dated June 14, 2024. The CRISIL MI&A Report is available on the website of our Company at https://www.veritasfin.in/drhp.php and has also been included in "Material Contracts and Documents for Inspection – Material Documents" on page 533. The information included in this section includes excerpts from the CRISIL MI&A Report and may have been reordered by us for the purposes of presentation. There are no material parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner. For more information, see "—Certain sections of this Draft Red Herring Prospectus contain industry and market-related information from an industry report prepared by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited, which has been commissioned and paid for by us in connection with the Offer, and any reliance on such information in making an investment decision in the Offer is subject to inherent risks" on page 58.*

Our Financial Year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Summary Statements included in this Draft Red Herring Prospectus.

INTERNAL RISK FACTORS

1. ***Our business involves exposure to high credit risk, first-time borrowers in under-served households and businesses in India (with such loans constituting 24.72% of our Loans (AUM) as of September 30, 2024). These borrowers may be adversely affected by economic and other factors that affect their income-earning capacity. Such factors could lead to increased customer defaults which could adversely affect our business, financial condition, results of operations and cash flows.***

We extend loans to relatively high credit risk borrowers in under-served households and businesses in India. Such borrowers are perceived as relatively high credit-risk to us and other financial institutions due to multiple factors, including vulnerability to adverse economic conditions, limited or lack of access to formal sources of credit due to low income, informal employment, lack of formal documentation, lack of or relatively weak credit history, lack of collateral and supporting documentation and geographic remoteness, among others. These borrowers may also be first-time borrowers or new-to-credit borrowers, and the earning capacity of these borrowers depends on macro and micro economic factors that affect them from time to time. Such borrowers may typically face higher levels of economic and social vulnerability and may have difficulty in repaying their loans in the face of unforeseen adverse events, such as business failures, lack of liquidity, insolvency, loss of employment or personal emergencies such as the death of an income-generating family member, including on account of events beyond their control, such as the COVID-19 pandemic, political unrest or other natural calamities like floods and droughts. We follow procedures to evaluate the credit profiles of our customers prior to sanctioning a loan, and also rely on the value of the property provided as underlying collateral. As a result of these factors, it may be difficult for us to appropriately assess the credit worthiness of such borrowers, and we may overestimate or underestimate the risk profile of such borrowers, which could adversely affect our business. Also see "*Our Business – Description of our Business – Risk Management*" on page 226.

As of September 30, 2024, 24.72%, of our loan book consisted of loans disbursed to first-time borrowers. Such loans are subject to a higher risk of non-payment or default due to the factors outlined above, including limited experience with timely interest payments and principal repayment. Among these first-time borrowers, our non-performing assets amounted to ₹280.91 million (constituting 1.74% of our Loans (AUM)) as of September 30, 2024. The above factors may lead to increased borrower defaults, which could adversely affect our business, financial condition, results of operations and cash flows.

2. ***Non-payment or defaults by our borrowers may lead to increased levels of Gross Carrying Amount – Loans – Stage 3 (which aggregated to ₹1,267.61 million, ₹1,025.97 million, ₹772.92 million and ₹861.43 million as of September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, respectively) and related provisioning and write-offs on our balance sheet, which could adversely affect our business, financial condition, results of operations and cash flows.***

Defaults by our borrowers for a period of more than 90 days and other qualitative factors, may result in our loans being classified as Gross Carrying Amount – Loans – Stage 3 in accordance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulations) Directions, 2023 (the "**NBFC Scale Based Regulations**").

Our ability to manage the credit quality of our loans, which we measure through overdue loans (including Gross Carrying Amount – Loans – Stage 3), is a key driver of our results of operations. Default risks primarily include delay in repayment of principal or interest on our loans. Any increase in such defaults may result in an increase in our Gross Carrying Amount – Loans – Stage 3 and write-offs since borrowers may default on their obligations to us for a variety of factors, including as a result of their business failure, lack of liquidity, insolvency, wilful defaults, loss of employment or personal emergencies such as the death of an income-generating family member, and other reasons such as their inability to adapt to changes in the macro business environment.

The table below sets out details of overdue loans in our portfolio, in absolute terms and as a percentage of our Loans (AUM), as of September 30, 2024 and March 31, 2024, March 31, 2023 and March 31, 2022:

Overdue bucket	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	% of total Loans	Amount	% of total Loans	Amount	% of total Loans	Amount	% of total Loans
	(₹ in millions, except for %)							
DPD 1+[(1)]	3,177.90	4.88%	2,067.54	3.61%	1,587.00	4.49%	1,990.17	9.10%
DPD 30+[(2)]	2,301.83	3.53%	1,745.98	3.05%	1,289.65	3.65%	1,470.66	6.72%
DPD 60+[(3)]	1,573.80	2.41%	1,157.83	2.02%	830.94	2.35%	910.47	4.16%
DPD 90+[(4)]	1,267.61	1.95%	1,025.97	1.79%	772.92	2.19%	861.43	3.94%

(1) DPD 1+ represents Loans (AUM) outstanding after the due date as of the end of the relevant period/year.
(2) DPD 30+ represents Loans (AUM) outstanding for more than 30 days after the due date as of the end of the relevant period/year.
(3) DPD 60+ represents Loans (AUM) outstanding for more than 60 days after the due date as of the end of the relevant period/year.
(4) DPD 90+ represents Loans (AUM) outstanding for more than 90 days after the due date as of the end of the relevant period/year.

We may also face an increased risk of default on account of dilution of our credit assessment and risk management practices and an adverse selection of borrower categories, products, geographies and sectors, among other factors.

The table below sets out details of our Loans (AUM), Gross Carrying Amount – Loans – Stage 3, Net Carrying Amount – Loans – Stage 3, write-offs in respect of loans and credit cost as a percentage of our average AUM, as of and for the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022:

Particulars	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
	(₹ in millions, unless otherwise specified)			
Loans (AUM)[(1)]	65,172.17	57,237.87	35,337.31	21,873.53

Particulars	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
	(₹ in millions, unless otherwise specified)			
Gross Carrying Amount – Loans – Stage 3	1,267.61	1,025.97	772.92	861.43
Net Carrying Amount – Loans – Stage 3[(2)]	623.20	480.80	441.95	504.20
Loans written off	406.10	652.25	438.91	425.81
Credit cost as a percentage of Average Loans (Average AUM)[(3)] (%)	2.11%*	1.99%	1.63%	3.22%

(1) Loans (AUM) is the aggregate of Loans and Impairment loss allowance – loans.
(2) Net Carrying Amount – Loans – Stage 3 represents the Gross Carrying Amount – Loans – Stage 3 reduced by Impairment Loss Allowance – Loans – Stage 3 as of the last day of the relevant year/period.
(3) Credit Cost to Average Loans (Average AUM) is calculated as the credit cost for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year. Credit Cost represents Impairment loss allowance on loan portfolio and other financial assets, and loans written off. Average Loans (Average AUM) represents the simple average of Loans (AUM) as at the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding year.
** Annualized for the six month period ended September 30, 2024*

We cannot assure you that we will be able to maintain or reduce our current levels of Gross Carrying Amount – Loans – Stage 3 or Net Carrying Amount – Loans – Stage 3 in the future. Any increase in our Gross Carrying Amount – Loans – Stage 3 or Net Carrying Amount – Loans – Stage 3 could adversely affect our credit ratings and increase our borrowing costs, which could in turn adversely affect our interest margins, our business, financial condition, results of operations and cash flows. Further, as our loan portfolio grows, our Gross Carrying Amount – Loans – Stage 3 may increase and the current level of our provisions may not adequately cover any such increases. Negative trends or financial difficulties or a general economic slowdown could unexpectedly increase delinquency rates. Accordingly, if our borrowers fail to repay loans in a timely manner or at all, our business, financial condition, results of operations and cash flows could be adversely affected.

3. ***We require substantial funds for our business (our total borrowings as of September 30, 2024 were ₹48,894.18 million) and any disruption in our sources of funds could adversely affect our business, financial condition, results of operations and cash flows.***

Our business and results of operations depend on our ability to raise capital (equity as well as debt) on acceptable terms and in a timely manner. Our ability to raise capital depends on multiple factors, including our business performance and results of operations, credit ratings, risk management policies, regulatory requirements, government initiatives and regulatory environment, liquidity in the credit markets, financial health of our lenders, available collateral and other developments in the domestic and international capital markets, including events such as the COVID-19 pandemic, natural disasters and other macro or microeconomic and financial conditions.

We have historically met our financing requirements through several sources, including equity investments by our Shareholders, term loans, working capital facilities, proceeds from the securitization and assignment of receivables from our loan portfolio to financial institutions and mutual funds and proceeds from the issue of non-convertible debentures and commercial papers. See also, "*Financial Indebtedness*", "*Selected Statistical Information – Capital Adequacy Ratios*" and "*Selected Statistical Information – Borrowings*" on pages 451, 300 and 294, respectively.

Details of our financing profile, including our average cost of borrowing, average tenure of such borrowings, net worth and Equity Share capital raised in the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022 are set out below:

Nature of borrowing	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings
	(₹ in millions, except for %)							
Debt securities (at amortised cost)								
Non-convertible debentures (secured)	3,822.70	7.82%	3,081.22	7.71%	1,792.69	7.39%	2,420.72	20.25%
Debt securities (A)	**3,822.70**	**7.82%**	**3,081.22**	**7.71%**	**1,792.69**	7.39%	**2,420.72**	**20.25%**
Borrowings (other than debt securities)(at amortised cost)								
Term Loans (secured)								
- From banks	34,994.08	71.57%	30,391.01	76.06%	19,602.35	80.82%	8,289.87	69.33%

Nature of borrowing	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings
	(₹ in millions, except for %)							
- From other financial institutions	1,604.22	3.28%	1,288.92	3.23%	1,763.64	7.27%	1,050.29	8.78%
Borrowings under securitisation (secured)	8,265.62	16.91%	5,071.94	12.69%	395.61	1.63%	-	0.00%
Loans repayable on demand (secured) from banks	207.56	0.42%	124.98	0.31%	698.95	2.88%	195.64	1.64%
Borrowings (other than debt securities) (B)	**45,071.48**	**92.18%**	**36,876.85**	**92.29%**	**22,460.55**	**92.61%**	**9,535.80**	**79.75%**
Total borrowings ((A) + (B))	**48,894.18**	**100.00%**	**39,958.07**	**100.00%**	**24,253.24**	**100.00%**	**11,956.52**	**100.00%**

Particulars	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
	(₹ in millions, unless otherwise specified)			
Average cost of borrowing(1) (%)	9.98%	9.90%	9.52%	10.54%
Average tenure of borrowings(2) (years)	4.38	4.15	4.16	3.90
Net worth(3)	26,106.51	23,295.54	15,912.57	14,080.47
Equity Share capital raised(4)	1,420.23	4,924.36	54.60	4,405.09

(1) Average Cost of Borrowings represents adjusted finance cost for the relevant period/year as a percentage of Average Total Borrowings in such period/year. Adjusted finance cost represents finance costs reduced by interest expenses on lease liabilities for the relevant period/year. Average Total Borrowings is the simple average of Total Borrowings outstanding as of the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding period/year.

(2) Average tenure of borrowings (years) represents the weighted average tenure of borrowings (including securitization) based on origination tenure.

(3) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net worth is calculated as equity share capital plus Instrument entirely equity in nature plus other equity.

(4) Equity Share capital raised represents the proceeds from issue of equity shares including securities premium received on shares issued during the period / year.

While we have not defaulted on the terms of our borrowing arrangements during the six month period ended September 30, 2024 or the Financial Years 2024, 2023 and 2022, in the event we default on the terms of any lending arrangement, we could face actions by our lenders, whether separately or together, including as a result of cross-default or cross-acceleration provisions in our financing agreements. Such actions could result in us incurring substantial costs and may result in a significant amount of management time being devoted to these actions. In the event such a default occurs, our business, financial condition, results of operations and cash flows may be adversely affected.

We rely heavily on banks as a primary source of borrowings, resulting in limited diversification of funding sources. Additionally, a significant portion of our borrowings is concentrated among our five and ten most significant lenders, as set out in the table below:

Borrowing sources	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings
	(₹ in millions, except for %)							
Five most significant lenders	24,038.47	49.16%	20,657.82	51.70%	11,530.00	47.54%	5,094.21	42.61%
Ten most significant lenders	33,201.90	67.91%	27,543.87	68.93%	15,115.61	62.32%	7,487.03	62.62%

We may face disruptions to our sources of capital in the future. For instance, the COVID-19 pandemic caused significant uncertainties across the industry and affected our ability to raise capital on competitive terms. Such events may occur in the future, which may lead to negative perceptions about the retail loan industry and the financial services sector as a whole and adversely affect our ability to obtain financing on commercially reasonable terms. If we are unable to obtain adequate financing in a timely manner and on acceptable terms, or at all, our business, financial condition, results of operations and cash flows may be adversely affected.

4. ***We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income and net interest margin to vary and adversely affect our business, financial condition, results of operations and cash flows.***

Our business and results of operations depend significantly on our total net interest income ("**NII**"), as our primary source of revenue is interest income. The table below sets out details of our NII and net interest margin ("**NIM**") for the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022:

Particulars	Six month period ended September 30, 2024	Financial Year		
		2024	2023	2022
	(₹ in millions, except for %)			
Interest income on loans	6,731.06	10,293.31	6,336.98	4,093.00
Finance costs	2,245.58	3,144.16	1,684.88	1,283.87
Interest expenses on lease liabilities	16.79	31.85	22.78	19.00
Net interest income(1)	4,502.27	7,181.00	4,674.89	2,828.13
Net interest margin(2)	14.74%	15.83%	16.80%	15.73%

(1) Net interest income represents interest income on loans reduced by adjusted finance cost. Adjusted finance cost represents Finance costs reduced by interest expenses on lease liabilities for the relevant period/year.

(2) Net interest margin represents the net interest income for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year. Average Loans (Average AUM) represents the simple average of Loans (AUM) as of the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding year.

Interest rates are highly sensitive and may fluctuate based on multiple factors beyond our control, including the monetary policies of the RBI, regulatory developments in the financial sector in India, domestic and international economic and political conditions and inflation, among others. Our borrowings are based on both variable and fixed interest rates, with a significant portion of our borrowings being variable interest-bearing liabilities. A breakdown of our total borrowings by fixed and variable interest rates as of the dates indicated is set out below:

Financial liability	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings
	(₹ in millions, except for %)							
Fixed rate instrument (A)	12,237.74	25.03%	8,416.90	21.06%	3,225.84	13.30%	3,948.42	33.02%
Variable rate instrument (B)	36,656.44	74.97%	31,541.17	78.94%	21,027.40	86.70%	8,008.10	66.98%
Total borrowings (A) + (B)	**48,894.18**	**100.00%**	**39,958.07**	**100.00%**	**24,253.24**	**100.00%**	**11,956.52**	**100.00%**

In addition, to the extent that our borrowings are linked to market interest rates, which increase, or to the extent that we are unable to supplement our sources of liquidity with lower-cost borrowings from lenders, we may be required to pay interest on our borrowings at a higher rate. Our affordable home loans portfolio, constituting 17.62% of our overall loan portfolio as of September 30, 2024, carry variable rate interest while the rest of our portfolio carry fixed interest rates.

While changes in interest rates have not had a material effect on our financial condition, results of operations and cash flows during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, we cannot assure you that we will be able to manage our interest rate risk in the future, which could cause our NII and NIM to vary and adversely affect our business, financial condition, results of operations and cash flows. Our inability to effectively and efficiently manage interest rate variations and our failure to pass on increased interest rates on our borrowings may cause our NII to decline, which would decrease our return on assets and could adversely affect our business, results of operations, financial condition and cash flows.

5. ***Our Working Capital loans (constituting 8.83% of our Loans (AUM) as of September 30, 2024) are unsecured and are susceptible to credit risks which may result in increased levels of Gross Carrying Amount – Loans – Stage 3, which could adversely affect our business, financial condition, results of operations and cash flows.***

We offer unsecured loans to MSME borrowers through our Working Capital loans, which accounted for 8.83% of our Loans (AUM) as of September 30, 2024. These loans, which operate on a weekly collection model, expose us to higher operational and credit risks as compared to asset-backed loans. While we take proactive measures, such as regular borrower engagement and relationship management to prioritize repayment, the unsecured nature of these loans increases the risk of loss in the event of credit default.

The table below sets forth details of our unsecured loan portfolio as of and for the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022:

As of and for the six month period ended September 30, 2024		**As of and for the Financial Year**					
		2024		**2023**		**2022**	
Amount	***% of total Loans***	***Amount***	***% of total Loans***	***Amount***	***% of total Loans***	***Amount***	***% of total Loans***
(₹ in millions, except %)							
5,757.37	8.83%	6,100.09	10.66%	3,438.09	9.73%	1,233.61	5.64%

In addition, there can be no assurance that our monitoring and risk management procedures will be successful or that our reserves will be sufficient to cover any actual losses. Since these loans are unsecured, in the event of defaults by such borrowers, 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 loans given to our customers could adversely affect our financial condition, results of operations and cash flows. In addition, since such loans are primarily disbursed to self-employed individuals in the MSME sector, macro-economic factors (such as changing political or interest rate environments, or events such as the COVID-19 pandemic or other natural calamities) could negatively affect such borrowers' ability to repay their loans.

Any default by borrowers on repayment of such unsecured loans or inability to recover our principal along with interest through such legal proceedings could lead to us experiencing increased levels of Stage 3 Loans, and require us to make related provisions and write-offs, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

6. ***We depend on the accuracy and completeness of information submitted by our borrowers. Any misrepresentation, fraud, errors in or incompleteness of such information could adversely affect the quality of our credit assessment and adversely affect our asset quality, business, financial condition, results of operations and cash flows.***

While extending credit, we rely, to a significant extent, on the accuracy and completeness of information provided to us by our borrowers. While our credit assessment process involves the review of income- and asset-related documents and credit bureau checks, our primary mode of credit assessment is through personal visits to borrowers' residences by sales managers and branch credit managers (with higher value loans requiring visits by area or regional-level staff), a review of non-income-related documents and through reference checks with borrowers' friends, family and neighbors. Our credit assessment decisions are also supported by the availability of collateral for all of our loan products (except for loans offered through our Working Capital loans, for which credit is assessed primarily on the basis of past credit history and documentation). Our reliance on any misleading information may affect our judgement of the creditworthiness of potential borrowers, which may adversely affect our business, results of operations, financial condition and cash flows. In addition, we have recently diversified into new loan businesses for which we partly rely on direct sourcing agents (such as our affordable home loans business and vehicle finance business), where the likelihood of instances of misleading information being provided by borrowers may be higher.

Further, we also target borrowers that are new to credit and who may not have formal credit histories supported by tax returns and other documents that would ordinarily enable us to assess their creditworthiness. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our nonperforming assets, which could adversely affect our business and results of operations. Moreover, any delays on our part to take immediate action in connection with enforcement of security, delays in bankruptcy foreclosure proceedings, economic downturns, defects in security and fraudulent transfers by borrowers post availing the loan may hinder our ability to realize the full value of security, which may result in an adverse effect on our business, results of operations, financial condition and cash flows.

7. ***We have recently expanded into affordable home loans and used commercial vehicle loans as new lines of business and if we are unable to grow these new businesses successfully or develop new businesses to address changing borrower needs, our business, reputation, financial condition, results of operations and cash flows may be adversely affected.***

As part of our growth strategy, we may from time to time expand our business and seek to offer a more diversified set of loans aimed at newer categories of borrowers. For instance, since October 2022, we offer secured housing loans to borrowers primarily located in Tier-2 and Tier-3 cities, and semi-urban areas in India. Since March 2024, we offer secured used commercial vehicle loans to borrowers in semi-urban and rural regions in India. We may also foray into new businesses to address the needs of borrowers.

Such businesses may not achieve the expected levels of borrower acceptance, demand, or profitability, or may face increased competition, regulatory hurdles or other challenges. We may also incur significant costs and expenses to develop, market, and support these businesses, which may not be offset by sufficient revenues or margins. Set out below are details of our Loans (AUM) across affordable home loans and used commercial vehicle loans as of the dates indicated:

Business	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	*% of total Loans*	*Amount*	*% of total Loans*	*Amount*	*% of total Loans*	*Amount*	*% of total Loans*
	(₹ in millions, except for %)							
Affordable home loans	11,481.24	17.62%	8,242.97	14.40%	944.32	2.67%	—	—
Used commercial vehicle loans	831.83	1.28%	2.17	0.00%	—	—	—	—

While we have not faced any instances of our new businesses being unsuccessful that led to any adverse effect on our business and operations in the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, there is no assurance that such instances will not occur in the future. We are susceptible to risks associated with the industries in which these new businesses operate. For example, according to the CRISIL MI&A Report, the housing finance industry is exposed to risks associated with economic scenario, liquidity, insufficiency of data for credit appraisal, collateral fraud, delays in project approvals and construction, asset liability mismatches and low margins. Similarly, according to the CRISIL MI&A Report, the vehicle financing industry is susceptible to risks associated with the economic scenario, regulatory environment, insufficiency of data for credit appraisal and asset quality and recovery. If any new businesses or loan products are unsuccessful, we may lose any or all of the investments that we have made in promoting them, and, consequently, our reputation and results of operations could be adversely affected. We may also fail to design and offer new varieties of loans in line with changing borrower needs or build and maintain strong control mechanisms and competencies, which may affect our ability to implement our strategies or compete effectively and adversely affect our business, reputation, results of operations, cash flows and financial condition.

8. An inability to recover outstanding amounts due under defaulted loans within our secured loan portfolio (aggregating to 91.17% of our Loans (AUM) as of September 30, 2024) from the sale of collateral, in a timely manner or at all, could adversely affect our business, financial condition, results of operations and cash flows.

Our loan portfolio primarily comprises secured loans for our rural business loans, affordable home loans and used commercial vehicle loans products and unsecured loans for our working capital loan product. For our rural business loans, affordable home loans and used commercial vehicle loans, the value of the collateral may decline during the term of the loan due to several factors, including due to the collateral being a depreciating asset (such as in the case of used commercial vehicle loans), reduction in the price of such collateral, adverse market conditions and the effects on the Indian economy, among others. In the event of a default, we may not be able to fully recover the outstanding loan amount by acquiring and selling the collateral and could incur losses. As of September 30, 2024, loans from our rural business loans, affordable home loans and used commercial vehicle loans businesses collectively comprised 91.17% of our Loans (AUM), with the underlying security generally being the self-occupied residential premises of our borrowers (for rural business loans and affordable home loans), the vehicles purchased by our borrowers (for used commercial vehicle loans) and any other immovable collateral.

While we have been able to recover principal and interest from a majority of our defaulting customers in the past without having to repossess their collateral, we cannot assure you that we will be able to continue to recover principal and interest in the future without having to repossess collateral, and even if we do, we cannot assure you that we will be able to liquidate the collateral to recover the full amounts due to us. Any failure to recover the expected value of collateral security could expose us to a potential loss.

While we have not experienced any instances of failure to enforce security under our loan arrangements during the six month period ended September 30, 2024 and the past three Financial Years, the enforcement of such security may also be challenging due to litigation and potential negative publicity. Further, a defaulting borrower maintains the right to appeal before the Debt Recovery Tribunal, which has the power to issue a stay order prohibiting the lender from taking repossession of and selling the assets of a defaulted borrower. Accordingly, we may be unable to realize the full value of our collateral, as a result of factors including delays in the repossession proceedings. Any failure to recover the expected value of collateral security could expose us to a potential loss and adversely affect our business, results of operations, financial condition and cash flows.

9. An inability to meet our obligations, including financial and other covenants under our financing arrangements, could adversely affect our business, results of operations and cash flows.

Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business, which depends on the timely repayment by our borrowers. The table below sets out details of our total borrowings and our debt to equity ratio, as of each of September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022:

Particulars	As of September 30, 2024	As of March 31,		
		2024	2023	2022
Debt securities *(₹ in millions)*	3,822.70	3,081.22	1,792.69	2,420.72
Borrowings (other than debt securities) *(₹ in millions)*	45,071.48	36,876.85	22,460.55	9,535.80
Total borrowings *(₹ in millions)*	48,894.18	39,958.07	24,253.24	11,956.52
Debt to equity ratio (*times*)	1.87	1.72	1.52	0.85

Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition.

We are typically required to obtain prior approval from our lenders for undertaking several types of actions, including:

- to effect any adverse changes to or effect a major change in our capital structure;
- to effect any scheme of amalgamation or merger or reconstruction;
- to undertake any activity other than the activities indicated in the objects clause of the memorandum of association of our Company;
- for any transfer of our controlling equity interest or change in management, notably our Key Managerial Personnel;
- to undertake guarantee obligations on behalf of any other person;
- redeem, purchase, buyback, retire, return or repay our Equity Share capital or resolve to do so or pay any dividend to our Shareholders or resolve to do so for so long as our loan arrangements are in full force and effect; and
- to change our constitutional documents.

Some of our financing agreements and instruments also contain cross-default clauses, which may be triggered in the event of a default by us under our respective financing agreements, and also require us to maintain certain financial ratios, such as capital to risk (weighted) assets ratio ("**CRAR**"), Gross Carrying Amount – Loans – Stage 3 Ratio, leverage ratio, among others, at the end of certain reporting periods. We have received consents from all the relevant lenders and trustees/holders (as applicable) of our non-convertible debentures in relation to the Offer. Also see "*Financial Indebtedness*" on page 451.

The above clauses and covenants under our financing arrangements are in the ordinary course of business for a non-banking financial company and will continue upon completion of the Offer for the outstanding indebtedness. Our lenders also have the ability to recall all or part of the amounts owed by us, subject to the terms of the relevant financing arrangement. While there have been no instances of failures to meet our obligations under financing agreements for the last three Financial Years or for the six month period ended September 30, 2024, we cannot assure you that we will be able to repay our loans in full, or at all, at the receipt of a recall notice, or otherwise. If we fail to meet our debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements or accelerate the maturity of our obligations. We cannot assure you that, in the event of any such default or acceleration, we will have sufficient resources to repay our borrowings, which may adversely affect our business, results of operations and cash flows.

10. ***We operate in a highly regulated industry and changes in the applicable regulatory environment or our inability to comply with applicable regulations may adversely affect our business, financial condition, results of operations and cash flows.***

As an NBFC, we have to mandatorily obtain a certificate of registration issued by the RBI and comply with other regulatory requirements. As we operate under licenses and registrations obtained from the applicable regulators, such as the RBI, 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. Accordingly, legal and regulatory risks are inherent and substantial in our business. For further information, see "*Key Regulations and Policies*" on page 249.

In addition, any changes in applicable laws, rules and regulations could 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, regulations and circulars. 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 may also amend the regulatory framework governing NBFCs from time to time.

The laws and regulations governing the banking and financial services industry in India cover a wide variety of issues, such as interest rates, liquidity, investments, ethical issues, money laundering and privacy. These laws and regulations may be amended, supplemented or changed at any time and we may be required to restructure our activities and incur additional expenses to comply with such changing 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. 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.

The RBI may also in the future require compliance with other prudential norms and standards, which may require us to alter our business and accounting. 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. Also see "— *Our non-convertible debentures are listed on the BSE Limited and the National Stock Exchange of India Limited and we are subject to regulatory requirements with respect to such non-convertible debentures. Any instances of non-compliance may have an adverse effect on our business, financial condition, results of operations and cash flows. In addition, trading in our listed non-convertible debentures may be limited or sporadic, which could affect our ability to raise debt financing in the future*" on page 48. Details of certain fines and penalties imposed on our Company by regulatory authorities in India during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022 are set out below:

- A fine of ₹11,800 was imposed by BSE Limited on our Company on October 31, 2022, for non-compliance with Regulation 60(2) of the SEBI Listing Regulations.

Any such instances of penalties by regulatory authorities in the future may have an adverse effect on our business, financial condition, results of operations and cash flows.

11. We are subject to periodic inspections by the Reserve Bank of India and a failure to address observations made by the Reserve Bank of India during such inspections could expose us to penalties and regulatory action, which could have an adverse effect on our reputation, business, results of operations, financial condition, and cash flows.

We are subject to periodic inspections by the RBI, of our business, operations, financial statements and other records, for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the authorities. During the course of finalizing inspections, the inspection team of the RBI shares its findings and recommendations with us and provides us an opportunity to provide clarifications, additional information and, where necessary, justification for a different position, if any, than that observed by the RBI. 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 its past inspections during the Financial Years 2019 and 2022 the RBI has made observations and sought clarifications in relation to our operations, including in relation to (i) failure to frame certain policies required by the RBI regulations, (ii) deficiencies in adherence to the provisions mentioned under Annex XVI of Master Directions 2016 on 'Guidelines for entry of NBFCs into insurance', (iii) disclosure of our Company's real estate exposures, (iv) increase in our NPAs, (v) review and monitoring of the auditor's independence and performance and effectiveness of audit process and (vi) implementation of a succession plan for critical postings in our Company. Our Company has responded to the above observations by (i) providing the relevant policies or undertaking to frame them, as applicable (ii) stating that we have not undertaken any insurance business, (iii) supplying information relating to our real estate exposure separately in returns filed with the RBI, (iv) undertaking to keep a close watch on our NPA levels, (v) informing the RBI that our Audit Committee reviews the auditor's independence, performance and effectiveness of the audit process, and (vi) confirming that the succession plan was placed before our Board and providing the approved plan to the RBI, respectively. As on the date of this Draft Red Herring Prospectus, there are no observations of the RBI in any inspection report that are yet to be addressed or responded to by our Company. Also see "—*We are dependent on our Managing Director and Chief Executive Officer, D. Arulmany, and our Key Managerial Personnel and our Senior Management for our business and growth, and the loss of, or an inability to attract or retain qualified personnel could adversely affect our business, results of operations, financial condition and cash flows.*" on page 45.

While the RBI has not levied any penalty regarding the above observations and we have provided necessary clarifications or undertaken to ensure compliance with such observations, we cannot assure that such steps will be satisfactory and that the RBI will not have further observations in the future or will not impose any penalties for non-compliances, if any. Further, we cannot assure you that the RBI will not make any similar or other observations in the future. Intimation of any such adverse findings or notices or imposition of penalty by the RBI during any future inspection may have an adverse effect on our reputation, business, results of operation, financial condition and cash flows. In the event that we are unable to comply with any observations made by the RBI or comply with its policies, circulars and directions, we could be subject to penalties and restrictions which may be imposed by the RBI including restricting our business activities, penalizing our management, and enforcing increased scrutiny and control over our business operations (including by way of withholding approvals, or issuing conditional approvals).

12. We may face asset and liability mismatches, which could affect our liquidity and consequently adversely affect our business, financial condition, results of operations and cash flows.

Asset and liability mismatches, which represent a situation when the financial terms of an institution's assets and liabilities do not match, is a key financial parameter for us. We face potential liquidity risks because our assets and liabilities mature over different periods. We monitor the contractual maturity periods of our assets and liabilities and categorize them based on the number of years in which they mature, as set forth below:

Particulars	As of September 30, 2024			
	Liabilities[(1)]	Assets[(2)]	Gap	Cumulative Gap
	(₹ in millions)			
Up to one year	19,179.39	26,079.42	6,900.03	6,900.03
One to three years	25311.12	22,420.21	(2,890.91)	4,009.12
Three to five years	7,035.67	16,483.25	9,447.58	13,456.70
Over 5 years	28,456.98	13,591.11	(14,865.87)	(1,409.17)
Total	**79,983.16**	**78,573.99**	**(1,409.17)**	

(1) *Liabilities represent equity, trade payables, debt securities, borrowings (other than debt securities), other financial, non-financial liabilities and total equity.*
(2) *Assets represent cash and cash equivalents, bank balance (other than cash and cash equivalents), loans and other financial and non-financial assets.*

Although we have not faced any breach of tolerance limits prescribed under regulatory guidelines or our Board approved policy for net cumulative mismatch as of September 30, 2024, a significant portion of loans (for periods up to one year and three to five years) to our borrowers have maturities with tenures longer than the average tenure of our borrowings for such periods. We cannot assure you that we will be able raise capital to achieve a favourable asset-liability maturity profile in the future. Any adverse instances in the future may lead to a liquidity risk and have an adverse effect on our business, results of operations, financial condition and cash flows. For details, see "*Selected Statistical Information – Asset Liability Management*" on page 301.

13. ***We have experienced significant growth in recent years (with our assets under management, disbursements and profit for the year growing at compounded annual growth rates of 61.76%, 76.52% and 80.27%, respectively, between Financial Years 2022 and 2024) and an inability to sustain our growth or manage our growth effectively could have an adverse effect on our business, financial condition, results of operations and cash flows.***

Since the commencement of our operations, our business has experienced significant growth. However, our historical performance is not indicative of our future growth or financial performance, and we may not be able to grow at such rates in the future. In addition, as we continue to scale our operations, we intend to leverage our growing borrower base which will lead to expanding our branch network across geographies. This geographic expansion could be subject to a variety of risks, such as geo-political events, economic slowdowns, regulatory restrictions and policy changes, which would require us to incur additional expenses that may not yield desired results or incur costs that we may not be able to recover.

The table below sets out certain metrics outlining our growth during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022:

Particulars	As of and for the six month period ended September 30, 2024	CAGR from Financial Year 2022 to 2024	As of and for the Financial Year		
			2024	2023	2022
	(₹ in millions, except as otherwise specified)				
Loans (AUM)[(1)]	65,172.17	61.76%	57,237.87	35,337.31	21,873.53
Disbursements[(2)]	18,378.85	76.52%	37,024.30	22,446.55	11,882.77
Total income	7,201.12	58.96%	11,174.93	6,807.97	4,422.27
Profit for the period/year	1,331.08	80.27%	2,450.52	1,764.04	754.04
Number of branches	424	29.16%	382	287	229

(1) *Loans (AUM) is the aggregate of Loans and Impairment loss allowance – loans.*
(2) *Disbursements represent the aggregate of all loan amounts extended in the relevant period/year.*

We may not be able to appropriately identify target markets for expansion, continue to effectively manage our credit costs, maintain our relationships with our target borrowers, retain personnel, implement and maintain adequate operational systems, successfully expand our business into new business lines or regions or set up and manage additional branches in an efficient manner. Any inability to manage our growth and expansion efforts effectively or execute our growth strategy in a timely manner, or within budget estimates, could have an adverse effect on our business, results of operations, financial condition and cash flows.

14. ***Any failure or significant weaknesses in our internal controls could cause operational errors or fraud, which could adversely affect our business, reputation, financial condition, results of operations and cash flows.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of our operations. 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. We have experienced two instances of fraud by employees in connection with misappropriation of funds and criminal breaches of trust during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, resulting in losses aggregating to ₹1.01 million.

We do not maintain written processes, policy documents and standard operating procedures for certain internal HR and payroll processes, which have been highlighted by our internal auditors in their internal audit report for the Financial Year 2022. We are working to implement such written protocols in our administrative systems and in the interim, our existing management information systems and internal procedures may not identify every instance of non-compliance or every suspicious transaction. If internal system or process weaknesses are identified, our actions may not be sufficient to correct such weakness. Any failures or material errors in our internal systems may lead to operational errors, inaccurate financial reporting, fraud or failure of critical systems and infrastructure. While we have not faced any material failures or material errors in our internal systems during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, the occurrence of any such instances in the future could adversely affect our business, reputation, financial condition, results of operations and cash flows.

15. ***An inability to maintain required capital adequacy ratios or other mandatory regulatory criteria prescribed by the RBI could adversely affect our business and financial condition.***

The NBFC Scale Based Regulations currently require non-banking finance companies ("**NBFCs**"), including our Company, to maintain a CRAR comprising Tier I and Tier II capital of not less than 15% of our aggregate of risk weighted assets on-balance sheet and risk adjusted value of off-balance sheet items. In addition, the Tier I capital of an NBFC (except for certain specified categories of NBFCs) is required to be at least 10%.

Further, in order to comply with the principal business criteria ("**PBC**") ratio prescribed by the RBI, NBFCs are required to maintain financial assets more than 50% of total assets (netted off by intangible assets) and income from financial assets more than 50% of gross income. Similarly, NBFCs are required to maintain a minimum liquidity coverage ratio ("**LCR**") of 50% as on December 1, 2020, which is required to be gradually increased to 100% by December 1, 2024, in accordance with the NBFC Scale Based Regulations.

The tables below set out details of our Tier I and Tier II capital (%), CRAR (%), our PBC ratio and our LCR ratio, each as of September 30, 2024 and March 31, 2024, March 31, 2023 and March 31, 2022:

Particulars	**As of September 30, 2024**	**As of March 31,**		
		2024	**2023**	**2022**
	(₹ in millions, except for %)			
Tier I Capital[1]	23,335.15	21,868.85	15,518.51	13,799.22
Tier II Capital[2]	-	-	116.49	85.43
Total Capital	**23,335.15**	**21,868.85**	**15,635.00**	**13,884.65**
Risk weighted assets[3]	57,092.84	52,706.00	34,740.64	21,551.27
Tier I Capital (%)	40.87%	41.49%	44.67%	64.03%
Tier II Capital (%)	-	-	0.33%	0.40%
CRAR (%)[4]	**40.87%**	**41.49%**	**45.00%**	**64.43%**

(1) Tier I capital comprises share capital, securities premium, retained earnings including current year profit. Tier I Capital (%) is computed in accordance with the relevant RBI guidelines.
(2) Tier II capital comprises general provision and loss reserve. Tier II Capital (%) is computed in accordance with the relevant RBI guidelines.
(3) Risk weighted assets represent the weighted sum of our credit exposures based on their risk (Risk weighted assets is computed in accordance with the relevant RBI guidelines).
(4) Capital adequacy ratio or capital to risk weighted assets ratio (CRAR) is computed by dividing our Tier I and Tier II capital by risk weighted assets (CRAR (%) is computed in accordance with the relevant RBI guidelines).

Particulars	**As of September 30, 2024**	**As of March 31,**		
		2024	**2023**	**2022**
	(%)			
Liquidity Coverage Ratio (%)[1]	118.82%	146.21%	N/A[2]	N/A[2]
Minimum Regulatory Requirement (%)	85%	85%	N/A	N/A

(1) *Liquidity Coverage Ratio (%) has been computed as per relevant RBI Guidelines.*
(2) *The requirement to maintain a minimum Liquidity Coverage Ratio (%) (LCR) became applicable for our Company when it crossed an asset size of ₹50,000 million from the month of September 2023. Hence, as of March 31, 2022 and March 31, 2023, LCR is not provided for our Company.*

Particulars	**As of September 30, 2024**	**As of March 31,**		
		2024	**2023**	**2022**
	(%)			
Adjusted Financial Assets to Total Assets (%)[1] (PBC)	84.98%	88.71%	85.85%	81.61%

Particulars	As of September 30, 2024	As of March 31,		
		2024	2023	2022
	(%)			
Financial Income to Total Income (%)[(2)] (PBC)	95.69%	94.96%	95.83%	94.72%

(1) Adjusted Financial Assets to Total Assets (%) has been computed as per the relevant RBI guidelines on Principal Business Criteria.
(2) Financial Income to Total Income (%) has been computed as per the relevant RBI guidelines on Principal Business Criteria

While we have been in compliance with the regulatory requirements for our CRAR, LCR and PBC during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, we cannot assure you that we will be able to maintain such ratios within the regulatory limits in the future. In particular, regulatory assessment of our capital adequacy and liquidity coverage requirements may differ from our own. Any failure or perceived failure to comply with such regulatory requirements could lead to the imposition of penalties or regulatory action against us, and have an adverse effect on our business, results of operations, cash flows and financial condition.

As we continue to grow our loan portfolio and asset base, we may be required to raise additional Tier I and Tier II capital and fund additional liquidity requirements in order to remain in compliance with the applicable capital adequacy ratios. We cannot assure you that we will be able to raise additional liquid assets, Tier I and Tier II capital or maintain the required amount of financial assets and financial income in order to remain in compliance with applicable capital adequacy ratios.

Further, the RBI may increase its current capital adequacy requirements, which may require us to raise additional capital. While we are presently in compliance with the NBFC Scale Based Regulations, 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 our business and financial condition.

16. ***83.02% of our branches, 91.82% of our loan disbursements and 88.58% of our assets under management are collectively concentrated in the states of Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and West Bengal as of September 30, 2024, and any adverse developments in these states could have an adverse effect on our business, financial condition, results of operations and cash flows.***

Our operations are concentrated in the states of Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and West Bengal and a significant portion of our disbursements and assets under management are attributable to our operations in such states. Details of the distribution of our branch and service centre network, disbursements and Loans (AUM) attributable to each of the states as of September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 are set out below:

Branch network

State	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Number of branches[(1)]	*% of total branches*	*Number of branches[(1)]*	*% of total branches*	*Number of branches[(1)]*	*% of total branches*	*Number of branches[(1)]*	*% of total branches*
Tamil Nadu	133	31.37%	103	26.96%	84	29.27%	76	33.19%
Andhra Pradesh	97	22.88%	85	22.25%	49	17.07%	30	13.10%
Telangana	39	9.20%	39	10.21%	36	12.54%	24	10.48%
Karnataka	40	9.43%	40	10.47%	34	11.85%	29	12.66%
West Bengal	43	10.14%	43	11.26%	35	12.20%	29	12.66%
Madhya Pradesh	34	8.02%	34	8.90%	23	8.01%	17	7.42%
Odisha	13	3.07%	13	3.40%	13	4.53%	11	4.80%
Jharkhand	12	2.83%	12	3.14%	12	4.18%	12	5.24%
Bihar	6	1.42%	6	1.57%	0	0.00%	0	0.00%
Chhattisgarh	6	1.42%	6	1.57%	0	0.00%	0	0.00%
Puducherry	1	0.24%	1	0.26%	1	0.35%	1	0.44%
Total	**424**	**100.00%**	**382**	**100.00%**	**287**	**100.00%**	**229**	**100.00%**

(1) Number of branches excludes 52 service centres as of March 31, 2024 and 70 service centres as at September 30, 2024. Service centres are centres at which we primarily carry out loan servicing, collections and customer service and feedback functions and are not full-fledged branch set-up.

Disbursements

State	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount[(1)]	*% of total disbursements*	*Amount[(1)]*	*% of total disbursements*	*Amount[(1)]*	*% of total disbursements*	*Amount[(1)]*	*% of total disbursements*
	(₹ in millions, except %)							
Tamil Nadu	7,897.72	42.97%	16,119.00	43.54%	10,436.28	46.49%	4,710.37	39.64%

State	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount[(1)]	*% of total disbursements*	*Amount*[(1)]	*% of total disbursements*	*Amount*[(1)]	*% of total disbursements*	*Amount*[(1)]	*% of total disbursements*
	(₹ in millions, except %)							
Andhra Pradesh	3,703.49	20.15%	6,938.39	18.74%	2,355.54	10.49%	1,117.08	9.40%
Telangana	1,984.44	10.80%	3,884.90	10.49%	2,013.72	8.97%	1,158.77	9.75%
Karnataka	1,918.00	10.44%	3,390.66	9.16%	1,425.57	6.35%	805.04	6.77%
West Bengal	1,371.25	7.46%	2,811.74	7.59%	2,903.96	12.94%	2,150.82	18.10%
Madhya Pradesh	783.50	4.26%	2,043.06	5.52%	1,453.84	6.48%	740.48	6.23%
Odisha	167.11	0.91%	495.57	1.34%	772.51	3.44%	571.34	4.81%
Jharkhand	202.39	1.10%	791.80	2.14%	878.96	3.92%	511.35	4.30%
Bihar	171.97	0.94%	207.55	0.56%	-	-	-	-
Chhattisgarh	40.38	0.22%	23.65	0.06%	-	-	-	-
Puducherry	138.62	0.75%	317.98	0.86%	206.19	0.92%	117.53	0.99%
Total	**18,378.85**	**100.00%**	**37,024.30**	**100.00%**	**22,446.55**	**100.00%**	**11,882.77**	**100.00%**

(1) *Disbursements represent the aggregate of all loan amounts extended to customers in the relevant period/year.*

Loans (or Assets Under Management)

State	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Loans (AUM)[(1)]	*% of total Loans (AUM)*	*Loans (AUM)*[(1)]	*% of total Loans (AUM)*	*Loans (AUM)*[(1)]	*% of total Loans (AUM)*	*Loans (AUM)*[(1)]	*% of total Loans (AUM)*
	(₹ in millions, except %)							
Tamil Nadu	27,333.90	41.94%	23,883.85	41.73%	14,607.61	41.34%	8,599.77	39.32%
Andhra Pradesh	11,484.20	17.62%	8,986.82	15.70%	3,440.57	9.74%	1,549.91	7.09%
Telangana	7,048.58	10.82%	6,164.26	10.77%	3,612.69	10.22%	2,146.25	9.81%
Karnataka	6,068.79	9.31%	4,868.63	8.51%	2,384.61	6.75%	1,637.83	7.49%
West Bengal	5,791.21	8.89%	6,020.77	10.52%	5,837.79	16.52%	4,587.91	20.97%
Madhya Pradesh	3,670.22	5.63%	3,502.85	6.12%	2,243.41	6.35%	1,200.59	5.49%
Odisha	1,449.88	2.22%	1,555.14	2.72%	1,577.93	4.47%	1,181.04	5.40%
Jharkhand	1,564.89	2.40%	1,680.08	2.94%	1,388.72	3.93%	796.96	3.64%
Bihar	356.92	0.55%	202.26	0.35%	-	-	-	-
Chhattisgarh	62.02	0.10%	23.34	0.04%	-	-	-	-
Puducherry	341.56	0.52%	349.87	0.61%	243.98	0.69%	173.27	0.79%
Total	**65,172.17**	**100.00%**	**57,237.87**	**100.00%**	**35,337.31**	**100.00%**	**21,873.53**	**100.00%**

(1) Loans (AUM) is the aggregate of Loans and Impairment loss allowance – loans.

Any significant social, political or economic disruption, or natural calamities or civil disruptions in the states in which our operations are concentrated, or changes in the policies of the state or local governments of these states or the Government of India, could disrupt our business operations, require us to incur significant expenditure or change our business strategies. While we have diversified our business presence from Tamil Nadu to other states over the last three Financial Years and the six months ended September 30, 2024, 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. Also see "*Our Business – Description of our Business – Branch Network*" on page 237 for details of our branch network and Loans (AUM) attributable to each of the states in which we operate.

17. ***There are outstanding legal proceedings and matters involving our Company, and any adverse outcome in such legal proceedings or matters may adversely affect our business, reputation, financial condition, results of operations and cash flows.***

There are outstanding legal proceedings involving our Company. These proceedings are pending at different levels of adjudication before courts, tribunals and arbitrators, from which further liability may arise. The table below sets out a summary of the outstanding legal proceedings and matters involving our Company:

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Material civil litigation	Aggregate amount involved (₹ in million)[(1)]
Company					
By the Company	3,227	NA	NA	Nil	491.90[(2)]
Against the Company	5	Nil	Nil	Nil	NA
Directors					
By the Directors	Nil	NA	NA	Nil	Nil

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Material civil litigation	Aggregate amount involved (₹ in million)[(1)]
Against the Directors	Nil	Nil	Nil	Nil	Nil

[(1)] *To the extent quantifiable*

[(2)] *This includes the aggregate amount of ₹ 19.83 million involving 698 proceedings initiated by our Company under the Negotiable Instruments Act, 1881.*

There are no outstanding legal proceedings and matters involving our Directors. For further details of such outstanding legal proceedings, see "*Outstanding Litigation and Material Developments*" on page 454. Involvement in such proceedings could divert our management's time and attention. Any adverse outcome in any of these proceedings may have an adverse effect on our business, reputation, financial condition, results of operations and cash flows.

18. *We are exposed to portfolio attrition risks that may arise if our borrowers opt for balance transfers to other banks or financial institutions, which could adversely affect our business, financial condition, results of operations and cash flows.*

As part of our affordable home loans business, we offer variable interest rate loans linked to our reference rate. Based on market conditions, we price our loans at either a discount or a premium to our reference rate, which is determined primarily on the basis of our cost of borrowings, overheads and risk premium based on customer profiling with respect to individual transactions. Borrowers with variable interest rates on their loans are exposed to increased equated monthly instalments ("**EMIs**") when the loans' interest rate adjusts upward, to the rate computed in accordance with the applicable index and margin. Such borrowers typically seek to refinance their loans through loan balance transfer to other banks and financial institutions, to avoid increased EMIs that may result from an upwards adjustment of the loans' interest rate. During the six months ended September 30, 2024 and the last three Financial Years, we have reset the interest rates applicable to our loans once (in our affordable home loans business), which did not have an adverse effect on our repayments. However, we cannot assure you that any future changes to applicable interest rates will not adversely affect our borrowers' ability to repay, leading to an adverse effect on our business, financial condition, results of operations and cash flows.

While refinancing of loans by other lenders could in certain circumstances be beneficial for our borrowers, it results in a loss of interest income expected from such loans over the course of their tenure. As competition in the housing finance sector intensifies, some of our borrowers with variable interest rate loans may be able to find balance transfer options at comparatively lower interest rates or other financing alternatives. Accordingly, if such borrowers with variable interest rates are able to find such balance transfer options and opt for other financing alternatives, we could experience attrition in our portfolio and may not be able to receive our expected interest income on such loans. Accordingly, our business, financial condition, results of operations and cash flows could be adversely affected.

19. *We are dependent on our Managing Director and Chief Executive Officer, D. Arulmany, and our Key Managerial Personnel and our Senior Management for our business and growth, and the loss of, or an inability to attract or retain qualified personnel could adversely affect our business, results of operations, financial condition and cash flows.*

Our performance depends largely on the efforts and abilities of our Managing Director and Chief Executive Officer, D. Arulmany and our Key Managerial Personnel and Senior Management, who we rely on for their inputs and experience. We cannot assure you that any of 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. For details of changes in our Key Managerial Personnel and Senior Management Personnel during the last three years, please see "*Our Management - Changes in our Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years*" on page 285.

The table below sets forth our total number of employees, employee attrition rate, total number of Key Managerial Personnel and Senior Management, and attrition rate for our Key Managerial Personnel and Senior Management attrition rate as of and during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022:

Particulars	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
Total number of employees	7,704	6,299	4,432	2,727
Employee attrition rate (%)*	32.09%	58.50%	53.89%	45.42%
Total number of Key Managerial Personnel and Senior Management	16	18	16	15
Key Managerial Personnel and Senior	11.76%	—	6.45%	6.45%

Particulars	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
Management attrition rate (%)*				

**Attrition rate is calculated as total employees or Key Managerial Personnel and Senior Management who have left our Company in the relevant period/year divided by average number of employees or Key Managerial Personnel and Senior Management during the relevant period/year. Not annualized for the six months period ended September, 30 2024.*

Attrition was primarily due to a number of factors including but not limited to employees pursuing other job opportunities, and for personal, family or health reasons.

We may 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, results of operations, financial condition and cash flows.

20. We are exposed to operational risks associated with a portion of our collections from customers being undertaken in cash, which could adversely affect our business, financial condition, results of operations and cash flows.

Certain of our borrowers are from semi-urban and rural markets, which pose risks associated with collections due to limitations on infrastructure and technology. In addition, our target borrowers do not typically obtain their income through bank or electronic transfers, and a significant portion of their businesses are transacted in cash. Given this, we offer borrowers the ability to pay in cash for overdue payments across our businesses and for periodic instalment payments in our working capital loans (unsecured) business. Our target borrowers' income levels may also vary significantly on a monthly basis, particularly around local events and festivals, and as such we have implemented risk management and internal control systems to accept cash collections. The table below sets forth the total amounts of cash collections undertaken during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, in absolute terms and a percentage of our total collections for such periods:

For the six month period ended September 30, 2024		For the Financial Year					
		2024		2023		2022	
Amount	*% of total collections*	*Amount*	*% of total collections*	*Amount*	*% of total collections*	*Amount*	*% of total collections*
(₹ in millions, except %)							
1,417.49	10.39%	2,053.43	10.16%	3,532.27	29.32%	3,555.32	47.40%

Cash collections expose us to the risk of theft, fraud, misappropriation or unauthorized transactions by employees responsible for dealing with such cash collections. We have experienced two instances of frauds by employees in connection with misappropriation of funds and criminal breaches of trust during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, resulting in losses aggregating to ₹1.01 million. While we endeavor to reduce our cash collections, we cannot guarantee that we will be successful in our efforts to move towards solely digital collections, or that non-cash collections would not also be subject to certain risks, such as transfers of money to incorrect loan accounts due to the lack of requisite identifying information. We cannot assure you that the insurance obtained by us adequately covers all risks involved in such cash collections or will be paid for instances of loss for the entire amount involved, or at all. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our reputation. We may also be party to criminal proceedings and civil litigation related to our cash collections. The above factors may have an adverse effect on our business, financial condition, results of operations and cash flows.

21. We rely significantly on our technology platforms and systems for our business and operations. Any failure, disruption, downtime, inadequacy in or security breach of such platforms or systems could adversely affect our business, reputation, financial condition, results of operations and cash flows.

We utilize our technology platforms to assist with functions such as sourcing, credit assessment, loan management, risk management, customer service, collections and accounting. We also utilize cloud-based reporting platform to perform data analytics. We have developed proprietary tools, such as a risk score card, cloud-based software-as-a-service products, cloud-based central repositories and mobile applications to run applications covering borrower-facing and internal processes. We have systems for managing our borrower life cycle such as lead management, loan sourcing, credit assessment, loan management, as well as mobile applications. Our operations depend on our ability to run uninterrupted, scalable and integrated systems. The data in our critical systems is backed up in real-time to a cloud-based disaster recovery set-up with anti-malware attacks protection, in addition to a daily automated snapshot for recovery purposes.

While we have been consistently investing into putting in place a robust security mechanism to protect our critical data, including but not limited to web firewalls, privileged access control systems, secured VPN's and anti-ransomware protection, 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, damage or incapacitation by human error, natural disasters, electrical or telecommunication outages, sabotage, computer viruses, hacking, cyber-attacks or similar events, or loss of support services from third parties, such as internet backbone providers, for which we may be held liable.

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. Although our security measures (including monitoring frameworks such as security information and event management and network operations center monitoring) have been effective in preventing data breaches and system attacks to date, we cannot assure you that such disruptions will not occur in the future.

Further, we are required to comply with the RBI Master Directions – Information Technology Governance, Risk, Control and Assurance Practices dated November 7, 2023 (the "**IT Governance Directions**") in relation 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 provide guidelines for strategic alignment, risk management, resource management, performance management and disaster recovery management. For further details, see "*Key Regulations and Policies*" on page 249.

While we are ISO 27001 certified for information security management systems and have not faced any known data breaches during the six month period ended September 30, 2024 and Financial Years 2024, 2023 and 2022, our systems and operations may potentially be vulnerable to data security breaches, whether by employees, who may have a lack of experience with our newer information technology systems, or others. Such breaches may expose sensitive or confidential data to unauthorized persons. Data security breaches could also lead to the loss of trade secrets or other intellectual property or could lead to the public exposure of personal information (including sensitive financial and personal information) of our borrowers and employees, which could result in breaches of applicable data security laws and resultant imposition of monetary penalties. Security measures could be breached by third-party actions, intrusion into our software by hackers due to software flaws or due to employee error and malfeasance. In addition, we may be required under applicable regulations to notify individuals of data security breaches involving their personal data. Any security breaches or compromises of technology systems in the future could result in institution of legal proceedings against us and potential imposition of penalties, which could adversely affect our business, reputation, financial condition, results of operations and cash flows.

22. Negative publicity could damage our reputation and adversely affect our business, financial condition, results of operations and cash flows.

Our operations are exposed to reputational risk, or the risk to our business, earnings and capital from negative publicity. Any negative public opinion about the financial services industry generally or us specifically, could adversely affect our ability to attract and retain borrowers, raise funds from lenders and may expose us to litigation and regulatory action. While we have developed our brand and reputation over a period of time, any negative incidents or adverse publicity could affect our borrowers' and lenders' trust and confidence in us, particularly if such incidents receive widespread adverse mainstream and social media publicity or attract regulatory investigations.

We received 45, 44, 27 and 18 complaints from borrowers during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, respectively. These complaints were primarily in the nature of complaints relating to foreclosure, staff interactions and discussion relating to repayment of the principal loan term. All of the above complaints have been addressed and closed. While we aim to address complaints received in a timely manner, the non-resolution of borrower complaints could also contribute to negative publicity surrounding our Company.

In the future, we may be the target of incomplete, inaccurate, and misleading or false statements about our Company, our business, and our products that could damage our brand and materially deter people from obtaining loans from us. 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 borrowers 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 borrowers and loss of new business from potential borrowers, 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.

Negative publicity can also result from our own or our third-party service providers' actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, technological practices, corporate governance, regulatory compliance, and related disclosures, sharing or inadequate protection of borrower information, and actions taken by government regulators and community organizations in response to that conduct. While we have not faced any such instances during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, and we take steps to minimize reputational risk in dealing with borrowers and other constituencies, we, as a financial services organization, are inherently exposed to this risk. If the above risks in relation to negative publicity materialize, our business, financial condition, results of operations and cash flows could be adversely affected.

23. ***We rely on our proprietary credit and risk score-card model to assist with determining credit risks in our Rural Business Loans and Working Capital Loans (Unsecured) businesses, and any inaccuracies or deficiencies in this model could adversely affect our business, financial condition, results of operations and cash flows.***

We have developed and implemented a proprietary credit and risk score-card model to appraise loans and to determine risk-based pricing for borrowers, which acts as the basis for determining the decisioning authority (such as the branch, area or regional credit manager) in our Rural Business Loans and Working Capital Loans (Unsecured) businesses. Our borrower profile in these businesses typically comprises self-employed individuals, traders and wholesale retailers, professionals, salaried individuals and micro and small enterprises, each located in rural regions (in our Rural Business Loans) and micro and small enterprises and individual business owners with daily or weekly cash flows, located in semi-urban and urban regions (in our Working Capital Loans (Unsecured) business).

However, our scorecard and algorithm may not accurately capture the income earning capacity, repayment ability, and default risk of our borrowers, especially in the event of changes in the economic, social, or regulatory environment, or in the borrower behavior or preferences. Our scorecard and algorithm may also be subject to errors, inaccuracies, or manipulation due to human intervention, data quality, or system failures. Any such factors may result in us mispricing loans to borrowers who may have a different risk profile than assumed by our scorecard and algorithm. This may adversely affect our asset quality, profitability, and reputation, and expose us to higher credit losses, delinquencies, and legal or regulatory actions. We may also face increased competition from other lenders who may use different or more advanced methods of credit assessment and offer more attractive terms to our target borrowers. We may not be able to timely or effectively update, modify, or improve our scorecard and algorithm to address these challenges or to comply with any changes in the applicable laws, regulations, or industry standards. Any failure to do so may adversely affect our business, financial condition, results of operations, and prospects.

24. ***Our non-convertible debentures are listed on the BSE Limited and the National Stock Exchange of India Limited and we are subject to regulatory requirements with respect to such non-convertible debentures. Any instances of non-compliance may have an adverse effect on our business, financial condition, results of operations and cash flows. In addition, trading in our listed non-convertible debentures may be limited or sporadic, which could affect our ability to raise debt financing in the future.***

Our Company has issued secured, redeemable, rated and non-convertible debentures ("**NCDs**") which are listed on the debt segment of the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**"). The debenture trust deeds entered into by our Company in relation to these NCDs include restrictive covenants that require us to, among other requirements, notify or obtain the consent of the debenture trustee or debenture holders before undertaking certain corporate actions. Further, we are required to comply with laws, rules and regulations applicable to our listed NCDs. We have not had any continuing instances of non-compliance during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022. Details of certain fines and penalties imposed on our Company by regulatory authorities in India during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022 are set out below:

- A fine of ₹11,800 was imposed by BSE Limited on our Company on October 31, 2022, for non-compliance with Regulation 60(2) of the SEBI Listing Regulations.

Similarly, we are subject to timely and continuous disclosure obligations under the SEBI Listing Regulations, including the requirement to publish our quarterly financial results. If we fail to comply with such rules and regulations and in the time limits applicable to us, we may be subject to certain penal actions, including, without limitation, restrictions on the further issuance of securities and the freezing of transfers of securities, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, trading in our NCDs has historically been limited and we cannot assure you that our NCDs will be frequently traded on the BSE or the NSE or that there would be any market for our NCDs. Such limited trading may affect our ability to raise debt finance in the future. Further, we cannot predict if and to what extent a secondary market may develop for our NCDs or at what price our NCDs will trade in the secondary market or whether such market will be liquid or illiquid. For details of our listed non-convertible debentures, see "*Financial Indebtedness*" on page 451.

25. ***We have been delayed in paying certain statutory dues in the past. Any failure or delay in payment of such statutory dues in the future may expose us to statutory and regulatory action, as well as significant penalties, and may adversely affect our business, results of operations, cash flows and financial condition.***

We are required to pay statutory dues, such as provident fund contributions under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, employee state insurance contributions under the Employees' State Insurance Act, 1948, professional taxes, labour welfare fund charges, taxes deducted at source, corporate social responsibility expenses under the Companies Act, 2013, income tax payments under the Income-tax Act, 1961 and goods and services taxes under applicable

GST laws, among others.

The table below sets out details of statutory dues paid and unpaid by our Company, along with the number of employees covered for such dues, during the six month period ended September 30, 2024 and Financial Years 2024, 2023 and 2022:

Particulars	Number of employees covered	Total Dues Paid (in ₹ million)	Unpaid Dues, if any (in ₹ million)
Six month period ended September 30, 2024			
Employee provident fund contributions	8,032	159.95	-
Employee state insurance contributions	3,041	12.14	-
Tax deducted at source	457	74.37	-
Labour welfare fund	1,577	0.08	-
Professional tax	4,112	8.20	-
Financial Year 2024			
Employee provident fund contributions	6,490	246.66	-
Employee state insurance contributions	3,038	24.19	-
Tax deducted at source	355	369.88	-
Labour welfare fund	7,577	0.50	-
Professional tax	5,537	11.93	-
Financial Year 2023			
Employee provident fund contributions	4,546	154.36	-
Employee state insurance contributions	2,320	16.25	-
Tax deducted at source	290	129.55	-
Labour welfare fund	5,168	0.33	-
Professional tax	4,024	7.96	-
Financial Year 2022			
Employee provident fund contributions	2,819	104.63	-
Employee state insurance contributions	1,567	12.47	-
Tax deducted at source	185	36.04	-
Labour welfare fund	3,148	0.16	-
Professional tax	2,543	5.54	-

The table below sets out details of the range of delay in our payment of statutory dues during the six month period ended September 30, 2024 and Financial Years 2024, 2023, and 2022:

Nature of statutory dues	Delay range (in days)			
	Six month period ended September 30, 2024	Financial Year 2024	Financial Year 2023	Financial Year 2022
ESIC	-	-	-	35-157
Professional Tax	-	-	-	-
Tax Deduction at Source	-	-	-	-
Goods and Services Tax (GSTR 3B)	-	-	-	-
Labour Welfare Fund	-	-	-	-
Employee Provident Fund	-	174	26	29-117

While we have subsequently made payment of all pending statutory dues, we cannot assure you that we will not incur delays in payment of statutory dues in the future. Further, any failure or delay in payment of such statutory dues in the future may expose us to statutory and regulatory action, as well as significant penalties, which may adversely affect our business, results of operations, cash flows and financial condition.

26. We may be unable to successfully expand and scale our operations in new geographic markets, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

As part of our growth strategies, we intend to expand into contiguous regions where we have a limited or no operating presence, with a specific focus on states with increased rural populations, such as Uttar Pradesh, among others. See "*Our Business – Our Strategies*" on page 231.

Expanding into new geographic regions, including by opening and operating new branches and service centres, will subject us to various challenges, including those relating to our lack of familiarity with the social, political, economic and cultural conditions of these new regions, language barriers, difficulties in staffing and managing such operations and the lack of brand recognition and reputation in such regions. For instance, we have recently set up branches in the states of Bihar and Chattisgarh, where we have historically had a limited or no business presence. There can be no assurance that we will be able to offer loans and scale our business in these states, including due to our unfamiliarity with the business environment and borrower attitudes in such states, or an inability to hire and retain qualified personnel. In addition, we may face competition in newer markets that we seek to expand our business into, which could increase our costs of expansion. 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 operate in a highly competitive industry, we may have to revise our estimates and our expansion strategies, from time to time, which may result in significant changes in our funding requirements and may put significant strain on our resources.

Even if we are able to expand our branch and service centre network as planned, we may not be able to continue to integrate and optimize a larger network. There can be no assurance that such investments and expansions of our business into new geographies will achieve their anticipated benefits. To the extent that we fail to identify and successfully integrate new geographic markets with our existing business or should such expansion not deliver the intended results, our business, financial condition, results of operations and cash flows could be adversely affected.

27. Any downgrade in our credit ratings or India's sovereign credit ratings could increase our finance costs and adversely affect our business, financial condition, results of operations and cash flows.

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Our long-term and short-term credit ratings as of the dates indicated are set out below:

Rating Agency	**Instrument**	**Rating**			
		As of September 30, 2024	**As of March 31,**		
			2024	**2023**	**2022**
CARE Edge	Long-term bank facilities	CARE A+; Positive	CARE A+; Stable	CARE A; Stable	CARE A- ; Stable
	Short-term bank facilities	CARE A1+	CARE A1+	CARE A1+	—
	Non-convertible debentures	CARE A+; Positive	CARE A+; Stable	CARE A; Stable	CARE A-; Stable
	Commercial paper	CARE A1+	CARE A1+	CARE A1+	—

Any downgrade in our credit ratings could increase borrowing costs, result in an event of default under certain of our financing arrangements and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows. In addition, any downgrade in our credit ratings could result in a recall of existing facilities, increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future, impair our future issuances of debt and equity. Also see "*Our Business – Credit Ratings*" on page 243.

In addition, our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India, which are set out below:

Rating Agency	**Rating**	**Outlook**
Fitch Ratings	BBB-	Stable
Moody's Ratings	Baa3	Stable
Morningstar DBRS	BBB	Low
S&P Global Ratings	BBB-	Positive

Rating agencies may lower their sovereign ratings for India or the outlook on such ratings, which would also affect our ratings. Any adverse revisions to India's sovereign credit ratings for domestic and international debt by international rating agencies may adversely affect our ratings or terms on which we are able to obtain future financing. This could have an adverse effect on our ability to fund our growth and consequently adversely affect our business, financial condition, results of operations and cash flows.

28. Adverse developments in the sectors that we focus our business on could adversely affect our business, financial condition, results of operations and cash flows.

Our business is focused on lending to certain focused sectors, namely, micro, small and medium enterprises ("**MSMEs**") financing, affordable home loans and used commercial vehicle loans. Accordingly, the success of our business depends on factors that affect credit demand in each of our focused sectors. This could include factors such as pandemics, industry downturns, natural disasters, calamities, political and social risks, including adverse litigation or publicity relating to our or our competitors' loan products, which may adversely affect the ability of such borrowers to repay loans availed from us. In addition, our affordable home loans business is dependent on the housing market in India and changes in Indian regulations and policies while our used commercial vehicle loans business is dependent on demand for transportation services in India, changes in Indian regulations and policies affecting utility vehicles, commercial vehicles and cars, fuel prices, vehicle scrappage policies and other macroeconomic conditions in India and globally.

Set out below is the business-wise break-down of our disbursements for the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022:

Sector	**For the six month period ended September 30, 2024**		**For the Financial Year**					
			2024		**2023**		**2022**	
	Amount	***% of total disbursements***	***Amount***	***% of total disbursements***	***Amount***	***% of total disbursements***	***Amount***	***% of total disbursements***
	(₹ in millions, except %)							
Rural business loans	10,503.42	57.15%	21,946.78	59.28%	17,224.28	76.73%	10,233.92	86.12%
Affordable home loans	3,705.44	20.16%	7,500.68	20.26%	961.72	4.28%	—	—
Used commercial vehicle loans	849.49	4.62%	2.20	0.01%	—	—	—	—
Working capital loans (Unsecured)	3,320.50	18.07%	7,574.64	20.46%	4,260.55	18.98%	1,648.85	13.88%
Total disbursements	**18,378.85**	**100.00%**	**37,024.30**	**100.00%**	**22,446.55**	**100.00%**	**11,882.77**	**100.00%**

Other than the effects of the COVID-19 pandemic on the overall business activities of our focused sectors during the Financial Year 2022, we have not faced any other instances of adverse developments in the focused sectors we operate that led to any adverse effect on our business and operations during the six month period ended September 30, 2024 the Financial Years 2024, 2023 and 2022. The recurrence of similar events or any of the factors discussed above may adversely affect our ability to recover loans and as a consequence, adversely affect our business, financial condition, results of operations and cash flows.

29. We face operational and other risks associated with our large number of branches and service centres and widespread network of operations, which could adversely affect our business, financial condition, results of operations and cash flows.

As of September 30, 2024, we operate a network of 424 branches and 70 service centres through which we extend loans directly to under-served businesses. Owing to such a widespread branch and service centre network, we may be subject to additional risks inherent with an extensive network, including upgrading, expanding and securing our technology platform in such branches and service centres, higher technology costs, operational risks, including integration of internal controls and procedures, ensuring borrower satisfaction, compliance with KYC, AML and other regulatory norms, recruiting, training and retaining skilled personnel, failure to manage third-party service providers in relation to any outsourced services and difficulties in the integration of new branches and service centres with our existing branch and service centre network. While we have not faced any instances of such risks materializing in relation to our branch and service centre network that led to an adverse effect on our business or operations in the six month period ended September 30, 2024 or the Financial Years 2024, 2023 and 2022, there can be no assurance that we will not experience such instances in the future. If any such risks materialize, our ability to grow our operations may be affected, which could adversely affect our business, financial condition, cash flows and results of operations.

30. Any privacy or data security breach and changing laws or regulations in relation to privacy and the protection or transfer of personal information or any actual or perceived failure by us to comply with such laws or regulations could adversely affect our business, reputation, financial condition, results of operations and cash flows.

On account of our extensive use of digital technology, our business generates and processes a large quantity of personal, transactional and demographical data relating to borrowers. We face risks inherent in handling and protecting large volumes of data, including protecting the data hosted in our system, detecting and prohibiting unauthorized data share and transfer, preventing attacks on our system by outside parties or fraudulent behaviour or improper use by our employees, and maintaining and updating our database. We may also face cyber threats attempting to exploit our network to disrupt services to borrowers or theft of sensitive internal data or borrower information, which may cause damage to our reputation and adversely affect our business and financial performance. We also have access to a large amount of confidential information pertaining to our borrowers through our day-to-day operations. Any system failure, breach or ineffectiveness of our information wall, security breach or third-party attacks or attempts to illegally obtain the data that result in any actual or perceived release of user data or improper collection, hosting, use or disclosure of data, could damage our reputation and brand, deter current and potential borrowers from availing our products, damage our business, and expose us to potential legal liability.

Numerous domestic and international laws and regulations address privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data. The GoI has enacted the Digital Personal Data Protection Act, 2023 ("**DPDP Act**") which provides for personal data protection and privacy of individuals, regulates cross border data transfer, and provides several exemptions for personal data processing by the Government, and lays down norms for cross-border transfer of personal data including ensuring the accountability of entities processing personal data. It also provides for the establishment of a Data Protection Board of India for taking remedial actions and imposing penalties for breach of the provisions of the DPDP Act. It imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the DPDP Act. The rules under the DPDP Act, once notified, will replace the existing data protection provisions, as contained in Section 43A of the Information Technology Act, 2000. For further details, see "*Key Regulations and Policies*" on page 249.

We have incurred, and may continue to incur, expenses in an effort to comply with privacy, data protection, and information security standards and protocols imposed by laws, regulations, industry standards, or contractual obligations. While we or our third-party providers on our platform have not discovered any instances of privacy or data security breach or non-compliance with applicable privacy and data protection laws and regulations in the six months ended September 30, 2024 and the last three Financial Years, there is no assurance that such instances will not occur in the future. Our actual or perceived failure, or the failure by our third party providers or partners on our platform, to comply with applicable laws or regulations or any other obligations relating to privacy, data protection, or information security, or any compromise of security that results in unauthorized access to or use or release of personally identifiable information or other data, could adversely affect our business, reputation, financial condition, cash flows, and results of operations.

31. We may face difficulties and incur additional expenses in operating and expanding in semi-urban and rural areas, where infrastructure may be limited, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

We primarily serve low and middle income small business borrowers and self-employed borrowers in semi-urban and rural areas in India. In semi-urban and rural locations, infrastructure may be limited, particularly for transportation, electricity and internet bandwidth. At some of our branch offices and service centres in remote markets, we may face difficulties in conducting operations, such as accessing power facilities, transporting people and equipment, hiring qualified personnel and implementing technology measures. We may also face increased costs in conducting our business and operations and implementing security measures. We cannot assure you that such costs will not increase in the future as we expand our branch and service centre network further into rural and semi-urban markets, which could adversely affect our business, financial condition, results of operations and cash flows.

32. Any deterioration in the performance of the pools of receivables securitized to banks and other financial institutions may adversely affect our business, financial condition, results of operations and cash flows.

We securitize a portion of our receivables to banks and other financial institutions. Such securitization is undertaken by us on the basis of our internal estimates of funding requirements and availability of other sources of funds and may vary from time to time.

Any change in RBI or other regulators in relation to securitizations by NBFCs could have an adverse effect on our securitization program. Further, in the event that the financial institution with which we have securitized our receivables is not able to realize the receivables due under the securitizations, the relevant bank or financial institution may enforce the underlying credit enhancements provided by our Company. Details in relation to the assets securitized during the period, amounts outstanding on securitization transactions and securitized loans that are more than 90 days past due, in absolute terms and as a percentage of the amounts outstanding on securitization transactions, are set out below:

Particulars	**As of September 30, 2024**	**As of March 31, 2024**	**As of March 31, 2023**	**As of March 31, 2022**
	(₹ in millions, except %)			
Amounts outstanding on securitized loans	9,722.66	5,735.84	435.07	-
Amounts that are more than 90 days past due (gross) on securitized loans	46.82	12.71	1.26	-
Amounts that are more than 90 DPD (gross), as a % of total securitized loans	0.48%	0.22%	0.29%	-

If financial institutions seek to enforce the underlying credit enhancements, such as fixed deposits provided by our Company (which are generally provided up to a specified percentage of the underlying loan), our business, financial condition, results of operations and cash flows may be adversely affected.

33. An inability to develop, monitor, manage or implement effective risk management frameworks could expose us to unidentified risks or unanticipated levels of risk, which could adversely affect our business, financial condition, results of operations and cash flows.

The effectiveness of our risk management is affected by the quality and timeliness of the data provided to us by our customers, data recorded by our credit, sales and collections teams and our in-house risk monitoring dashboards. We have implemented policies and procedures to measure, manage and control risks to which we are exposed, which include our KYC policy, internal code of conduct, corporate governance policy, fair practices code, and interest rate policy. We also depend on our information technology systems to assist us with our risk management functions, including through periodic IT audits. 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, such as our internal audit review process and our internal credit assessment review process.

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 framework relies upon an evaluation of information regarding the markets we operate in, the borrowers we service and certain other matters, which may not be accurate, complete, up-to-date or properly evaluated in all cases. 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, financial condition, results of operations and cash flows.

34. Non-compliance with applicable anti-money laundering, combating terrorism-financing and know-your-customer laws and regulations could expose us to liability and have an adverse effect on our business and reputation.

We are required to comply with applicable anti-money-laundering ("**AML**"), counter-terrorism financing and anti-terrorism laws and other regulations in India, including the Prevention of Money Laundering Act, 2002 and KYC regulations issued by the RBI. In the ordinary course of our operations, we are exposed to the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest borrowers 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. While we have not experienced instances of any failure to comply with applicable AML, counter-terrorism financing and anti-terrorism laws and KYC requirements in India during the six months ended September 30, 2024 and the past three Financial Years, and have instituted internal policies, processes and systems in place to prevent and detect any AML activity and ensure KYC compliance, we cannot assure you that we will be able to fully control instances of any potential or attempted violation by other parties. Any inability on our part to detect such activities fully and on a timely basis, may subject us to regulatory actions including imposition of fines and penalties and adversely affect our business and reputation.

35. We operate in a highly competitive industry and our inability to compete effectively may adversely affect our business, reputation, financial condition, results of operations and cash flows.

The rural business loans, home loans and vehicle finance sectors in India are highly competitive and we compete with unorganized money lenders, friends and family members, certain large NBFCs and housing finance companies, other NBFCs that also offer loans for business purposes with property as collateral (in particular self–occupied residential property) as well as certain microfinance entities and small finance banks. Consistent with developments over the years, we may also see the entrance of new competitors. In addition, we may face competition in newer markets that we seek to expand our business into, which could increase our costs of expansion. Our competitors may have more resources, a wider branch and distribution network, access to cheaper capital, superior technology and may have a better understanding of and relationships with borrowers in these markets. In addition, our competitors may be able to rely on the reach of affiliated group companies or other banks. Competition in our industry also depends on, among other things, the evolution of government policies relating to the industry (including interest rate deregulation and other liberalization measures), the entry of new participants, and the extent to which there is a consolidation among banks and financial institutions in India and we expect competition to intensify in the future. See "*Our Business – Description of our Business – Competition*" and "*Industry Overview*" on pages 246 and 153, respectively.

Our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our ability to maintain or increase our margins will be dependent, in part, on our ability to pass on increases in the interest rates on our interest-bearing liabilities to our borrowers. Moreover, any increases in the interest rates on the loans we extend may also result in a decrease in business. We cannot assure you that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive MSME lending industry.

36. We rely on direct selling agents for the origination of 11.33% of our Loans (AUM) as of September 30, 2024. Any disruption, negligence, fraud or inefficiency in the services provided by these third parties could adversely affect our business, reputation, results of operation, financial condition and cash flows.

We operate on a pan-India basis and avail the services of direct selling agents for the origination of 11.33% of our Loans (AUM), largely attributable to our affordable home loans and used commercial vehicle loan businesses. Our distribution network comprises our in-house sales team and direct selling agents.

The table below sets out details of our Loans (AUM) attributable to direct selling agents and our in-house sales team and direct acquisition channels as of September 30, 2024 and March 31, 2024, March 31, 2023 and March 31, 2022:

Particulars	As of September 30, 2024		As of March 31,					
			2024		2023		2022	
	Loans (AUM)	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*
	(₹ in millions, except %)							
In-house sourcing	57,788.02	88.67%	52,260.27	91.30%	34,882.59	98.71%	21,873.53	100.00%
Direct selling agents	7,384.15	11.33%	4,977.60	8.70%	454.72	1.29%	-	-
Total	**65,172.17**	**100.00%**	**57,237.87**	**100.00%**	**35,337.31**	**100.00%**	**21,873.53**	**100.00%**

Our arrangements with direct selling agents are on a non-exclusive basis. This exposes us to the risk that the direct selling agents we engage may work for our competitors, which may adversely affect our ability to increase our borrower base. Furthermore, we cannot assure you that we will be successful in continuing to receive uninterrupted services from direct selling agents, and any breakdown in our relationship or disruption, negligence, fraud or inefficiency in the services provided by direct selling agents could adversely affect our business, reputation, results of operation, financial condition and cash flows.

37. We have had negative cash flows associated with operating activities and investing activities in the past and any negative cash flows in the future could adversely affect our cash flows.

As a result of the nature of our business, we have had negative cash flows during certain periods/years in the past, as set out below:

Particulars	For the six month period ended September 30, 2024	For the Financial Year		
		2024	2023	2022
	(₹ in millions)			
Net cash used in operating activities (A)	(6,784.94)	(19,365.63)	(11,727.95)	(5,531.47)
Net cash from / (used in) investing activities (B)	(2,827.56)	1,320.56	(1,576.39)	3,555.21
Net cash from financing activities (C)	10,325.92	20,437.02	12,339.49	3,842.55
Net increase / (decrease) in cash and cash equivalents (D=A+B+C)	**713.42**	**2,391.95**	**(964.85)**	**1,866.29**

While our cash flows from operating activities are negative due to the inherent nature of our business, which involves the disbursement of loans through cash flows which are primarily generated from financing activities, we cannot assure you that our net cash flows will be positive in the future. Due to the deployment of cash towards investments in mutual funds as part of our investing activities during the Financial Year 2023, we experienced a net decrease of ₹964.85 million in our cash and cash equivalents. Sustained negative cash flows could adversely affect our ability to operate our business and implement our growth strategies. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*" on page 445.

38. We require certain statutory and regulatory licenses and approvals to conduct our business and an inability to obtain, retain or renew such licenses and approvals could have an adverse effect on our business, financial condition, results of operations and cash flows.

We are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India. For further details, see "*Government and Other Approvals*" on page 458. A majority of these approvals are granted for a limited duration and are subject to numerous conditions. 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 and results of operations.

39. ***We rely on third-party vendors and service providers for undertaking activities related to our business including for legal, technical and information technology related services. Any lapse by such third-party vendors or service providers engaged by us may adversely affect our business, reputation, financial condition, results of operations and cash flows.***

We rely on third-party vendors and service providers for undertaking activities related to our business, such as loan processing applications, customer relationship management, as well as digital channels for online payments, which we use and access through agreements with these external vendors. To enhance our underwriting capabilities, we engage with third-party service providers to develop tools and integrate application programming interfaces to access supplementary information relating to our customers. This includes accessing fraud-related data, banking and investment records, PAN and Aadhar verification, taxation data and other additional KYC details of borrowers, in accordance with guidelines issued by the RBI. Additionally, we have also entered into agreements with third-party service providers for managing cloud infrastructure, application development and testing, network and branch support and software-as-a-service based platforms, in accordance with applicable RBI guidelines. While none of our key business activities are outsourced, we rely on third-party service providers for the aspects of our business described above.

We are exposed to the risk that (i) external 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 vendors or their employees may be involved in any fraud or wilful default and (iii) the risk that their (or their vendors') business continuity and data security systems prove to be inadequate. Failure to perform any of these functions by our external vendors or service providers or any breaches associated to external vendors or service providers may expose us to liability under the governing laws, regulations and contracts. While we have not experienced any material lapse or default by the vendors or service providers during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, any defaults or lapses in the future could result in an adverse effect on our business, reputation, results of operations, financial condition and cash flows.

40. ***Our insurance coverage on our total assets may not adequately protect us against losses and successful claims that exceed our insurance coverage could adversely affect our business, financial condition, results of operations and cash flows.***

We have availed a variety of insurance policies for our business operations. For further details, see "*Our Business – Insurance*" on page 248. If our arrangements for insurance or indemnification are not adequate to cover claims, we may be required to make substantial payments and our financial condition, cash flows and results of operations may be adversely affected. Additionally, such insurance may not adequately cover all losses or liabilities that may arise from our operations, including, but not limited to, when the loss suffered is not easily quantifiable.

Set out below are details of our insurance coverage on our property, plant and equipment, as of the indicated dates:

Particulars	**Six month period ended September 30, 2024**		**Financial Year**					
			2024		**2023**		**2022**	
	Gross carrying amount	***Insurance coverage, as a % of gross carrying amount***	***Gross carrying amount***	***Insurance coverage, as a % of gross carrying amount***	***Gross carrying amount***	***Insurance coverage, as a % of gross carrying amount***	***Gross carrying amount***	***Insurance coverage, as a % of gross carrying amount***
	(₹ in millions, except %)							
Insurance coverage on property, plant and equipment	463.15	102.42%	439.34	100.62%	327.76	102.58%	201.74	106.72%

Further, we do not have insurance for certain risks and losses (for example, for any losses that we incur from our loan portfolio and investments due to non-payment and delinquency). In addition, our insurance policies are generally subject to annual renewal, and our ability to renew these policies on similar or otherwise acceptable terms, cannot be assured. We cannot also assure you that any claim under the insurance policies maintained by us will be honored fully, in part or at all, or on time. Moreover, if we incur a serious uninsured loss or a successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, our business, financial condition, cash flows and results of operations may be adversely affected.

We have not faced any instances of our insurance policies failing to adequately protect us against losses or claims exceeding our insurance coverage or insurance policies not being honored in full or on time that led to an adverse effect on our business or operations in the six month period ended September 30, 2024 or the Financial Years 2024, 2023 and 2022. However, if our losses significantly exceed or differ from our insurance coverage or cannot be recovered through insurance in the future, our business, results of operations, cash flows and financial condition could be adversely affected.

41. ***We have entered into, and will continue to enter into, related party transactions which may potentially involve conflicts of interest.***

In the ordinary course of business, we have entered into, and will continue to enter into, transactions with related parties. These transactions include, among others, CSR contributions, remuneration to key managerial personnel, employee stock options granted and exercised, the issue of partly-paid up equity shares and conversion of partly paid-up shares to fully paid-up. See "*Offer Document Summary – Summary of related party transactions*" on page 26 for further details.

The transactions undertaken with related parties during the periods specified above were undertaken by our Company on an arms-length basis in compliance with our policy on related party transactions and in accordance with the Companies Act and other applicable laws. We cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. We may also enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. There can be no assurance that our Directors and executive officers will be able to address such conflicts of interests or others in the future. Although all related party transactions that we may enter into post-listing will be subject to Audit Committee or Board or Shareholder approval, as required under the Companies Act and the SEBI Listing Regulations, we cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our results of operations, financial condition and cash flows, or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties.

42. ***Our operations could be adversely affected by strikes or increased wage demands by disputes with, or misconduct by, our employees, and change in labour laws.***

As of September 30, 2024, we had 7,704 permanent employees. We are exposed to the risk of labour disruptions, such as strikes and increased wage demands or disputes with, or misconduct by, our employees. Any employee unrest directed against us or our management could prevent or hinder our normal operating activities, result in increased wages, and, if not resolved in a timely manner, could lead to disruptions in our operations.

While none of our workforce is currently unionized, there can be no assurance that employees will not choose to unionize in the future. In the future, we may be affected by strikes, work stoppages or other labour disputes if any portion of our workforce were to become part of a union in the future. In the event of a labour 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, cash flows and prospects.

Employee misconduct could also involve the improper use or disclosure of confidential information, sexual harassment and other offenses, which could result in regulatory sanctions and serious reputational or financial harm for our Company. While we have not faced any instances of labour disruption or disputes with, or misconduct by, our employees which led to an adverse effect on our business or operations in the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, there can be no assurance that our employees will not participate in work stoppages or other actions in the future or that we will not experience future disruptions to our operations due to disputes, complaints or other problems with our work force.

We are subject to several labour laws and regulations that change periodically. We cannot assure you we will continue to be able to comply with such laws and regulations in the future. Any non-compliance by us in the future may adversely affect our results of operations, financial condition and cash flows.

43. ***Some of our Directors may be associated with or have interests in businesses similar to ours, which could result in conflicts of interest and an inability to address such conflicts of interest could adversely affect our business and financial condition.***

Certain of our Directors may be associated with companies engaged in similar lines of business as our Company. For instance:

- Ms. Priyamvada Ramkumar, a nominee of Lok Capital Growth Fund, is a director on the board of Sundaram Finance Holdings Limited;

- Mr. Sudhir Narayankutty Variyar, a nominee of Multiples Private Equity Fund III, is a director on the boards of Vastu Housing Finance Corporation Limited and Vastu Finserve India Private Limited;

- Mr. Mathew Joseph is a director on the board of IIFL Home Finance Limited; and

- Mr. Sankarson Banerjee is a director on the boards of Nuvama Wealth Finance Limited and Epimoney Private Limited.

For details, see "*Our Management*" on page 270. Any conflicts of interest or competition among our Directors and the other companies they are associated with could adversely affect our business, financial condition, results of operations, reputation, and prospects.

44. An inability to protect or use our intellectual property rights may adversely affect our business, financial condition, results of operations and cash flows.

Our registered logo "VERITAS FINANCE" is registered under class 36 with the Registrar of Trademarks under the Trade Marks Act, 1999. There can be no assurance that we will be able to successfully renew the registration in a timely manner or at all. We may also not be able to prevent infringement of our trademarks. Any unauthorized or inappropriate use of our brand, trademarks and other related intellectual property rights by others in their corporate names or product brands or otherwise could harm our brand image and business.

In the event of any infringement of our intellectual property rights, we may be required to resort to legal action to protect our brand names and other intellectual property rights. While we have not discovered any instances of infringement of our brand names or intellectual property rights during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, we may be required to resort to legal action to protect our brand names and other intellectual property rights. Any adverse outcome in such legal proceedings may affect our ability to use our brand names and other intellectual property rights in the manner in which such intellectual property is currently used, or at all, which could have an adverse effect on our business, results of operation, financial condition and cash flows.

45. The Insolvency and Bankruptcy Code, 2016 may affect our ability to recover loans from insolvent borrowers in a timely manner or at all, which could adversely affect our results of operations and cash flows.

The Insolvency and Bankruptcy Code, 2016 ("**IBC**") was notified on August 5, 2016. The IBC offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The IBC creates an institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which facilitate a formal and time-bound insolvency resolution and liquidation process. In case insolvency proceedings are initiated against a debtor to our Company or a debtor files for voluntary insolvency, we may not have complete control over the recovery of amounts due to us. Under the IBC, upon invocation of an insolvency resolution process, a moratorium on the enforcement of certain rights against the debtor is declared and a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a vote of not less than 75% of the voting share of all financial creditors. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it.

In case a liquidation process is opted for, the IBC provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are required to be distributed for the costs of the insolvency resolution and liquidation processes and debts owed to employees. In cases where proceedings under the IBC are instituted against our Company's borrowers, the operation of such proceedings may affect our Company's ability to recover our loans from such borrowers and enforcement of our Company's rights will be subject to the IBC, which could adversely affect our results of operations and cash flows.

46. We have certain contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materialize.

The table below sets out our contingent liabilities as per Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) as of September 30, 2024:

Particulars	**As of September 30, 2024** ***(₹ in millions)***
Claims against the Company not acknowledged as debt	0.99
Bank Guarantee	2.50

If any of the above liabilities materialize or if our contingent liabilities as per Ind AS 37 increase in the future (and ultimately materialize), our financial condition could be adversely affected.

47. We lease all our branches and service centers. Any termination or failure by us to renew the lease arrangements for such branches or service centers in a timely manner and on acceptable terms, or at all, could adversely affect our

business, financial condition, results of operations and cash flows. Certain lease arrangements may also not be duly registered or adequately stamped and may not be able to be enforced in the event of a dispute.

As of September 30, 2024, our Registered and Corporate Office, 424 branches and 70 service centers are located on leased or licensed premises, none of which are owned by our Directors, Key Managerial Personnel, Senior Management, their relatives or any person related directly or indirectly in any manner to our Company. The typical period for leases which are generally entered into by our Company for our branches and service centers ranges from three years to five years.

The lease or leave and license agreements can be terminated, and any such termination could result in any of our branches or service centres being shifted or shut down. Some of the lease or leave and license agreements may expire or may have expired in the ordinary course of business, and we are currently involved in negotiations for the renewal of these lease and leave and license agreements. While we have not faced issues entering into new or renewing the existing leases of our branch offices or service centres in the past, if these lease and leave and license agreements are not renewed or not renewed on terms acceptable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business, results of operations, financial condition and cash flows.

Further, some of our lease agreements and leave and license agreements may not have been duly stamped as per applicable law. An instrument not duly stamped, or insufficiently stamped, is not admitted as evidence in any Indian court, which could adversely affect our business, results of operations, cash flows and financial condition in the future.

48. ***Certain sections of this Draft Red Herring Prospectus contain industry and market-related information from an industry report prepared by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited, which has been commissioned and paid for by us in connection with the Offer, and any reliance on such information in making an investment decision in the Offer is subject to inherent risks.***

We have commissioned and availed the services of an independent third party research agency, CRISIL Market Intelligence & Analytics a division of CRISIL Limited ("**CRISIL MI&A**"), to prepare the report titled "Report on Loans and Financial Services in India" dated January 2025 (the "**CRISIL MI&A Report**"), for inclusion in this Draft Red Herring Prospectus to understand the industry in which we operate pursuant to an engagement letter dated June 14, 2024. CRISIL MI&A is not related to the Book Running Lead Managers, our Company, our Directors, our Key Managerial Personnel or our Senior Management.

We have no direct or indirect association with CRISIL MI&A other than as a consequence of such an engagement. The CRISIL MI&A Report has been exclusively commissioned and paid for by us. Certain information in this section and "*Industry Overview*," "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 153, 217 and 420, respectively, have been derived from the CRISIL MI&A Report. There are no parts, data or information (which may be relevant for the Offer) from the CRISIL MI&A Report, that have been left out or changed in any manner. The CRISIL MI&A Report is subject to limitations and based upon certain assumptions that are subjective in nature. In view of the foregoing, investors are cautioned against solely relying, or placing undue reliance, on the information contained in or derived from the CRISIL MI&A Report when making an investment decision regarding the Offer.

49. ***We have included in this Draft Red Herring Prospectus certain non-generally accepted accounting principle financial measures and certain other selected statistical information related to our operations and financial condition. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the industry in which we operate and therefore may not be comparable with financial and statistical information of similar nomenclature that may be computed and presented by other peer group companies.***

Certain non-GAAP financial measures and other statistical information presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP or IFRS. Further, these non-GAAP measures and other statistical information 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 are not a standardized term and a direct comparison of similarly titled non-Ind AS measures between companies may not be possible. Other companies may calculate these non-GAAP measures and other statistical information differently from us, limiting their utility as a comparative measure. Although the non-GAAP measures and other statistical information 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 of its wide usage in evaluating a company's operating performance.

50. ***Significant differences exist between Indian Accounting Standards and other accounting principles, such as Indian Generally Accepted Accounting Principles, U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards, which may be relevant to investors' assessment of our financial condition, results of operations and cash flows.***

The Restated Summary Statements included in this Draft Red Herring Prospectus have been derived from our interim financial statements prepared in accordance with Ind AS 34 and our audited financial statements prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations and the Guidance Note. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to Indian GAAP, IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their effects on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their effects on our financial data. 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 policies and practices, the Companies Act, Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited.

51. ***Our listed peers may outperform us in certain financial and operational metrics and regulatory ratios, which could adversely affect our competitive position, reputation, market share and business.***

In this Draft Red Herring Prospectus, we have compared our accounting ratios and key performance indicators with certain listed NBFCs that we consider as our peer group based on similar product offerings, geographical presence and certain other aspects of our business. As disclosed in this Draft Red Herring Prospectus, our accounting ratios and KPIs may not compare favourably with our industry peers, whether now or in the future. The lower KPIs and accounting ratios of our Company may indicate that we have lower disbursements or Loans (AUM), revenue generation, profitability, operational efficiency or financial stability than our compared peers. While we have considered certain NBFCs as our peer group companies on account of product offerings, geographical presence and certain other aspects of our business, some of these NBFCs may not be MSME-focused NBFCs and are not directly comparable with our business. However, investors and regulatory authorities may view and compare our compliance with applicable regulatory limits or ratios with such listed peer group companies, which could adversely affect our competitive position, reputation, market share, business and growth prospects.

52. ***Our ability to pay dividends in the future will depend on compliance with certain conditions prescribed by the Reserve Bank of India, our earnings, financial condition, capital requirements, restrictive covenants under our financing arrangements and applicable law and we cannot guarantee that dividends will be declared in a timely manner, or at all.***

We have not paid any dividends on our Equity Shares during the six month period ended September 30, 2024, the Financial Years 2024, 2023 and 2022, and the period from October 1, 2024 until the date of filing of this Draft Red Herring Prospectus. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, capital requirements, compliance with the conditions set out in the NBFC Scale Based Regulations and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board in accordance with applicable law, and subject to approval of Shareholders. The quantum of dividend to be distributed, if any, will depend on a number of factors, including prudential norms, minimum capital requirements, maximum permissible dividend payment ratio and other factors set out in the NBFC Scale Based Regulations, profit earned during the current Financial Year, overall financial conditions, cash flows, capital requirements, business prospects and expansion plans, cost of raising funds from alternative sources, restrictive covenants under our financing arrangements, money market conditions, and macro-economic conditions. Further, even upon compliance with applicable requirements, we may only declare dividends upto a dividend payout ratio of 50%, in accordance with the NBFC Scale Based Regulations. We cannot assure you that we will be able to pay dividends at any point in the future. We may also decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. For further details, see "*Dividend Policy*" and "*Key Regulations and Policies*" on pages 290 and 249, respectively.

53. ***Our Directors, Key Managerial Personnel and Senior Management may have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.***

Certain of our Directors, our Key Managerial Personnel and members of Senior Management are interested in our Company, in addition to regular remuneration or benefits including sitting fees, commissions and reimbursement of expenses, as applicable. These interests include performance incentives distributed by our Company and employee stock options granted pursuant to the employee stock option plans instituted by our Company and their shareholding in our Company, as well as dividends payable, if any. For further information in relation to the interests of our Directors, Key Managerial Personnel and members of Senior Management, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Capital Structure*" on page 85.

54. ***Our Previous Statutory Auditor has included an emphasis of matter paragraph in their audit report on our financial statements for the Financial Year 2022.***

Our Previous Statutory Auditor included an emphasis of matter in their audit report on our financial statements for the Financial Year 2022, describing the uncertainties relating to the effects of COVID-19 pandemic on our business operations. We cannot assure you that our Statutory Auditors' observations for any future financial period will not contain similar remarks, emphasis of matters or other matters including any matters required to be reported under Companies (Auditors Report) Order 2020, which could adversely affect our results of operations.

EXTERNAL RISK FACTORS

Risks related to India

55. Any downturn or adverse developments in the macroeconomic environment in India or globally could adversely affect our business, financial condition, results of operations and cash flows.

We conduct all our business activities in India, and our revenue streams have historically been affected by macroeconomic conditions in India and are likely to continue being affected by them in the future. Consumer confidence, consumer spending, unemployment and overall economic growth rates are among the main factors that often affect the demand for credit. Poor economic conditions and regulatory forbearances or relaxations tend to adversely affect our borrowers' ability and willingness to repay the amounts borrowed, thus increasing delinquencies, charge-offs and provisions for credit losses, and decreasing recoveries, such as during the COVID-19 pandemic. A prolonged period of slow economic growth or a significant deterioration in economic conditions would likely affect the willingness of our borrowers to procure credit and other related services. It may also affect their repayment capabilities, resulting in increases in defaults. These factors could have an adverse effect on our business, financial condition, cash flows and results of operations.

Economic growth in India is influenced by, among other things, inflation, unemployment rates, interest rates, foreign trade and capital flows, as well as the monsoon season. The level of inflation or depreciation of the Indian rupee may limit monetary easing or cause monetary tightening by the RBI. Our Company has also faced severe macro-shocks in the past, including the COVID-19 pandemic.

Moreover, negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. The global economy has also been negatively affected by the Israel-Hamas and Israel-Iran conflicts and the Russia-Ukraine war. Governments in the United States, United Kingdom, and European Union have imposed sanctions on certain products, industry sectors, and parties in Iran and Russia. These conflicts could negatively affect regional and global financial markets and economic conditions, and result in global economic uncertainty and increased costs of commodities, raw materials, energy and transportation. Further, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse effect on the trade relations between the two countries. Any significant financial disruption could have an adverse effect on our business, financial condition, cash flows and results of operation.

56. Changing laws, rules and regulations and legal uncertainties, including adverse application or interpretation of corporate or tax laws and regulations, may adversely affect our business, prospects, financial condition, results of operations and cash flows.

Change on the quantum of taxes and duties levied globally, or in the terms of international trade agreements, environmental regulation or other applicable laws may require us to incur additional costs. The Government of India has implemented a major reform in Indian tax laws, namely the GST. The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by GST, with effect from July 1, 2017. The GST regime continues to be subject to amendments and its interpretation by the relevant regulatory authorities is constantly evolving. We cannot assure you that the relevant regulatory authorities will not make any material tax demands under GST on us in the future which could adversely affect our business, results of operations, financial condition, cash flows, and the price of the Equity Shares.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company. However, the Government has amended the Income Tax Act, 1961 to abolish the DDT regime. Accordingly, any dividend distribution by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the domestic company is required to withhold tax on such dividends distributed at the applicable rate.

However, non-resident shareholders may claim benefit of an applicable tax treaty, read with the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (Multilateral Instrument), if and to the extent applicable, subject to satisfaction of certain conditions. We may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of withholding tax pursuant to any corporate action including dividends. Pursuant to the Union Budget for Financial Year 2025 (the "**Budget**"), the Finance Act, 2024, among other changes, has amended the capital gains tax rates and amounts mentioned above, with effect from the date of announcement of the Budget. Investors are advised to consult their own tax advisors to understand their tax liability as per the laws prevailing on the date of disposal of Equity Shares. 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 and may affect the viability of our current business or restrict our ability to grow our business in the future.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The Income-tax Act, 1961 ("**Income Tax Act**") was amended to provide domestic companies an option to pay corporate income tax at the effective rate of approximately 25.17% (inclusive of applicable surcharge and health and education cess), as compared to effective rate of 34.94% (inclusive of applicable surcharge and health and education cess), provided such companies do not claim certain specified deductions or exemptions. Further, where a company has opted to pay the reduced corporate tax rate, the minimum alternate tax provisions would not be applicable. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. Due to the COVID-19 pandemic, the Government of India had also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, among others, the Central Goods and Services Tax Act, 2017 and Customs Tariff Act, 1975.

Further, we are obligated to pass on any benefits accruing to us as result of the transition to GST to the consumer thereby limiting our benefits. In order for us to utilize input credit under GST, the entire value chain has to be GST compliant, including us. While we are and will continue to adhere to the GST rules and regulations, there can be no assurance that our suppliers and dealers will do so. Any such failure may result in increased cost on account of non-compliance with the GST and may adversely affect our business, results of operations, financial condition and cash flows.

As an NBFC-ML, we are required to comply with regulatory requirements such as the NBFC Scale Based Regulations, under which we are required to comply with certain compliances and conditions, including but not limited to: (i) prudential regulation; (ii) regulatory restrictions and limits; (iii) governance; (iv) fair practices; and (v) other miscellaneous instructions such as the opening of branches abroad and investment limits, among others.

The Parliament of India has passed the Bharatiya Nyaya Sanhita Bill, 2023, the Bharatiya Nagarik Suraksha Sanhita Bill, 2023 and the Bharatiya Sakshya Bill, which have repealed the Indian Penal Code, 1860, the Code of Criminal Procedure, 1973 and the Indian Evidence Act, 1872, respectively, with effect from July 1, 2024. The effects of these laws on our operations and the litigations involving us cannot be predicted with certainty at this stage.

We cannot predict whether any new tax laws or regulations affecting our services will be enacted, the likely nature and effect of the specific terms of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

57. Our business may be adversely affected by adverse application or interpretation of competition laws in India.

The Competition Act, 2002, as amended ("**Competition Act**"), regulates and was enacted for the purpose of preventing practices that have or are likely to have an appreciable adverse effect on competition ("**AAEC**") in the relevant market in India and mandates the Competition Commission of India (the "**CCI**") to separate such practices. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC in India, is considered void and results in the imposition of substantial monetary 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 provision of services, shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC on competition and is considered void.

The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of any director, manager, secretary or other officer of such company, that person shall also be guilty of the contravention and may be punished. The Competition Act was amended in April 2023 to, *inter-alia*, increase the scope of definition of anti-competitive agreements and empower the CCI to impose penalties based on a company's global turnover.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an AAEC on competition in India. The Competition Act also includes provisions in relation to combinations which require any acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, to be mandatorily notified to and pre-approved by the CCI. While certain agreements entered into by us could be within the purview of the Competition Act, the effects of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, cash flows and results of operations. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, financial condition, cash flows and results of operations.

58. The locations in which we operate may experience natural disasters. The occurrence of any natural or man-made disasters may adversely affect our business, financial condition, cash flows, results of operations and prospects.

A natural disaster, severe weather conditions or an accident that damages or otherwise adversely affects any of our business operations, or our borrowers' business operations or livelihood, could have a material adverse effect on our business, financial condition, cash flows and results of operations. Severe flooding, lightning strikes, earthquakes, extreme wind conditions, severe storms, wildfires, and other unfavorable weather conditions (including those from climate change) or natural disasters could damage our offices or other assets, or require us to shut down our field operations, impeding our ability to on-board new borrowers or collect repayments from our existing borrowers. For instance, some of the states in which we and our borrowers operate are prone to natural disasters and have suffered these in recent years including floods in Bihar and cyclones in Odisha, Tamil Nadu and West Bengal. Further, catastrophic events such as explosions, terrorist acts, riots or other similar occurrences could result in similar consequences or in personal injury, loss of life, environmental danger or severe damage to or destruction of our offices or field activities, or suspension of our business operations or our borrowers' business operations. Any of these events could have an adverse effect on our business, financial condition, cash flows, results of operations and prospects.

59. Foreign investors are subject to certain investment restrictions under Indian law, which could limit our ability to attract foreign investors and our ability to raise foreign capital is subject to certain conditions prescribed under Indian law.

Foreign ownership of Indian securities is subject to Government regulation. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the pricing and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not 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. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. Further, in accordance with 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 Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a 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, as prescribed in the Consolidated FDI Policy dated October 15, 2020, and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular term or at all. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 506.

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

Certain provisions of Indian law 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 our 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, in accordance with the NBFC Scale Based Regulations, any takeover or acquisition of control could also require the prior permission of RBI, which may not be granted in a timely manner or at all.

61. Investors may have difficulties enforcing foreign judgments against us or our management.

Our Company is a public limited company under the laws of India. The enforcement of civil liabilities by overseas investors in the Equity Shares, including the ability to effect service of process and to enforce judgments obtained in courts outside of India may be adversely affected by the fact that our Company is a limited liability company incorporated under the laws of India. All of our Directors are residents of India and all of our assets are located in India. As a result, it may not be possible or may be difficult for investors to effect service of process upon our Company or any of these persons for proceedings in jurisdictions outside of India or to enforce against them in courts in India, judgments obtained in courts outside India including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore, the United Arab Emirates (the "**UAE**") and Hong Kong. However, recognition and enforcement of foreign judgments is provided for under Section 13, Section 14 and Section 44A of the Code of Civil Procedure, 1908 (the "**Civil Procedure Code**"). The United States has not been notified as a reciprocating territory for the purposes of the Civil Procedure Code.

A judgment of a court in a jurisdiction that is not a reciprocating territory may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Civil Code, and not by execution proceedings. Section 13 of the Civil Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or between parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

Under Section 14 of the Civil Procedure Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record; such presumption may be displaced by proving want of jurisdiction. The Civil Procedure Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards even if such awards are enforceable as a decree or judgment. Some jurisdictions, including the United Kingdom, Singapore, UAE and Hong Kong, have been declared by the Government of India to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code. A foreign judgment rendered by a superior court (as defined under the Civil Procedure Code) in any jurisdiction outside India which the Government of India has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India.

Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with public policy in Indian laws. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Such amount may also be subject to income tax in accordance with applicable law. Any judgement in a foreign currency would be converted into Rupees on the date of judgement and not on the date of payment, which could also increase risks relating to foreign exchange.

Consequently, it may not be possible to enforce in an Indian court any judgment obtained in a foreign court, or effect service of process outside of India, against Indian companies, entities, their directors and executive officers and any other parties in India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner or be subject to considerable delays.

62. If inflation continues to rise in India, we may not be able to increase the prices of our services at a proportional rate and pass costs onto our borrowers and our profits may decline.

Inflation rates could be volatile, and we may face high inflation in the future as witnessed in the past, which could affect our growth and profitability. Increased inflation can contribute to an increase in interest rates and may also lead to a slowdown in the economy and adversely affect credit growth. High fluctuations in inflation rates may also make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our operating expenses, which we may not be able to pass on to our borrowers, whether entirely or in part, and the same may adversely affect our business and financial condition. In such case, our business, results of operations, financial condition and cash flows may be adversely affected.

While the Government of India through the RBI has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future.

63. The growth rate of India's retail credit (including MSME credit) industry may not be sustainable.

We expect the retail credit industry in India to continue to grow as a result of anticipated growth in India's economy, increases in household income and demographic changes. The Government of India is pursuing various schemes and initiatives to create an enabling and supportive environment to enhance the flow of credit to the medium, small and micro business sectors in India. The Credit Guarantee Fund Trust Scheme for Micro and Small Enterprises scheme have reinforced the flow of credit to the small business finance sector.

However, it is not clear how certain trends, such as the pace of India's economic growth, the development of domestic capital markets and on-going reforms will affect the retail credit (and specifically, the MSME credit) industry. Further, there can be no assurance that the Government policies and initiatives for the small business finance industry will continue at the same or expected pace in the future. According to the CRISIL MI&A Report, MSME lending is expected to witness a rapid growth in the upcoming Financial Years, however, there are a few risks associated with lending to this MSMEs, which are set out below:

- *Inadequate credit history of borrowers*: Generally, small borrowers often lack credit history which is necessary for underwriting. Additionally, they do not have the financial capabilities to invest in maintaining proper accounts due to which it becomes difficult for lenders to assess their creditworthiness.

- *Borrowers susceptible to policy and regulatory changes*: Owing to the highly dynamic industry environment, MSMEs are vulnerable to policy and regulatory changes to which they might not have a capability to cope with.

- *Borrowers lack liquidity and are vulnerable to cash flow challenges*: MSMEs often face delays in payments which significantly impact their cash flow cycle and in-turn impact their repayment behaviour.

- *Borrowers are unable or unwilling to share all information*: Borrowers usually do not have all the required information available because of which lenders cannot assess the borrowers in a better manner.

- *MSMEs lack of adaptability to technological changes*: As technological environment is dynamic in nature and keeps on changing, it is tough for MSMEs to keep up with changes owing to lack of capital and hence face the risk of getting outdated.

- *Inadequate financial literacy*: MSME owners often lack financial expertise. The lack of financial literacy may lead to poor financial planning.

Consequently, there can be no assurance that the growth and development of India's retail credit industry will be sustainable. Also see "*Industry Overview*" on page 153.

64. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

Upon listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India (for example, due to a delay in regulatory approvals that may be required for the sale of Equity Shares) may reduce the proceeds received by the Shareholders.

Risks related to the Offer and the Equity Shares

65. Our funding requirements and the proposed deployment of the Net Proceeds are based on management estimates, have not been appraised by any bank or financial institution, and may be subject to change. While any proposed variation in

the utilization of the Net Proceeds will be made in compliance with applicable law, including obtaining prior Shareholders' approval, we may not be able to fulfill such requirements, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

As of the date of this Draft Red Herring Prospectus, our funding requirements are based on management estimates in view of past expenditures, and have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on current conditions and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. While we will use the Net Proceeds for augmenting the capital base of our Company in the manner specified in "*Objects of the Offer*" on page 123, the amount of Net Proceeds to be actually used will be based on our management's discretion. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. Our internal management estimates may exceed fair market value or the value that would have been determined by third-party appraisals, which may require us to reschedule or reallocate our capital expenditure.

In accordance with Sections 13(8) and 27 of the Companies Act, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining Shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain Shareholders' approval in a timely manner, or at all. Any delay or inability to obtain such Shareholders' approval may adversely affect our business or operations.

In light of these factors, we may not be able to undertake a variation of the objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of any contract. If we are unable to deploy the Net Proceeds in a timely or efficient manner, it may adversely affect our business, financial condition, results of operations and cash flows.

66. The proceeds of the Offer for Sale will not be available to our Company.

The Offer comprises the Fresh Issue and the Offer for Sale. The proceeds of the Offer for Sale, aggregating to ₹[●] million, will be paid to the respective Selling Shareholders (after deduction of their respective share of the Offer-related expenses) and our Company will not receive any portion of the proceeds of the Offer for Sale. For details, see "*Offer Structure*" on page 438.

67. We have, in the last 12 months, issued Equity Shares at a price that could be lower than the Offer Price. Further, 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, reduce our profitability and adversely affect our financial condition.

We have, in the last 12 months prior to filing this Draft Red Herring Prospectus, issued Equity Shares at a price that could be lower than the Offer Price. For further details, see "*Capital Structure – Offer of specified securities at a price lower than the Offer Price in the last year*" on page 101. The prices at which Equity Shares have been issued by us in the preceding one year should not be taken to be indicative of the Price Band, Offer Price or the trading price of our Equity Shares after listing.

Further, we may, in the future, continue to issue Equity Shares, including under employee stock option plans, at prices that may be lower than the Offer Price, subject to compliance with applicable law. 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. Details of our share based payment expenses (in absolute terms and as a percentage of our total expenses) during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022 are set out below:

Particulars	**For the six month period ended September 30, 2024**		**Financial Year**					
			2024		**2023**		**2022**	
	(₹ in million)	***(% of total expenses)***	***(₹ in million)***	***(% of total expenses)***	***(₹ in million)***	***(% of total expenses)***	***(₹ in million)***	***(% of total expenses)***
Share based payment expense	75.86	1.40%	77.31	0.97%	30.52	0.68%	39.33	1.15%
Total expenses	5,429.12	100.00%	7,945.29	100.00%	4,479.47	100.00%	3,408.64	100.00%

Any issuances of Equity Shares by us, including through the exercise of employee stock options pursuant to employee stock option plan schemes that we may implement in the future, may dilute your shareholding in us, thereby adversely affecting the trading price of the Equity Shares and our ability to raise capital through any issuance of new securities.

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

The average cost of acquisition of Equity Shares by each of the Selling Shareholders may be less than the Offer Price. The details of the average cost of acquisition and the weighted average cost of acquisition of the Equity Shares held by each of the Selling Shareholders are set out below:

Name of the Selling Shareholder	Number of Equity Shares held as of the date of this Draft Red Herring Prospectus	Average cost of acquisition per Equity Share (₹)*	Weighted average cost of acquisition per Equity Share (₹)*
Norwest Venture Partners X – Mauritius	28,750,308	201.12	201.12
British International Investment plc	13,760,568	82.85	82.85
Lok Capital Growth Fund	10,757,276	92.56	92.56
Kedaara Capital Fund II LLP	20,087,374	247.22	247.22
Growth Catalyst Partners LLC	1,121,212	330.00	330.00
Vidya Arulmany	500,000	10.00	10.00
P. Surendra Pai	592,376	135.04	135.04
Savita S Pai	688,626	135.04	135.04
Sheela Pai Cole	3,364,247	39.56	39.56
Moneisha Sharad Gandhi	200,000	10.00	10.00

**As certified by R P S V & Co., Chartered Accountants, by way of their certificate dated January 18, 2025.*

69. The determination of the Price Band is based on multiple factors and assumptions and the Offer Price, market capitalization and other ratios and multiples based on the Offer Price may not be indicative of the market price of our Equity Shares or our market capitalization upon listing through the Offer and a result, you may lose a significant part or all of your investment. Further, our Company's Equity Shares have never been publicly traded and may experience price and volume fluctuations upon listing through the Offer, and an active trading market for our Equity Shares may not develop.

Set forth below are details of our total revenue from operations and profit for the period/year for the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022.

Particulars	For the six month period ended September 30, 2024	For the Financial Year		
		2024	2023	2022
	(₹ in millions)			
Total revenue from operations	7,168.54	11,112.03	6,802.31	4,420.85
Profit for the period/year	1,331.08	2,450.52	1,764.04	754.04

Our market capitalization to revenue from operations for the Financial Year 2024 multiple is [●] times at the upper end of the Price Band and [●] times at the lower end of the Price Band, and our price to earnings ratio multiple for Financial Year 2024 is [●] times at the upper end of the Price Band and [●] times at the lower end of the Price Band. The table below provides details of our price to earnings ratio and market capitalization to revenue from operations ratio for the Financial Year 2024 at the Offer Price:

Particulars	Price to earnings ratio	Market capitalization to revenue from operations ratio
Financial Year 2024	[●]	[●]

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market 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. The Offer Price of the Equity Shares is proposed to be determined through a book- building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, 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. In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue prices. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*" on page 467.

70. Upon listing of the Equity Shares, we may be subject to pre-emptive surveillance measures, such as Additional Surveillance Measures and Graded Surveillance Measures, by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors, which could have an adverse effect on the market price of the Equity Shares.

Upon listing of the Equity Shares, we may be subject to enhanced pre-emptive surveillance measures such as additional surveillance measures ("**ASM**") and graded surveillance measures ("**GSM**") by the Stock Exchanges. These measures are in place to enhance the integrity of the market and safeguard the interest of investors. ASM and GSM are imposed on securities of companies based on objective criteria, which includes market based parameters such as significant variations in price and volume, concentration of client accounts as a percentage of combined trading volume, close to close price variation, market capitalization, average daily trading volume and its change, and average delivery percentage, among others. Securities are subject to GSM when its price is not commensurate with the financial health and fundamentals of the issuer. Specific parameters for GSM include net worth, net fixed assets, price to earnings ratio, market capitalization and price to book value, among others. Factors within and beyond our control may lead to our securities being subject to GSM or ASM.

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. In the event our Equity Shares are subject to such surveillance measures implemented by any of the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, reduction of applicable price band, requirement of settlement on gross basis, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges, limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

71. Investors may be subject to Indian taxes arising out of capital gains on the sale of, or dividends on, the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

The Finance Act, 2019 has clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is 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. Further, the Finance Act, 2021, which followed, removed the requirement for DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. We 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. The Finance Act, 2022 requires taxpayers to explain sources of cash credits, extends the anti-tax avoidance provision to bonus stripping of securities and repeals the 15% concessional rate on foreign dividends. Pursuant to the Budget, the Finance Act, 2024, among other changes, has amended the capital gains tax rates and amounts mentioned above, with effect from the date of announcement of the Budget. Investors are advised to consult their own tax advisors to understand their tax liability as per the laws prevailing on the date of disposal of 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.

72. Any future issuance of Equity Shares, convertible securities or other equity-linked securities by us may dilute your shareholding, and any such issuance or future sales of such securities by our significant Shareholders may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our significant Shareholders, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares.

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

A public company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. However, if the law 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. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

74. Rights of shareholders of companies under Indian law may be different from laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities 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 and wide spread as the shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as a shareholder of our Company than as a shareholder of an entity in another jurisdiction.

75. Qualified Institutional Buyers 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.

Pursuant to the SEBI ICDR Regulations, 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. Retail Individual Investors can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/Offer Closing date, but not thereafter. While our Company is required to complete 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, financial condition or cash flows 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.

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

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. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant and listing is expected to commence within the period as may be prescribed under the applicable laws. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose their Equity Shares. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods prescribed under applicable law.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares of face value of ₹10 each[#(1)(2)]	Up to [●] Equity Shares of face value of ₹10 aggregating up to ₹28,000 million
of which:	
(i) Fresh Issue[(1)]	Up to [●] Equity Shares of face value of ₹10 aggregating up to ₹6,000 million
(ii) Offer for Sale[(2)]	Up to [●] Equity Shares of face value of ₹10 aggregating up to ₹22,000 million
Including	
Employee Reservation Portion[(3)]	Up to [●] Equity Shares of face value of ₹10 aggregating up to ₹ [●] million
Accordingly	
Net Offer	Up to [●] Equity Shares of face value of ₹10 aggregating up to ₹[●] million
The Net Offer consists of:	
A) QIB Portion[(4)(5)]	Not more than [●] Equity Shares of face value of ₹10 aggregating up to ₹[●] million
of which:	
Anchor Investor Portion[(6)]	Up to [●] Equity Shares of face value of ₹10 each
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares of face value of ₹10 each
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)[(5)]	[●] Equity Shares of face value of ₹10 each
Balance of Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares of face value of ₹10 each
B) Non-Institutional Portion[(4)(7)]	Not less than [●] Equity Shares of face value of ₹10 each 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 of face value of ₹10 each
Two-thirds of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1,000,000	[●] Equity Shares of face value of ₹10 each
C) Retail Portion[(4)]	Not less than [●] Equity Shares of face value of ₹10 each aggregating up to ₹[●] million
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	131,281,209 Equity Shares of face value of ₹10 each
Equity Shares outstanding after the Offer	[●] Equity Shares of face value of ₹10 each
Use of proceeds of the Offer	See "*Objects of the Offer*" on page 123 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 of Specified Securities aggregating upto ₹1,200 million, as may be permitted under applicable law, 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. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant 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 Red Herring Prospectus and the Prospectus.*

(1) *The Offer (including the Fresh Issue) has been approved by our Board pursuant to the resolution passed at its meeting held on January 9, 2025 and the Fresh Issue has been approved by our Shareholders pursuant to a special resolution passed at their meeting held on January 13, 2025. Further, our Board pursuant to its resolution dated January 17, 2025 has taken on record the approval for the Offer for Sale by each of the Selling Shareholders.*

(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/corporate authorization***	***Date of consent letter***
Investor Selling Shareholders				

Name of the Selling Shareholder	Aggregate proceeds from Offer for Sale	Maximum number of Offered Shares	Date of board resolution/corporate authorization	Date of consent letter
Norwest Venture Partners X – Mauritius	*Up to ₹5,500 million*	*Up to [●] Equity Shares of face value of ₹10*	*July 3, 2024*	*January 17, 2025*
Kedaara Capital Fund II LLP	*Up to ₹5,500 million*	*Up to [●] Equity Shares of face value of ₹10*	*January 14, 2025*	*January 17, 2025*
British International Investment plc	*Up to ₹5,000 million*	*Up to [●] Equity Shares of face value of ₹10*	*December 20, 2024*	*January 17, 2025*
Lok Capital Growth Fund	*Up to ₹ 4,250 million*	*Up to [●] Equity Shares of face value of ₹10*	*January 13, 2025*	*January 17, 2025*
Growth Catalyst Partners LLC	*Up to ₹750 million*	*Up to [●] Equity Shares of face value of ₹10*	*January 13, 2025*	*January 17, 2025*
Individual Selling Shareholders				
Vidya Arulmany	*Up to ₹360 million*	*Up to [●] Equity Shares of face value of ₹10*	*NA*	*January 17, 2025*
P. Surendra Pai	*Up to ₹210 million*	*Up to [●] Equity Shares of face value of ₹10*	*NA*	*January 17, 2025*
Savita S Pai	*Up to ₹210 million*	*Up to [●] Equity Shares of face value of ₹10*	*NA*	*January 17, 2025*
Sheela Pai Cole	*Up to ₹140 million*	*Up to [●] Equity Shares of face value of ₹10*	*NA*	*January 17, 2025*
Moneisha Sharad Gandhi	*Up to ₹80 million*	*Up to [●] Equity Shares of face value of ₹10*	*NA*	*January 17, 2025*

(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 483. 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 ₹0.20 million. 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 ₹0.20 million, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after such allocation up to ₹0.50 million), 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. 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.*

(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 487. 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 487.*

(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 487 and 483, respectively. For details of the terms of the Offer, see "*Terms of the Offer*" on page 477.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Restated Summary Statements for the six months period ended September 30, 2024 and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022. 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 305 and 420, respectively.

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SUMMARY RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in millions)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS				
Financial assets				
Cash and cash equivalents	5,487.91	4,774.49	2,382.54	3,347.39
Bank balances other than cash and cash equivalents	3,858.45	1,819.70	2858.34	1,152.16
Receivables				
- Other receivables	13.09	17.01	0.41	0.00
Loans	64,005.75	56,345.49	34,756.16	21,320.91
Investments	1,000.74	-	-	-
Other financial assets	348.72	235.77	82.14	69.28
Total financial assets	**74,714.66**	**63,192.46**	**40,079.59**	**25,889.74**
Non-financial assets				
Current tax assets (net)	118.02	15.88	5.22	41.26
Deferred tax assets (net)	564.88	414.13	311.32	222.68
Property, plant and equipment (including right of use asset)	490.33	462.27	414.65	205.42
Intangible assets under development	7.65	4.91	1.61	4.58
Other intangible assets	72.05	83.97	20.08	22.51
Other non-financial assets	89.01	42.31	30.34	38.55
Total non-financial assets	**1,341.94**	**1,023.47**	**783.22**	**535.00**
Total Assets	**76,056.60**	**64,215.93**	**40,862.81**	**26,424.74**
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities				
Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	9.75	11.47	6.55	1.88
- Total outstanding dues of creditors other than micro enterprises and small enterprises	62.25	76.52	48.75	31.26
Debt securities	3,822.70	3,081.22	1,792.69	2,420.72
Borrowings (other than debt securities)	45,071.48	36,876.85	22,460.55	9,535.80
Other financial liabilities (including lease liabilities)	763.59	728.91	520.73	292.55
Total financial liabilities	**49,729.77**	**40,774.97**	**24,829.27**	**12,282.21**
Non-financial liabilities				
Provisions	166.78	86.61	82.35	41.62
Other non-financial liabilities	53.54	58.81	38.62	20.44
Total non-financial liabilities	**220.32**	**145.42**	**120.97**	**62.06**
Total liabilities	**49,950.09**	**40,920.39**	**24,950.24**	**12,344.27**
Equity				
Equity share capital	1,313.58	1,275.19	492.05	485.61
Instruments entirely equity in nature	-	-	650.18	650.18
Other equity	24,792.93	22,020.35	14,770.34	12,944.68
Total equity	**26,106.51**	**23,295.54**	**15,912.57**	**14,080.47**
Total liabilities and equity	**76,056.60**	**64,215.93**	**40,862.81**	**26,424.74**

SUMMARY RESTATED STATEMENT OF PROFIT AND LOSS

(₹ in millions except otherwise stated)

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations				
Interest income	6,880.77	10,570.64	6,524.63	4,261.16
Fee and commission income	159.53	318.63	186.93	95.80
Net gain on fair value changes	126.46	222.05	90.65	63.89
Sale of services	1.78	0.71	0.10	
Total revenue from operations	**7,168.54**	**11,112.03**	**6,802.31**	**4,420.85**
Other income	32.58	62.90	5.66	1.42
Total income	**7,201.12**	**11,174.93**	**6,807.97**	**4,422.27**
Expenses				
Finance costs	2,245.58	3,144.16	1,684.88	1,283.87
Fees and commission expense	8.61	43.52	19.99	7.26
Impairment on financial instruments	644.33	901.66	454.01	579.55
Employee benefits expenses	1,986.33	2,916.10	1,669.70	1,098.43
Depreciation and amortization	142.03	235.63	151.14	142.54
Other expenses	402.24	704.22	499.75	296.99
Total expenses	**5,429.12**	**7,945.29**	**4,479.47**	**3,408.64**
Profit before tax	**1,772.00**	**3,229.64**	**2,328.50**	**1,013.63**
Tax expense				
Current tax	586.22	883.40	653.70	315.30
Adjustment of tax relating to earlier periods	-	-	(6.34)	-
Deferred tax (credit)/ charge	(145.30)	(104.28)	(82.90)	(55.71)
Total tax expense	**440.92**	**779.12**	**564.46**	**259.59**
Profit for the period/ year	**1,331.08**	**2,450.52**	**1,764.04**	**754.04**
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent periods				
Re-measurements gain/ (loss) of the defined benefit plans	(21.65)	5.84	(22.83)	5.96
Income tax relating to items that will not be reclassified to profit or loss	5.45	(1.47)	5.74	(1.50)
Other comprehensive income / (loss) for the period/ year, net of income tax	**(16.20)**	**4.37**	**(17.09)**	**4.46**
Total comprehensive income/ (loss) for the period/ year, net of income tax	**1,314.88**	**2,454.89**	**1,746.95**	**758.50**
Earnings per share, par value of INR 10 each				
- Basic (in INR)*	10.10	19.04	14.85	6.75
- Diluted (in INR*)	10.02	18.86	14.52	6.60

* *Not annualized for the six months period ended September 30, 2024.*

SUMMARY RESTATED STATEMENT OF CASH FLOWS

Particulars	For the six months period ended September 30, 2024 (₹ in millions)	For the year ended March 31, 2024 (₹ in millions)	For the year ended March 31, 2023 (₹ in millions)	For the year ended March 31, 2022 (₹ in millions)
Cash flows from operating activities				
Profit before tax for the period/ year	1,772.00	3,229.64	2,328.50	1,013.63
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortisation expense	142.03	235.63	151.14	142.54
Impairment on financial instruments	644.33	901.66	454.01	579.55
Share based payment expense	75.86	77.31	30.52	39.33
Net (gain)/ loss on investments in mutual funds	(126.46)	(222.05)	(90.65)	(63.89)
Interest income on security deposits	(8.67)	(7.62)	(2.86)	(2.41)
(Gain)/ loss on termination of leased assets	(1.59)	(3.07)	(1.03)	(0.99)
Finance costs	2,245.58	3,144.16	1,684.88	1,283.87
(Gain) / loss on sale of property, plant and equipment	1.20	(1.11)	0.34	(0.43)
Interest income on fixed deposits with banks	(141.04)	(269.71)	(184.79)	(165.75)
Cash used in operations before working capital changes and adjustments	**4,603.24**	**7,084.84**	**4,370.06**	**2,825.45**
Changes in working capital				
Adjustments for (increase)/ decrease in operating assets:				
(Increase)/ Decrease in loans	(8,300.31)	(22, 490.13)	(13,888.65)	(6,657.84)
(Increase)/ Decrease in other receivables	3.91	(16.60)	(0.41)	-
(Increase)/ Decrease in other financial assets	(106.45)	(154.48)	(13.47)	(26.94)
(Increase)/ Decrease in other non-financial assets	(46.70)	(11.97)	8.21	(10.93)
Adjustments for increase/ (decrease) in operating liabilities:				
Increase/ (decrease) in trade payables	(15.99)	32.69	22.16	3.97
Increase/ (decrease) in other financial liabilities	8.70	199.31	106.44	16.63
Increase/ (decrease) in provisions	53.25	10.10	17.90	8.58
Increase/ (decrease) in other non-financial liabilities	(5.27)	20.19	18.19	2.58
Cash used in operations before adjustments	**(3,805.62)**	**(15,326.05)**	**(9,359.57)**	**(3,838.50)**
Finance costs paid	(2,290.96)	(3,145.52)	(1,757.06)	(1,370.29)
Income tax paid (net of refunds)	(688.36)	(894.06)	(611.32)	(322.68)
Net cash used in operating activities (A)	**(6,784.94)**	**(19,365.63)**	**(11,727.95)**	**(5,531.47)**
Cash flows from investing activities				
Purchase of property, plant and equipment, other intangible assets and intangible assets under development	(59.33)	(212.99)	(147.62)	(33.94)
Proceeds from sale of property, plant and equipment	3.76	3.14	1.97	0.34
Deposits placed with banks (net)	(2,038.75)	1,038.64	(1,706.18)	1,609.29
Interest received on fixed deposits	141.04	269.71	184.79	165.75
Purchase of investments - mutual funds	(31,160.00)	(66,016.20)	(46,892.17)	(48,810.18)
Proceeds from sale of investments - mutual funds	30,285.72	66,238.26	46,982.82	50,623.95
Net cash from / (used in) investing activities (B)	**(2,827.56)**	**1,320.56**	**(1,576.39)**	**3,555.21**
Cash flows from financing activities				
Proceeds from issue of equity shares including securities premium	1,420.23	4,924.36	54.60	4,405.09
Payment of principal portion of lease liabilities	(75.82)	(119.95)	(84.02)	(60.87)
Payment of interest portion of lease liabilities	(16.80)	(31.85)	(22.78)	(19.00)
Payment of share issue expenses	-	(73.59)	-	(2.62)
Proceeds from debt securities	1,500.00	2,350.00	1,999.99	550.00
Proceeds from borrowings (other than debt securities)	15,700.00	26,721.60	18,995.26	6,188.03
Repayment of debt securities	(750.00)	(1,050.00)	(2,576.00)	(3,350.00)
Repayment of borrowings (other than debt securities)	(7,451.69)	(12,283.55)	(6,027.56)	(3,868.08)
Net cash from financing activities (C)	**10,325.92**	**20,437.02**	**12,339.49**	**3,842.55**

Particulars	For the six months period ended September 30, 2024 (₹ in millions)	For the year ended March 31, 2024 (₹ in millions)	For the year ended March 31, 2023 (₹ in millions)	For the year ended March 31, 2022 (₹ in millions)
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	**713.42**	**2,391.95**	**(964.85)**	**1,866.29**
Cash and cash equivalents at the beginning of the period/ year	4,774.49	2,382.54	3,347.39	1,481.10
Cash and cash equivalents at the end of the period/ year	**5,487.91**	**4,774.49**	**2,382.54**	**3,347.39**

GENERAL INFORMATION

Date of Incorporation: April 30, 2015

Corporate Identity Number and Registration Number:

Corporate Identity Number: U65923TN2015PLC100328

Company Registration Number: 100328

RBI Registration Number: N-07.00810

Registered and Corporate Office of our Company:

Veritas Finance Limited
SKCL Central Square 1,
South and North Wing, 7th Floor,
Unit # C28 - C35, CIPET Road,
Thiru Vi ka Industrial Estate, Guindy,
Guindy Industrial Estate,
Chennai, Chennai City Corporation
Tamil Nadu, India- 600 032

For further details of our incorporation and changes to our name, see "*History and Certain Corporate Matters – Brief history of our Company*" and "*History and Certain Corporate Matters – Changes in our Registered Office*" on page 264.

Registrar of Companies

Our Company is registered with the Registrar of Companies, Tamil Nadu at Chennai which is situated at:

Registrar of Companies
Block No.6, B Wing 2nd Floor
Shastri Bhawan 26, Haddows Road
Chennai-600 034
Tamil Nadu

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 no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024. 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

A copy of 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.

PDF copies of the DRHP, along with the attachment of the PDF of the payment confirmation slip shall be filed under SEBI (ICDR) Regulations, 2018, and any other exemption requests and similar applications under SEBI (ICDR) Regulations, 2018 shall be sent to the email address: cfddil@sebi.gov.in.

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
Raj Vikash Verma	Chairperson and Non-Executive Independent Director	03546341	S-64, First Floor, Greater Kailash-1, Greater Kailash, South Delhi, 110 048, New Delhi, India
D. Arulmany	Managing Director and Chief Executive Officer	00009981	S/O Duraisamy K., Flat 4B, Victory Homes, New No 15, 54th Street, 9th Avenue, Ashok Nagar, Chennai, 600 083, Tamil Nadu, India
Priyamvada Ramkumar (1)	Non-Executive Nominee Director	07878808	43, 6th Main Road, RA Puram, Chennai 600028
Parin Nalin Mehta (2)	Non-Executive Nominee Director	08528090	Ekta Oculus, 13th Floor, flat no. 1001/1002, Moti Baug, Ghatla road, Chembur, Mumbai 400 071, Maharashtra, India
Sudhir Narayanankutty Variyar (3)	Non-Executive Nominee Director	00168672	A -1502, Rustomjee Seasons, Madhusudan Kalelkar Road, Kalanagar, Bandra East, Mumbai Suburban, 400 051, Maharashtra, India
Suresh Subramanian	Non-Executive Independent Director	02070440	3B, Coral Reef Apartments, No. 9/5, Cenotaph Road, 1st Street, Teynampet, Chennai, 600 018, Tamil Nadu, India
Mathew Joseph	Non-Executive Independent Director	01033802	C/O: Joseph, Flat No. 1301, 13th Floor Tower No 7 One 74, Sathyadev Avenue Extension, M R C Nagar, Raja Annamalaipuram, Chennai, 600 028, Tamil Nadu, India
Sankarson Banerjee	Non-Executive Independent Director	07407346	502 Jiwan Satya CHSL, 411-412, 15th Road, Bandra West, Mumbai, 400 050, Maharashtra, India
Susan Thomas	Non-Executive Independent Director	09760548	No. 8B, 15th Avenue, Harrington Road, Chetput S.O, Chennai, 600 031, Tamil Nadu, India

(1) Nominee of Lok Capital Growth Fund
(2) Nominee of Kedaara Capital Fund II LLP
(3) Nominee of Multiples Private Equity Fund III

For further details of our Board, see "*Our Management*" on page 270.

Our Company Secretary and Compliance Officer

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

V Aruna
SKCL Central Square 1,
South and North Wing,
7th Floor, Unit # C28 - C35, CIPET Road,
Thiru Vi ka Industrial Estate, Guindy
Chennai, Tamil Nadu, India 600032
Telephone: 044 – 4615 0011
Email: cs@veritasfin.in

Statutory Auditor

S.R. Batliboi & Associates LLP, Chartered Accountants
6th Floor - "A" Block, Tidel Park, No. 4
Rajiv Gandhi Salai, Taramani
Chennai 600 113
Tamil Nadu, India
Telephone: 044-61179000
E-mail: srba@srb.in
Peer Review Number: 017127
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 6th Floor - "A" Block, Tidel Park, No. 4 Rajiv Gandhi Salai, Taramani Chennai 600 113 Tamil Nadu, India	June 10, 2024	Appointment as Statutory Auditor of our Company.

Particulars	Date	Reason for change
Telephone: 044-61179000 **E-mail:** srba@srb.in **Peer Review Number:** 017127 **Firm Registration Number:** 101049W/E300004		
M/s. Sundaram and Srinivasan, Chartered Accountants 23, CP Ramaswamy Road Alwarpet Chennai 600 018 Tamil Nadu, India **Telephone: 0**44 2498 8762 **E-mail:** usha@sundaramandsrinivasan.com **Peer Review Number:** 013703 **Firm Registration Number:** 004207S	May 27, 2022	Term of appointment was fixed for a period of two years, pursuant to the RBI Circular on 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

ICICI Securities Limited
ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi,
Mumbai – 400 025
Maharashtra, India
Tel: +91 22 6807 7100
E-mail: veritas.ipo@icicisecurities.com
Investor grievance ID: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact person: Nikita Chirania/Sumit Singh
SEBI registration no.: INM000011179

HDFC Bank Limited
Investment Banking Group
Unit no. 701, 702 and 702- A
7th floor, Tower 2 and 3, One International Centre
Senapati Bapat Marg, Prabhadevi
Mumbai 400013
Telephone: +91 22 3395 8233
E-mail: veritas.ipo@hdfcbank.com
Investor Grievance ID: investor.redressal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Sanjay Chudasama/Bharti Ranga
SEBI Registration Number: INM000011252

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

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: veritas.ipo@kotak.com
Investor grievance ID: kmccredressal@kotak.com
Website: https://investmentbank.kotak.com
Contact person: Ganesh Rane
SEBI registration no.: INM000008704

Nuvama Wealth Management Limited
801 - 804, Wing A, Building No 3
Inspire BKC, G Block
Bandra Kurla Complex, Bandra East
Mumbai 400 051
Maharashtra, India
Tel.: +91 22 4009 4400
Email: veritas.ipo@nuvama.com
Investor Grievance E-mail:
customerservice.mb@nuvama.com
Website: www.nuvama.com
Contact Person: Pari Vaya
SEBI Registration No.: INM000013004

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: veritas.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 Limited
1st Floor, Pulakkatt City Centre,
MKK Nair Road
Palarivattom, Kochi – 682 025
Telephone Number: 9446565692
E-mail: Sajana.Vinod@axisbank.com
Contact Person: Sajana Vinod
Website: WWW.AXISBANK.COM

HDFC Bank Limited
HDFC Bank Limited,
A Wing, 8th Floor, Spencer's Plaza
No. 769, Anna Salai
Chennai – 600 002
Lower Parel, Mumbai 400013
Maharashtra, India
Telephone Number: 9841422450
Contact Person: Varun Parthasarathy
Website: www.hdfcbank.com
Email: varun.parthasarathy@hdfcbank.com

State Bank of India
Industrial Finance Branch No. 2,
Harrington Road,
KRM Plaza, Ground Floor
Chetpet, Chennai – 600 031
Telephone Number: 9994740210
Contact Person: G. Sakthivel
Website: https://bank.sbi
Email: rm2.09930@sbi.co.in

Federal Bank Ltd
27/44, Akshaya Shanti Building,
Ground Floor,
Anna Salai, Chennai – 600 002
Haryana, India
Telephone Number: 044 28512561

Contact Person: B. Santhosh Kumar
Website: www.Federalbank.co.in
Email: santhoshkumar@federalbank.co.in

IDFC First Bank Limited
KRM Tower, 7th Floor,
No. 1, Harrington Road,
Chetpet, Chennai – 600 031
Tamil Nadu
Telephone Number: 044-4571413
Contact Person: S. Susheel
Website: www.idfcfirstbank.com
E-mail: s.susheel@ idfcfirstbank.com

Indusind Bank Limited

G N Chetty Road Office,
New No. 34, (Old 115-116),
G.N. Chetty Road, T. Nagar
Chennai – 600 017
Telephone Numbers: 04428346300, 91769265311
E-mail: parthiban.velusamy@indusind.com
Contact Person: Parthiban Velusamy
Website: www.indusind.com

RBL Bank Ltd

One World Centre, Tower 2B
841, Senapati Bapat Marg, Lower Parel (W)
Mumbai- 400 013
Telephone Number: +91 22 4302 0600
E-mail: Rajesh.Adhikari@rblbank.com
Contact Person: Rajesh Adhikari
Website: www.rblbank.com

ICICI Bank Limited

ICICI Bonk Tower,
Near Chakli Circle,
Old Padra Road,
Vadodara 390007, India
Telephone Number: 022 40087425
E-mail: nirmalandal.k@icicibank.com
Contact Person: Nirmalandal. K
Website: https://www.icicibank.com/

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 master circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, 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 January 18, 2025 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 current Statutory Auditor and in respect of their (i) examination report, dated January 9, 2025 on our Restated Summary Statements; and (ii) their report dated January 18, 2025 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.

Our Company has received written consent dated January 18, 2025 from Sundaram and Srinivasan, 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 Previous Statutory Auditors. 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 January 18, 2025 from R P S V & Co., Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

Such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. It is clarified, 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.	Capital structuring, 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	I-Sec
2.	Drafting and approval of all statutory advertisement	BRLMs	I-Sec
3.	Drafting of audio-visual presentation of disclosures made in offer document at relevant stages of the IPO	BRLMs	I-Sec
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	HDFC
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	HDFC
6.	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 • Preparation of road show presentation and frequently asked questions	BRLMs	Jefferies
7.	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	I-Sec
8.	Non-institutional of the Offer, which will cover, inter alia, • Finalising media, marketing and public relations strategy including list of frequently asked questions at retail road shows; • Finalising centres for holding conferences for brokers, etc.;	BRLMs	Kotak
9.	Retail marketing of the Offer, which will cover, inter alia, • 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	Nuvama
10.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, , anchor coordination, anchor CAN and intimation of anchor allocation	BRLMs	Kotak
11.	Managing the book and finalization of pricing in consultation with the Company	BRLMs	Jefferies
12.	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 initial and final Post-Offer report to SEBI	BRLMs	Nuvama

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, which shall be appointed for monitoring the gross proceeds from Fresh Issue, 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 on the basis of the Red Herring Prospectus and the Bid Cum Application Forms (and the Revision Forms) 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 [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered and Corporate 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 487.

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 477, 483 and 487, 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, each of 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)**		
	Equity Shares comprising		
	202,000,000 Equity Shares of face value of ₹10 each	2,020,000,000	[●]
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL (BEFORE THE OFFER)**		
	131,281,209 Equity Shares of face value of ₹10 each	1,312,812,090^	[●]
C.	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹28,000 million(2)(3)(4)	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹6,000 million(2)(3)	[●]	[●]
	Offer for Sale of up to [●] Equity Shares of face value of ₹10 each by the Selling Shareholders aggregating up to ₹22,000 million(4)	[●]	[●]
	which includes		
	Employee Reservation Portion of up to [●] Equity Shares of face value of ₹10 each (5)	[●]	[●]
	Net Offer of up to [●] Equity Shares of face value of ₹10 each	[●]	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER***		
	[●] Equity Shares of face value of ₹10 each	[●]	-
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	17,197.96 million	
	After the Offer	[●]	

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

^ *Please note that 800,000 partly paid-up Equity Shares were forfeited on July 26, 2024.*

(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 265.*

(2) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of Specified Securities aggregating upto ₹1,200 million, as may be permitted under applicable law, 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. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant 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 Red Herring Prospectus and the Prospectus.*

(3) *The Offer has been approved by our Board pursuant to the resolution passed at its meeting held on January 9, 2025 and our Shareholders have authorized the Fresh Issue pursuant to a special resolution passed at their meeting held on January 13, 2025. Further, our Board pursuant to its resolution dated January 17, 2025 has taken on record the approval for the Offer for Sale by each of the Selling Shareholders.*

(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 69 and 461, respectively.*

(5) *Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹0.50 million (net of the Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million (net of the Employee Discount). 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 ₹0.20 million (net of the Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹0.50 million (net of the Employee Discount). Our Company in consultation with the Book Running Lead Managers, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share of face value of ₹10 each) 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. For further details, see "The Offer" on page 69.*

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:

<table>
<tr><th>Date of allotment of Equity Shares</th><th>Number of Equity Shares allotted</th><th>Details of allottees</th><th>Face value per equity share (in ₹)</th><th>Issue price per equity share (in ₹)</th><th>Nature of consideration</th><th>Nature of allotment</th><th>Cumulative number of Equity Shares</th><th>Cumulative paid-up equity share capital (in ₹)</th></tr>
<tr><td>April 30, 2015</td><td>50,000</td><td><table><tr><th>Name of Allotee/Shareholder</th><th>Number of Equity Shares</th></tr><tr><td>D. Arulmany</td><td>49,900</td></tr><tr><td>S. Sheik Abdullah</td><td>100</td></tr></table></td><td>10</td><td>10</td><td>Cash</td><td>Pursuant to initial subscription to the Memorandum of Association</td><td>50,000</td><td>500,000</td></tr>
<tr><td>May 28, 2015</td><td>3,450,000</td><td><table><tr><th>Name of Allotee/Shareholder</th><th>Number of Equity Shares</th></tr><tr><td>D. Arulmany</td><td>1,950,100</td></tr><tr><td>J. Prakash Rayen</td><td>1,000,000</td></tr><tr><td>Moneisha Sharad Gandhi</td><td>100,000</td></tr><tr><td>V.C. Kumanan</td><td>250,000</td></tr><tr><td>S. Sheik Abdullah</td><td>149,900</td></tr></table></td><td>10</td><td>10</td><td>Cash</td><td>Private placement</td><td>3,500,000</td><td>35,000,000</td></tr>
<tr><td>November 20, 2015</td><td>10,100,000</td><td><table><tr><th>Name of Allotee/Shareholder</th><th>Number of Equity Shares</th><th>Name of Allotee/Shareholder</th><th>Number of Equity Shares</th></tr><tr><td>D. Arulmany</td><td>2,500,000</td><td>Sylvia Prakash</td><td>500,000</td></tr><tr><td>Vidya Arulmany</td><td>500,000</td><td>VC Kumanan</td><td>250,000</td></tr><tr><td>J. Prakash Rayen</td><td>500,000</td><td>Sheik Abdullah</td><td>100,000</td></tr><tr><td>Moneisha Sharad Gandhi</td><td>100,000</td><td>Kanchana Srikanth</td><td>100,000</td></tr><tr><td>V G Suchindran</td><td>1,250,000</td><td>R. Lavanya</td><td>250,000</td></tr><tr><td>P. Surendra Pai</td><td>1,750,000</td><td>Savita Pai</td><td>1,750,000</td></tr><tr><td>K. Venkatesh</td><td>500,000</td><td>P. Sujatha</td><td>50,000</td></tr></table></td><td>10</td><td>10</td><td>Cash</td><td>Private placement</td><td>13,600,000</td><td>136,000,000</td></tr>
<tr><td>March 18, 2016</td><td>1,200,100</td><td><table><tr><th>Name of Allotee/Shareholder</th><th>Number of Equity Shares</th></tr><tr><td>Sarva Capital LLC</td><td>100</td></tr></table></td><td>10</td><td>25</td><td>Cash</td><td>Private placement</td><td>14,800,100</td><td>148,001,000</td></tr>
</table>

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 ₹)
		Caspian Impact Investment Adviser Private Limited – 1,200,000						
May 5, 2016	500,000	**Name of Allotee/Shareholder** – **Number of Equity Shares** P. Surendra Pai – 5,00,000	10	25	Cash	Private placement	15,300,100	153,001,000
June 28, 2017	2,150,539	**Name of Allotee/Shareholder** – **Number of Equity Shares** P. Surendra Pai – 645,162 Savita Pai – 1,505,377	10	NA	NA	Conversion of CCPS	17,450,639	174,506,390
July 18, 2017	10,799,900	**Name of Allotee/Shareholder** – **Number of Equity Shares** Sarva Capital LLC – 10,799,900	10	NA	NA	Conversion of CCPS	28,250,539	282,505,390
November 30, 2017	200	**Name of Allotee/Shareholder** – **Number of Equity Shares** British International Investment plc (erstwhile CDC Group plc) – 100 Lok Capital Growth Fund – 100	10	46.50	Cash	Private placement	28,250,739	282,507,390
May 17, 2018	1,172,153	**Name of Allotee/Shareholder** – **Number of Equity Shares** P. Surendra Pai – 490,397 Savita Pai – 490,398 Caspian Impact Investment Adviser Private Limited – 191,358	10	90	Cash	Private placement	29,422,892	294,228,920
June 16, 2018	15,000	**Name of Allotee/Shareholder** – **Number of Equity Shares** K. Gopinath – 15,000	10	10	Cash	Allotment pursuant to ESOS A, 2016	29,437,892	294,378,920
October 31, 2018	888,626	**Name of Allotee/Shareholder** – **Number of Equity Shares** Savita Pai – 888,626	10	135.04	Cash	Private placement	30,326,518	303,265,180
January 4, 2019	10,975,000	**Name of Allotee/Shareholder** – **Number of Equity Shares**	10	63.69	Cash	Rights issue in the ratio of 36.19 Equity	41,301,518	314,240,180

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 ₹)
		D. Arulmany*: 10,975,000				Shares for every 100 shares held		
September 27, 2019	6,500	**Name of Allotee/Shareholder**: **Number of Equity Shares** P. Vijaya Kumar: 6,500	10	20	Cash	Allotment pursuant to ESOS A, 2016	41,309,018	314,315,180
	1,000	**Name of Allotee/Shareholder**: **Number of Equity Shares** P Vijaya Kumar: 1,000	10	40	Cash	Allotment pursuant to ESOS B, 2018		
March 18, 2020	2,323,744	**Name of Allotee/Shareholder**: **Number of Equity Shares** D. Arulmany*: 2,323,744	10	206.17	Cash	Private placement	45,172,752	332,038,824
	1,279,990	**Name of Allotee/Shareholder**: **Number of Equity Shares** Sheela Pai Cole: 618,472 Sunaina Pai Ocalan: 661,518	10	215.17	Cash	Private placement		
	260,000	**Name of Allotee/Shareholder**: **Number of Equity Shares** L. Nicholes Antony: 100,000 R. Krishnaraj: 30,000 M. Vijay Anand: 15,000	10	10	Cash	Allotment pursuant to ESOS A, 2016		
		Name of Allotee/Shareholder: **Number of Equity Shares** L. Nicholes Antony: 100,000 Monikandan B.: 15,000	10	20	Cash			
March 26, 2020	1,815,000	**Name of Allotee/Shareholder**: **Number of Equity Shares** J. Prakash Rayen: 975,000 V.G. Suchindran: 500,000 Kanchana Srikanth: 100,000 Sheik Abdullah: 200,000 R. Krishnaraj: 40,000	10	10	Cash	Allotment pursuant to ESOS A, 2016	46,987,752	350,188,824
January 7, 2021	65,000	**Name of Allotee/Shareholder**: **Number of Equity Shares** M. Vijay Anand: 35,000 Krishnaraj R.: 30,000	10	10	Cash	Allotment pursuant to ESOS A, 2016	47,127,752	351,588,824
	75,000	**Name of Allotee/Shareholder**: **Number of Equity Shares** Sekhar Vikas: 30,000	10	20	Cash	Allotment pursuant to ESOS A, 2016		

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 ₹)
		C. Gomathi Subramanian: 7,500 P. Rajasekar: 7,500 J. Idhayajothi: 7,500 T. Veeramuthu: 4,500 A Palanikumar: 6,000 Shreedhar K Rokhade: 4,500 Sharanabasav M Kubasad: 4,500 Yasha C Jain: 3,000						
August 11, 2021	7,000	**Name of Allotee/Shareholder: Number of Equity Shares** Yasha C Jain: 7,000	10	20	Cash	Allotment pursuant to ESOS A, 2016	47,138,252	351,693,824
	3,500	**Name of Allotee/Shareholder: Number of Equity Shares** Yasha C Jain: 3,500	10	40	Cash	Allotment pursuant to ESOS B, 2018		
August 25, 2021	14,000	**Name of Allotee/Shareholder: Number of Equity Shares** A. Palanikumar: 14,000	10	20	Cash	Allotment pursuant to ESOS A, 2016	47,155,752	351,868,824
	3,500	**Name of Allotee/Shareholder: Number of Equity Shares** A. Palanikumar: 3,500	10	40	Cash	Allotment pursuant to ESOS B, 2018		
September 9, 2021	15,000	**Name of Allotee/Shareholder: Number of Equity Shares** Mukta Mondal (legal heir of late Uday Shankar Mallick): 15,000	10	40	Cash	Allotment pursuant to ESOS B, 2018	47,180,752	352,118,824
	10,000	**Name of Allotee/Shareholder: Number of Equity Shares** Mukta Mondal (legal heir of late Uday Shankar Mallick): 10,000	10	125	Cash	Allotment pursuant to ESOS C, 2018		
October 7, 2021	13,334,467	**Name of Allotee/Shareholder: Number of Equity Shares** Norwest Venture Partners X – Mauritius: 5,606,061 Kedaara Capital Fund II LLP: 5,606,061	10	330	Cash	Private placement	60,515,219	485,463,494

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 ₹)
		Growth Catalyst Partners LLC: 1,121,212 Evolvence India Fund III Ltd: 910,224 Caspian Impact Investment Adviser Private Limited: 90,909						
November 9, 2021	4,500	**Name of Allotee/Shareholder**: **Number of Equity Shares** Laxmi Kanth Reddy G: 4,500	10	125	Cash	Allotment pursuant to ESOS C, 2018	60,519,719	485,508,494
November 29, 2021	2,000	**Name of Allotee/Shareholder**: **Number of Equity Shares** Vijay Kumar K: 2,000	10	160	Cash	Allotment pursuant to ESOS B, 2018	60,521,719	485,528,494
February 23, 2022	2,000	**Name of Allotee/Shareholder**: **Number of Equity Shares** N A Madhavi: 2,000	10	160	Cash	Allotment pursuant to ESOS C, 2018	60,523,719	485,548,494
March 24, 2022	6,000	**Name of Allotee/Shareholder**: **Number of Equity Shares** Sivaiaha Narala: 6,000	10	160	Cash	Allotment pursuant to ESOS C, 2018	60,529,719	485,608,494
May 11, 2022	12,600	**Name of Allotee/Shareholder**: **Number of Equity Shares** Raja Gopal K: 12,600	10	40	Cash	Allotment pursuant to ESOS B, 2018	60,542,319	485,734,494
November 17, 2022	137,750	**Name of Allotee/Shareholder**: **Number of Equity Shares** Sekhar Vikas: 70,000 Gomathi Subramanian C: 17,500 Monikandan B.: 10,000 ldhayajothi J: 17,500 T Veeramuthu: 5,250 Rajasekar P: 17,500	10	20	Cash	Allotment pursuant to ESOS A, 2016	61,132,819	491,639,494
	108,750	**Name of Allotee/Shareholder**: **Number of Equity Shares** T Veeramuthu: 2,500 Rajasekar P: 6,250 M Muthamil Selvan: 3,750 M Dhamodharan: 6,250 lsaacumman: 3,750	10	40	Cash	Allotment pursuant to ESOS B, 2018		

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 ₹)
		Sundar K – 3,750 Mohanasundaram C – 12,500 Pachaiappan Sudhakar – 6,250 Subhabrata Sadhukhan – 3,750 Joydeep Mookherjee – 3,750 S. P. Satish Kumar – 3,750 Prakash P. – 3,750 M Mahesh – 20,000 Ramesh R – 12,500 G Sathish Babuji – 12,500 Tamal Bose – 3,750						
	3,000	**Name of Allotee/Shareholder – Number of Equity Shares** T Devamatha Arulraj – 3,000	10	125	Cash	Allotment pursuant to ESOS C, 2018		
	28,500	**Name of Allotee/Shareholder – Number of Equity Shares** Venkatesh Padmanabhan Komandur – 22,500 Sivaiaha Narala – 6,000	10	160	Cash	Allotment pursuant to ESOS C, 2018		
	32,500	**Name of Allotee/Shareholder – Number of Equity Shares** Venkatesh Padmanabhan Komandur – 32,500	10	160	Cash	Allotment pursuant to ESOS A, 2016		
	280,000	**Name of Allotee/Shareholder – Number of Equity Shares** Venkatesh Padmanabhan Komandur – 280,000	10	120	Cash	Allotment pursuant to ESOS C, 2018		
November 25, 2022	16, 250	**Name of Allotee/Shareholder – Number of Equity Shares** Pranotosh Roy – 3,750 Srinivas Tallapalli – 12,500	10	40	Cash	Allotment pursuant to ESOS B, 2018	61,149,069	491,801,994
December 30, 2022	14,000	**Name of Allotee/Shareholder – Number of Equity Shares** Kasi Kumaran M – 7,000 Jahangir Basha J – 7,000	10	125	Cash	Allotment pursuant to ESOS C, 2018	61,163,069	491,941,994
February 21, 2023	5,900	**Name of Allotee/Shareholder – Number of Equity Shares** J Pandeeswaran – 5,900	10	125	Cash	Allotment pursuant to ESOS C, 2018	61,168,969	492,000,994

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 ₹)
February 27, 2023	3,500	**Name of Allotee/Shareholder** | **Number of Equity Shares** Vijayakumar P. | 3,500	10	20	Cash	Allotment pursuant to ESOS A, 2016	61,173,719	492,048,494
	1,250	**Name of Allotee/Shareholder** | **Number of Equity Shares** Vijayakumar P. | 1,250	10	40	Cash	Allotment pursuant to ESOS B, 2018		
July 5, 2023	8,236,723	**Name of Allotee/Shareholder** | **Number of Equity Shares** Venus Investments Private Limited | 3,294,689 Multiples Private Equity Fund III | 3,571, 855 Mallika Srinivasan | 340,589 Avendus Future Leaders Fund II | 1,029,590	10	485.63	Cash	Private placement	69,410,442	574,415,724
	2,689,518	**Name of Allotee/Shareholder** | **Number of Equity Shares** D. Arulmany* | 1,389,518 V.G. Suchindran* | 800,000 J. Prakash Rayen* | 500,000	10	485.63	Cash	Private placement	72,099,960	577,105,242
July 10, 2023	525,000	**Name of Allotee/Shareholder** | **Number of Equity Shares** J Prakash Rayen | 525,000	10	10	Cash	Allotment pursuant to ESOS A, 2016	73,959,960	595,705,242
	5,250	**Name of Allotee/Shareholder** | **Number of Equity Shares** Veeramuthu, T | 5,250	10	20	Cash	Allotment pursuant to ESOS A, 2016		
	637,750	**Name of Allotee/Shareholder** | **Number of Equity Shares** Muthamilselvan. M | 11,250 Veeramuthu, T | 7,500 Raja Sekar. P | 18,750 Dhamodharan. M | 8,750 Prakash. P | 11,250 S. Vishalakshi (legal heir of Pachaiappan Sudhakar); | 18,750 Sundar. K | 11,250 Pranotosh Roy | 11,250 Subhabrata Sadhukhan | 11,250	10	40	Cash	Allotment pursuant to ESOS B, 2018		

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 ₹)
		Joydeep Mookherjee	11,250						
		Kumareshan Sivam P	100,000						
		Sathish Kumar. S. P	l1,250						
		lsaac Umman. S	11,250						
		Parthiban. S	100,000						
		Mohanasundaram. C	37,500						
		Sudharsan. T. E	100,000						
		Mahesh. M	30,000						
		Ramesh. R	37,500						
		Sathish Babuji. G	37,500						
		Srinivas Tallapalli	37,500						
		Tamal Bose	11,250						
		P Vijayakumar	2,750						
	287,500	**Name of Allotee/Shareholder**	**Number of Equity Shares**	10	125	Cash	Allotment pursuant to ESOS C, 2018		
		Venkatesh. S	7,000						
		Elango. T	7,000						
		Ulaganathan. S. P	7,000						
		Kannan. K	7,000						
		Pranotosh Roy	24,500						
		Subhabrata Sadhukhan	7,000						
		Surojit Dutta	10,500						
		Joydeep Mookherjee	7,000						
		Biswanath Roy Chowdhury	7,000						
		Prasanna. N	7,000						
		Mohammad Abid Ali	7,000						
		Jayaraj. R	7,000						
		Bilipti Nandan Das	24,500						
		Lokendra Singh Solanki	7,000						
		Suresh. M	7,000						
		Sankar Prasad Das. S	7,000						
		Qurban Ansari	7,000						
		Karuppasamy. R	7,000						
		Rupesh Saxena	35,000						
		Devamathaarulraj. T;	4,000						
		Tamal Bose	7,000						
		Alok Kumar Mallik	7,000						
		Sekhar Vikas	70,000						

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 ₹)
		Name of Allotee/Shareholder	**Number of Equity Shares**						
	382,500	**Name of Allotee/Shareholder**	**Number of Equity Shares**	10	160	Cash	Allotment pursuant to ESOS C, 2018		
		Subhabrata Sadhukhan	11,250						
		Soumen Nath	4,500						
		Kajal Das	4,500						
		Tapas Haldar	4,500						
		Sathish Kumar. S. P	4,500						
		Parthiban. S	45,000						
		Mahesh. M;	22,500						
		Debasis Das	4,500						
		Ramesh. R	22,500						
		Yogaraj. V	4,500						
		George Muller	4,500						
		Bathini Sriram Goud	4,500						
		Bilipti Nandan Das	6,750						
		Gopinath. K	22,500						
		Tentu Naveen Kumar	4,500						
		Kaushik Dey	6,750						
		Sunil Kumar Das	4,500						
		Vijay. R	90,000						
		Kannan. K	90,000						
		Tamal Bose	11,250						
		Arindam Halder	4,500						
		P Vijayakumar	4,500						
	22,000	**Name of Allotee/Shareholder**	**Number of Equity Shares**	10	225	Cash	Allotment pursuant to ESOS, 2021		
		Manigandla Srinivasa Rao	2,000						
		Lakshmipriya, K	2,000						
		Ratikanta Sahoo	2,000						
		Rajkumar	3,000						
		Sandepkumar. N. D	3,000						
		Rahul Haridas	2,000						
		Badri Narayanan. R	5,000						
		Ramesh Eeda	3,000						
August 31, 2023	2,500	**Name of Allotee/Shareholder**	**Number of Equity Shares**	10	225	Cash	Allotment pursuant to ESOS, 2021	73,962,460	694,505,242
		Lakshmipriya K	2,500						
September 15, 2023	23,655,716	**Name of Allotee/Shareholder**	**Number of Equity Shares**	10	46.50	NA	Conversion of CCPS	132,020,709	1,275,087,732
		British International Investment plc	6,977,181						

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 ₹)
		Lok Capital Growth Fund: 5,385,373 Norwest Venture Partners X - Mauritius: 609,025 Kedaara Capital Fund II LLP: 466,244 Venus lnvestments Private Limited: 7,001,215 Multiples Private Equity Fund III: 1,157,497 Avendus Future Leaders Fund II: 2,059,181						
	5,494,514	**Name of Allotee/Shareholder: Number of Equity Shares** British International Investment plc: 2,229,081 Lok Capital Growth Fund: 3,265,433	10	90				
	13,921,801	**Name of Allotee/Shareholder: Number of Equity Shares** British International Investment plc: 4,554,206 Norwest Venture Partners X - Mauritius: 9,367,595	10	135.04				
	14,986,218	**Name of Allotee/Shareholder: Number of Equity Shares** Lok Capital Growth Fund: 2,091,370 Norwest Venture Partners X - Mauritius: 2,476,820 Kedaara Capital Fund II LLP: 10,418,028	10	215.17				
September 26, 2023	10,500	**Name of Allotee/Shareholder: Number of Equity Shares** Mohan Kumar N: 10,500	10	125	Cash	Allotment pursuant to ESOS C, 2018	132,031,209	1,275,192,732
May 2, 2024	15,000	**Name of Allotee/Shareholder: Number of Equity Shares** Rupesh Saxena: 15,000	10	125	Cash	Allotment pursuant to ESOS C, 2018	132,046,209	1,275,342,732

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 ₹)
July 16, 2024	4,500	**Name of Allotee/Shareholder**: N. Mohankumar **Number of Equity Shares**: 4,500	10	125	Cash	Allotment pursuant to ESOS C, 2018	132,078,209	1,275,662,732
	27,500	**Name of Allotee/Shareholder**: R. Ramesh **Number of Equity Shares**: 27,500	10	160	Cash			
August 13, 2024	(800,000)	**Name of Allotee/Shareholder**: V.G. Suchindran* **Number of Equity Shares**: 800,000	10	NA	NA	Forfeiture	131,278,209	1,312,782,090
January 9, 2025	3,000	**Name of Allotee/Shareholder**: Biswanath Roy Chowdhury **Number of Equity Shares**: 3,000	10	125	Cash	Allotment pursuant to ESOS C, 2018	131,281,209	1,312,812,090

* *These shares were partly paid up at the time of allotment. 10,975,000 partly paid-up Shares were made fully paid up at the time of call on July 16, 2023 post payment of ₹9 per Equity Share towards face value. 2,323,744 partly paid-up Equity Shares were made fully paid-up at the time of call on July 26, 2024 post payment of ₹9 per Equity Share towards face value. 1,389,518 partly paid-up Equity Shares were made fully paid-up at the time of call on July 26, 2024 post payment of ₹9 per Equity Share towards face value. 500,000 partly paid-up Equity Shares were made fully paid-up on July 26, 2024 post payment of ₹9 per Equity Share towards face value. 800,000 partly paid-up Equity Shares were forfeited on July 26, 2024, the same was approved and taken on record by the Board of Directors in their meeting held on August 13, 2024..*

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

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

Date of allotment	Number of preference shares	Details of allottees	Face value per preference share (in ₹)	Issue price per preference share (in ₹)	Nature of consideration	Nature of allotment
Series A CCPS						
March 18, 2016	10,799,900	**Name of Allotee/Shareholder**: Sarva Capital LLC **Number of Series A CCPS allotted**: 10,799,900	10	25	Cash	Private Placement
July 18, 2017	(10,799,900)	**Name of Allotee/Shareholder**: Sarva Capital LLC **Number of Series A CCPS allotted converted to Equity Shares**: 10,799,900	10	NA	NA	Conversion of Series A CCPS into Equity Shares in the ratio 1:1
Series B CCPS						
May 4, 2017	3,225,808		10	46.50	Cash	Private Placement

Date of allotment	Number of preference shares	Details of allottees	Face value per preference share (in ₹)	Issue price per preference share (in ₹)	Nature of consideration	Nature of allotment
		Name of Allotee/Shareholder – **Number of Series B CCPS allotted** P. Surendra Pai – 645,162 Savita Pai – 1,505,377 Sarva Capital LLC – 1,075,269				
November 30, 2017	22,580,447	**Name of Allotee/Shareholder** – **Number of Series B CCPS allotted** British International Investment plc (erstwhile CDC Group plc) – 13,978,396 Lok Capital Growth Fund – 8,602,051	10	46.50	Cash	Private Placement
June 28, 2017	(2,150,539)	**Name of Allotee/Shareholder** – **Number of Series B CCPS allotted converted to Equity Shares** P. Surendra Pai – 645,162 Savita Pai – 1,505,377	10	NA	NA	Conversion of Series B CCPS into Equity Shares in the ratio 1:1
September 15, 2023	(23,655,716)	**Name of Allotee/Shareholder** – **Number of Series B CCPS allotted converted to Equity Shares** British International Investment plc – 6,977,181 Lok Capital Growth Fund – 5,385,373 Norwest Venture Partners X - Mauritius – 609,025 Kedaara Capital Fund II LLP – 466,244 Venus Investments Private Limited – 7,001,215 Multiples Private Equity Fund III – 1,157,497 Avendus Future Leaders Fund II – 2,059,181	10	NA	NA	Conversion of Series B CCPS into Equity Shares in the ratio 1:1
Series C CCPS						
May 17, 2018	5,494,514	**Name of Allotee/Shareholder** – **Number of Series C CCPS allotted** British International Investment plc (erstwhile CDC Group plc) – 2,229,081	10	90	Cash	Private placement

Date of allotment	Number of preference shares	Details of allottees		Face value per preference share (in ₹)	Issue price per preference share (in ₹)	Nature of consideration	Nature of allotment
		Lok Capital Growth Fund	3,265,433				
September 15, 2023	(5,494,514)	**Name of Allotee/Shareholder**	**Number of Series C CCPS allotted converted to Equity Shares**	10	NA	NA	Conversion of Series C CCPS into Equity Shares in the ratio 1:1
		British International Investment plc	2,229,081				
		Lok Capital Growth Fund	3,265,433				
Series D CCPS							
October 31, 2018	13,921,801	**Name of Allotee/Shareholder**	**Number of Series D CCPS allotted**	15	135.04	Cash	Private placement
		British International Investment plc (erstwhile CDC Group plc)	4,554,206				
		Norwest Venture Partners X - Mauritius	9,367,595				
September 15, 2023	(13,921,801)	**Name of Allotee/Shareholder**	**Number of Series D CCPS allotted converted to Equity Shares**	15	NA	NA	Conversion of Series D CCPS into Equity Shares in the ratio 1:1
		British International Investment plc	4,554,206				
		Norwest Venture Partners X - Mauritius	9,367,595				
Series E CCPS							
March 18, 2020	14,986,218	**Name of Allotee/Shareholder**	**Number of Series E CCPS allotted**	10	215.17	Cash	Private placement
		Lok Capital Growth Fund;	2,091,370				
		Kedaara Capital Fund II LLP	10,418,028				
		Norwest Venture Partners X - Mauritius	2,476,820				
September 15, 2023	(14,986,218)	**Name of Allotee/Shareholder**	**Number of Series E CCPS allotted converted to Equity Shares**	10	NA	Cash	Conversion of Series E CCPS into Equity Shares in the ratio 1:1
		Lok Capital Growth Fund	2,091,370				
		Norwest Venture Partners X - Mauritius	2,476,820				

Date of allotment	Number of preference shares	Details of allottees	Face value per preference share (in ₹)	Issue price per preference share (in ₹)	Nature of consideration	Nature of allotment
		Kedaara Capital Fund II LLP 10,418,028				

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

(iii) ***Secondary transactions of Equity Shares***

Except as disclosed below there has been no transfer of Equity Shares/CCPS through secondary transactions by the Selling Shareholders as on the date of this Draft Red Herring Prospectus:

Date of transfer/ board resolution	Names of the transferor	Names of the transferee	Number of Equity Shares transferred	Number of CCPS transferred	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)
July 18, 2018	K. Gopinath	Lok Capital Growth Fund	15,000	-	Cash	10	90.00
October 12, 2018	D. Arulmany	P. Surendra Pai	592,417	-	Cash	10	135.04
October 12, 2018	V.C. Kumanan	Norwest Venture Partners X - Mauritius	127,848	-	Cash	10	135.04
February 28, 2019	Sarva Capital LLC	Norwest Venture Partners X - Mauritius	3,103,985	-	Cash	10	148.54
April 26, 2019	Caspian Impact Investment Advisers Private Limited	Norwest Venture Partners X - Mauritius	1,200,000	-	Cash	10	148.50
September 30, 2019	P. Surendra Pai	Sunaina Pai Ocalan	1,500,000	-	Gift	10	-
September 30, 2019	P. Surendra Pai	Rhea Sibel Ocalan	385,600	-	Gift	10	-
September 30, 2019	P. Surendra Pai	Sheela Pai Cole	1,500,000	-	Gift	10	-
September 30, 2019	Savita S Pai	Sunaina Pai Ocalan	1,800,000	-	Gift	10	-
September 30, 2019	Savita S Pai	Sheela Pai Cole	1,945,775	-	Gift	10	-
March 18, 2020	D. Arulmany	Norwest Venture Partners X - Mauritius	250,000	-	Cash	10	215.17

March 18, 2020	Prakash Rayen	Norwest Venture Partners X - Mauritius	625,000	-	Cash	10	215.17
March 18, 2020	V. G. Suchindran	Norwest Venture Partners X - Mauritius	500,000	-	Cash	10	215.17
March 18, 2020	Sheik Abdullah	Norwest Venture Partners X - Mauritius	200,000	-	Cash	10	215.17
March 18, 2020	Kanchana Srikanth	Norwest Venture Partners X - Mauritius	75,000	-	Cash	10	215.17
March 18, 2020	K. Venkatesh	Norwest Venture Partners X - Mauritius	250,000	-	Cash	10	215.17
March 18, 2020	Sarva Capital LLC	Norwest Venture Partners X - Mauritius	4,358,974	-	Cash	10	215.17
March 18, 2020	Sarva Capital LLC	Norwest Venture Partners X - Mauritius	-	609,025	Cash	10	215.17
March 18, 2020	L. Nicholes Antony	Kedaara Capital Fund II LLP	200,000	-	Cash	10	215.17
March 18, 2020	R. Krishnaraj	Kedaara Capital Fund II LLP	30,000	-	Cash	10	215.17
March 18, 2020	M. Vijay Anand	Kedaara Capital Fund II LLP	15,000	-	Cash	10	215.17
March 18, 2020	Monikandan B.	Kedaara Capital Fund II LLP	15,000	-	Cash	10	215.17
March 18, 2020	Sarva Capital LLC	Kedaara Capital Fund II LLP	3,337,041	-	Cash	10	215.17
March 18, 2020	Sarva Capital LLC	Kedaara Capital Fund II LLP	-	466,244	Cash	10	215.17
October 20, 2021	Savita S Pai	Evolvence India Fund III Ltd	200,000	-	Cash	10	330.00
October 20, 2021	Sheela Pai Cole	Evolvence India Fund III Ltd	400,000	-	Cash	10	330.00
July 5, 2023	British International Investment plc	Venus Investments Private Limited	-	7,001,215	Cash	10	485.63
July 5, 2023	Lok Capital Growth Fund	Multiples Private Equity Fund III	-	1,157,497	Cash	10	485.63
July 5, 2023	Lok Capital Growth Fund	Avendus Future Leaders Fund II	-	2,059,181	Cash	10	485.63
July 5, 2023	Sheela Pai Cole	Multiples Private Equity Fund III	300,000	-	Cash	10	485.63

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 230 to 234 of the Companies Act, 2013.

5. **Details of lock-in of Equity Shares**

(a) Details of Promoters' contribution and lock-in

Our Company does not have an identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act 2013. Accordingly, in terms of Regulation 14(1) of the SEBI ICDR Regulations, there is no requirement of minimum promoter's contribution in this Offer and accordingly, none of the Equity Shares will be locked in for a period of eighteen months pursuant to the Offer.

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

(i) In accordance with Regulation 17 of the SEBI ICDR Regulations, 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 & SE Regulations or the ESOS Scheme) pursuant to the ESOS Scheme; and (c) the Equity Shares held by VCFs or Category I AIF or Category II AIF (i.e., Kedaara Capital Fund II LLP, Lok Capital Growth Fund, Multiples Private Equity Fund III and Avendus Future Leaders Fund II) or FVCI (i.e., British International Investment plc), 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.

(iii) The Equity Shares held by any person and locked-in for a period of six months from the date of Allotment in the Offer 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 such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the Takeover Regulations.

(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.

6. **Details of Equity Shares held by Directors, Key Managerial Personnel and Senior Management Personnel**

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, but unexercised	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.	D. Arulmany	12,449,491	Nil	Nil	9.42	[●]
Total (A)		**12,449,491**	**Nil**	**Nil**	**9.42**	**[●]**
Key Managerial Personnel**						
1.	V Aruna	Nil	2,000	8,000	Nil	[●]
2.	S V Laxmi	Nil	35,000	15,000	0.03	[●]
Total (B)		**Nil**	**37,000**	**23,000**	**0.03**	**[●]**
Senior Management Personnel						
1.	Prakash Rayan	1,875,000	Nil	1,33,334	1.42	[●]
2.	K Kannan	35,814	110,000	Nil	0.11	[●]
3.	Sekhar Vikas	76,935	30,000	Nil	0.08	[●]
4.	Sankar Annamalai	Nil	90,000	110,000	0.07	[●]
5.	R Sathish	Nil	Nil	100,000	Nil	[●]
6.	Vijay Subramanian	11,014	110,000	Nil	0.09	[●]
7.	D. Kanchana Srikanth	75,000	Nil	Nil	0.06	[●]
8.	Christopher Robin	Nil	Nil	1,00,000	Nil	[●]
9.	S Parthiban	73,122	55,000	Nil	0.10	[●]
10.	T E Sudharshan	44,965	Nil	Nil	0.03	[●]
11.	Sarath Chandran Damodaran	Nil	20,000	80,000	0.02	[●]
12.	Kumareshan Sivam	55,115	Nil	Nil	0.04	[●]
13.	M Mahesh	20,576	27,500	Nil	0.04	[●]
14.	Shankar Subramanian	Nil	Nil	1,00,000	Nil	[●]
15.	Subramoni Bhagavathy	Nil	Nil	1,00,000	Nil	[●]
16.	L. Sridhar	Nil	Nil	1,00,000	Nil	[●]
Total (C)		**22,67,541**	**4,42,500**	**8,23,334**	**2.06**	**[●]**
Total (A+B+C)		**1,47,17,032**	**4,79,500**	**8,46,334**	**11.51**	**[●]**

* *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 Schemes as on the date of this DRHP, 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 270.

7. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is 81.

8. 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**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(B)	**Public**	81	131,281,209	Nil	0	131,281,209	100.00%	131,281,209	Nil	131,281,209	100.00%	Nil	100.00%	Nil	Nil	Nil	Nil	131,281,209
(C)	**Non Promoter-Non Public**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C1)	**Shares underlying depository receipts**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C2)	**Shares held by employee trusts**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (A+B+C)	**81**	**131,281,209**	**Nil**	**0**	**131,281,209**	**100.00%**	**131,281,209**	Nil	**131,281,209**	**100.00%**	**Nil**	**100.00%**	Nil	Nil	Nil	Nil	**131,281,209**

9. 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.	D. Arulmany	12,449,491	9.42%
2.	J. Prakash Rayen	1,875,000	1.42%
3.	Sheela Pai Cole	3,364,247	2.55%
4.	Sunaina Pai Ocalan	3,261,518	2.47%
5.	Norwest Venture Partners X - Mauritius	28,750,308	21.76%
6.	British International Investment plc	13,760,568	10.41%
7.	Kedaara Capital Fund II LLP	20,087,374	15.20%
8.	Lok Capital Growth Fund	10,757,276	8.14%
9.	Lok Capital IV LLC	1,869,856	1.41%
10.	Evolvence India Fund III Ltd	3,387,371	2.56%
11.	Multiples Private Equity Fund III	10,295,904	7.79%
12.	Venus Investments Private Limited	10,295,904	7.79%
13.	Avendus Future Leaders Fund II	3,865,271	2.92%
Total		**124,020,088**	**93.84%**

^ *Based on the beneficiary position and register of members of our Company, as applicable. Calculated on the basis of total Equity Shares held and 873,250 vested options under the ESOP Schemes.*

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.	D. Arulmany	12,449,491	9.42%
2.	J. Prakash Rayen	1,875,000	1.42%
3.	Sheela Pai Cole	3,364,247	2.55%
4.	Sunaina Pai Ocalan	3,261,518	2.47%
5.	Norwest Venture Partners X - Mauritius	28,750,308	21.76%
6.	British International Investment plc	13,760,568	10.41%
7.	Kedaara Capital Fund II LLP	20,087,374	15.20%
8.	Lok Capital Growth Fund	10,757,276	8.14%
9.	Lok Capital IV LLC	1,869,856	1.41%
10.	Evolvence India Fund III Ltd	3,387,371	2.56%
11.	Multiples Private Equity Fund III	10,295,904	7.79%
12.	Venus Investments Private Limited	10,295,904	7.79%
13.	Avendus Future Leaders Fund II	3,865,271	2.92%
Total		**124,020,088**	**93.84%**

^ *Based on the beneficiary position and register of members of our Company, as applicable. Calculated on the basis of total Equity Shares held and 876,250 vested options under the ESOP Schemes.*

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.	D. Arulmany *	14,949,491	11.26%

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)^
2.	J. Prakash Rayen **	2,475,000	1.86%
3.	V. G. Suchindran ***	1,550,000	1.17%
4.	Sheela Pai Cole	3,364,247	2.53%
5.	Sunaina Pai Ocalan	3,261,518	2.46%
6.	Norwest Venture Partners X - Mauritius	28,750,308	21.66%
7.	British International Investment plc	13,760,568	10.37%
8.	Kedaara Capital Fund II LLP	20,087,374	15.13%
9.	Lok Capital Growth Fund	10,757,276	8.10%
10.	Evolvence India Fund III Ltd	3,081,474	2.32%
11.	Multiples Private Equity Fund III	10,295,904	7.76%
12.	Venus Investments Private Limited	10,295,904	7.76%
13.	Avendus Future Leaders Fund II	3,088,771	2.33%
Total		**125,717,835**	**94.71%**

^ *Based on the beneficiary position and register of members of our Company, as applicable. Calculated on the basis of total Equity Shares held and 438,750 vested options under the ESOP Schemes.*

* *Includes 37,13,262 Partly paid equity shares*

** *Includes 5,00,000 Partly paid equity shares*

*** *Includes 8,00,000 Partly paid equity shares*

Note: Percentage of the pre-Offer fully paid-up Equity Share capital is calculated on a fully-diluted basis which is inclusive of 266,667 warrants, which were subsequently extinguished through the Board Resolution dated March 27, 2024.

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 held	Percentage of the pre-Offer Equity Share capital (%)	Number of Equity Shares held on fully diluted basis	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)^
1.	D. Arulmany	16,648,744**	9.51%	16,648,744*	13.72%
2.	J. Prakash Rayen	1,850,000	3.76%	1,850,000	1.52%
3.	V. G. Suchindran	1,250,000	2.54%	1,250,000	1.03%
4.	Sheela Pai Cole	3,664,247	7.45%	3,664,247	3.02%
5.	Sunaina Pai Ocalan	3,561,518	7.24%	3,561,518	2.93%
6.	Norwest Venture Partners X - Mauritius	16,296,868	33.13%	28,750,308#	23.69%
7.	British International Investment plc	100	0.00%	20,761,783#	17.10%
8.	Kedaara Capital Fund II LLP	9,203,102	18.71%	20,087,374#	16.55%
9.	Lok Capital Growth Fund	15,100	0.03%	13,973,954#	11.51%
10.	Evolvence India Fund III Ltd	3,081,474	6.26%	3,081,474	2.54%
11.	Savita S Pai	688,626	1.40%	688,626	0.57%
12.	Growth Catalyst Partners LLC	1,121,212	2.28%	1,121,212	0.92%
13.	Caspian Impact Investment Adviser Private Limited	712,002	1.45%	712,002	0.59%
14.	P. Surendra Pai	592,376	1.02%	592,376	0.49%
15.	Vidya Arulmany	500,000	1.02%	500,000	0.41%
16.	Sylvia Prakash	500,000	1.02%	500,000	0.41%
Total		**59,685,369**	**59,685,369**	**97.00%**	**113,629,402**

^ *Based on the beneficiary position and register of members of our Company, as applicable. Calculated on the basis of total Equity Shares held and 1,894,250 vested options under the ESOP Schemes.*

**   Including 13,298,744 partly paid equity shares*
***   Holding 2,500,000 Equity shares jointly with Vidya Arulmany.*
 #   Including 58,058,249 compulsorily convertible preference shares
Note: Percentage of the pre-Offer fully paid-up Equity Share capital is calculated on a fully-diluted basis which is inclusive of 266,667 warrants, which were subsequently extinguished through the Board Resolution dated March 27, 2024.

10. Employee Stock Options Scheme of our Company

(i) ESOS A, 2016

Our Company, pursuant to the resolutions passed by our Board on January 8, 2016 and our Shareholders on January 8, 2016, adopted the ESOS A, 2016. The ESOS A 2016 was last amended by Board and Shareholders resolutions dated January 9, 2025 and January 13, 2025 respectively. The ESOS A, 2016 is in compliance with the SEBI SBEB & SE Regulations.

As on the date of this Draft Red Herring Prospectus, under ESOS A, 2016, an aggregate of 3,050,000 options have been granted (including an aggregate of 88,500 lapsed options), and an aggregate of 2,961,500 options have been exercised.

The options have been granted in compliance with the relevant provisions of the Companies Act, 2013 only to the employees and former employees of our Company.

The following are the details of the Equity Shares issued under the ESOS A, 2016 on a quarterly basis:

Quarter ended	Aggregate number of Equity Shares issued pursuant to exercise of vested employee stock options granted under ESOS A, 2016	Price range at which Equity Share was issued (₹)
June 30, 2021	Nil	Nil
September 30, 2021	21,000	20
December 31, 2021	Nil	Nil
March 31, 2022	Nil	Nil
June 30, 2022	Nil	Nil
September 30, 2022	Nil	Nil
December 31, 2022	170,250	20-160
March 31, 2023	3,500	20
June 30, 2023	Nil	Nil
September 30, 2023	530,250	10-20
December 31, 2023	Nil	Nil
March 31, 2024	Nil	Nil
June 30, 2024	Nil	Nil
September 30, 2024	Nil	Nil
December 31, 2024	Nil	Nil
January 1, 2025 till the date of this Draft Red Herring Prospectus	Nil	Nil

The details of the ESOS A, 2016, as certified by R P S V & Co., Chartered Accountants, through a certificate dated January 18, 2025 are as follows:

Particulars	Details			
	From April 1, 2024 till the date of this Draft Red Herring Prospectus	Fiscal 2024	Fiscal 2023	Fiscal 2022
Options granted	3,050,000	3,050,000	3,050,000	3,050,000
Options vested (excluding options exercised)	Nil	Nil	530,250	686,500
Options exercised	2,961,500	2,961,500	2,431,250	2,257,500

Particulars	Details			
	From April 1, 2024 till the date of this Draft Red Herring Prospectus	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	2,961,500	2,961,500	2,431,250	2,257,500
Exercise price (in ₹)	10-160	10-160	10-160	Nil
Options forfeited/lapsed/cancelled	88,500	88,500	88,500	71,000
Options outstanding (including vested and unvested options)	Nil	Nil	Nil	721,500
Variation of terms of options	• On December 6, 2018, the time period for vesting was extended from two years to three years to enable subscription of options by the employees. • On January 17, 2020, all options given under Batch 1 of ESOS A, 2016 and vested shall be exercised within a period of three years and three months from the date of vesting. • On February 11, 2021, the following modification was made in the scheme: "*Any exercise of options beyond the approved exercise period as mentioned in clause (15) of the ESOP schemes shall be subject to the below approval: i) Any extension within three months to be approved by the Managing Director and the CEO ii) Any extension beyond three months would be approved by the Board of the Directors subject to the recommendation of the Nomination and Remuneration Committee*" • On July 10, 2023, ESOS A, 2016 was amended to provide uniformity in terms of transfer regulations etc. • On January 13, 2025, ESOS A, 2016 was amended to comply with SEBI SBEB & SE Regulations and the time period of exercise was extended to five years.			
Vesting Period	Three years			
Money realized by exercise of options	38,130,000	38,130,000	32,775,000	24,750,000
Total number of options in force	Nil	Nil	530,250	686,500
Employee wise details of options granted to:				
(i) Key Managerial Personnel and Senior Management Personnel (grant)	Nil	Nil	Nil	Nil
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil	Nil	Nil	Nil

Particulars	Details			
	From April 1, 2024 till the date of this Draft Red Herring Prospectus	Fiscal 2024	Fiscal 2023	Fiscal 2022
(iii) Identified employees who were 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			
Diluted EPS pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	See footnote below ESOS 2024 table			
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and EPS of the Company	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 market at the time of grant of the option	See footnote below ESOS 2024 table			
Impact on profits and EPS of the last three years if the accounting policies prescribed in the SEBI SBEB & SE Regulations had been followed in respect of options granted in the last three years	Not applicable as the Company has followed similar accounting policies, as mentioned in the erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as applicable			
Intention of the Key Managerial Personnel and Senior Management Personnel and whole-time Directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares pursuant to the Offer	Nil			
Intention to sell Equity Shares arising out of ESOS A, 2016 within three months after the date of listing of Equity Shares, by directors, Key Management Personnel, Senior Management Personnel and employees having Equity Shares arising out of ESOS A, 2016, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil			

(ii) ESOS B, 2018

Our Company, pursuant to the resolutions passed by our Board on January 29, 2018 and our Shareholders on February 26, 2018 adopted the ESOS B, 2018. The ESOS B, 2018 was last amended by Board and Shareholders resolutions dated January 9, 2025 and January 13, 2025 respectively. The ESOS B, 2018 is in compliance with the SEBI SBEB & SE Regulations.

As on the date of this Draft Red Herring Prospectus, under ESOS B, 2018, an aggregate of 1,162,500 options have been granted (including an aggregate of 163,400 lapsed options), an aggregate of 900,600 options have been vested and an aggregate of 835,350 options have been exercised.

The options have been granted in compliance with the relevant provisions of the Companies Act, 2013 only to the employees and former employees of our Company.

The following are the details of the Equity Shares issued under the ESOS B, 2018 on a quarterly basis:

Quarter ended	Aggregate number of Equity Shares issued pursuant to exercise of vested employee stock options granted under ESOS B, 2018	Price range at which Equity Share was issued (₹)
June 30, 2021	Nil	Nil
September 30, 2021	22,000	40
December 31, 2021	2,000	160
March 31, 2022	Nil	Nil
June 30, 2022	12,600	40
September 30, 2022	Nil	Nil
December 31, 2022	125,000	40
March 31, 2023	1,250	40
June 30, 2023	Nil	Nil
September 30, 2023	637,750	40-160
December 31, 2023	Nil	Nil
March 31, 2024	Nil	Nil
June 30, 2024	Nil	Nil
September 30, 2024	Nil	Nil
December 31, 2024	Nil	Nil
January 1, 2025 till the date of this Draft Red Herring Prospectus	Nil	Nil

The details of the ESOS B, 2018, as certified by R P S V & Co., Chartered Accountants, through a certificate dated January 18, 2025 are as follows:

Particulars	Details			
	From April 1, 2024 till the date of this Draft Red Herring Prospectus	Fiscal 2024	Fiscal 2023	Fiscal 2022
Options granted	1,162,500	1,160,000	1,160,000	1,040,000
Options vested (excluding options exercised)	65,250	42,750	671,500	809,000
Options exercised	835,350	835,350	163,850	25,000
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	900,600	878,100	835,350	834,000
Exercise price (in ₹)	40-600	40-375	40-375	Nil
Options forfeited/lapsed/cancelled	163,400	163,400	163,400	146,000

Particulars	Details			
	From April 1, 2024 till the date of this Draft Red Herring Prospectus	Fiscal 2024	Fiscal 2023	Fiscal 2022
Options outstanding (including vested and unvested options)	163,750	161,250	832,750	869,000
Variation of terms of options	• On December 6, 2018, the time period for vesting was extended from two years to three years to enable subscription of options by the employees. • On December 6, 2018, vesting schedule changed from three years to four years. • On February 2, 2021, the following modification was made in ESOS B, 2018: "*Any exercise of options beyond the approved exercise period as mentioned in clause (15) of the ESOP schemes shall be subject to the below approval: i) Any extension within three months to be approved by the Managing Director and the CEO ii) Any extension beyond three months would be approved by the Board of the Directors subject to the recommendation of the Nomination and Remuneration Committee*" • On July 10, 2023, ESOS B, 2018 was amended to provide uniformity in terms of transfer regulations etc. • On January 13, 2025, ESOS B, 2018 was amended to comply with SEBI SBEB & SE Regulations and the time period of exercise was extended to five years.			
Vesting Period	Four years			
Money realized by exercise of options	37,704,000	37,704,000	6,794,000	1,240,000
Total number of options in force	65,250	42,750	671,500	809,000
Employee wise details of options granted to:				
(i) Key Managerial Personnel and Senior Management Personnel (grant)	Nil	Nil	Sarath Chandran Damodaran - 1,00,000 Options	Nil
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	i. Sivethan S - 2,500 options	Nil	i. Tirupati Rao - 10,000 options ii. Satish J - 10,000 options	Nil
(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our	Nil			

Particulars	Details			
	From April 1, 2024 till the date of this Draft Red Herring Prospectus	Fiscal 2024	Fiscal 2023	Fiscal 2022
Company at the time of grant				
Diluted EPS pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	See footnote below ESOS 2024 table.			
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and EPS of the Company	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 market at the time of grant of the option	See footnote below ESOS 2024 table.			
Impact on profits and EPS of the last three years if the accounting policies prescribed in the SEBI SBEB & SE Regulations had been followed in respect of options granted in the last three years	Not applicable as the Company has followed similar accounting policies, as mentioned in the erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as applicable			
Intention of the Key Managerial Personnel and Senior Management Personnel and whole-time Directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares pursuant to the Offer	Nil			
Intention to sell Equity Shares arising out of ESOS A, 2016 within three months after the date of listing of Equity Shares, by directors, Key Management Personnel, Senior Management Personnel and employees having Equity Shares arising out of ESOS A, 2016, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil			

(iii) ESOS C, 2018

Our Company, pursuant to the resolutions passed by our Board on October 31, 2018 and our Shareholders on November 22, 2018. The ESOS C, 2018 was last amended by Board and Shareholders resolutions dated January 9, 2025 and January 13, 2025 respectively. The ESOS C, 2018 is in compliance with the SEBI SBEB & SE Regulations.

As on the date of this Draft Red Herring Prospectus, under ESOS C, 2018, an aggregate of 2,575,000 options have been granted (including an aggregate of 575,850 lapsed options), an aggregate of 1,604,150 options have been vested and an aggregate of 1,050,650 options have been exercised.

The options have been granted in compliance with the relevant provisions of the Companies Act, 2013 only to the employees and former employees of our Company.

The following are the details of the Equity Shares issued under the ESOS C, 2018 on a quarterly basis:

Quarter ended	Aggregate number of Equity Shares issued pursuant to exercise of vested employee stock options granted under ESOS C, 2018	Price range at which Equity Share was issued (₹)
June 30, 2021	Nil	Nil
September 30, 2021	10,000	125
December 31, 2021	4,500	125
March 31, 2022	8,000	160
June 30, 2022	Nil	Nil
September 30, 2022	Nil	Nil
December 31, 2022	325,500	120-160
March 31, 2023	5,900	125
June 30, 2023	Nil	Nil
September 30, 2023	661,750	125-160
December 31, 2023	Nil	Nil
March 31, 2024	Nil	Nil
June 30, 2024	Nil	Nil
September 30, 2024	32,000	125-160
December 31, 2024	Nil	Nil
January 1, 2025 till the date of this Draft Red Herring Prospectus	3,000	125

The details of the ESOS C, 2018, as certified by R P S V & Co., Chartered Accountants, through a certificate dated January 18, 2025 are as follows:

Particulars	Details			
	From April 1, 2024 till the date of this Draft Red Herring Prospectus	Fiscal 2024	Fiscal 2023	Fiscal 2022
Options granted	2,575,000	2,520,000	2,480,000	2,040,000
Options vested (excluding options exercised)	553,500	390,000	646,750	667,000
Options exercised	1,050,650	1,000,650	353,900	22,500
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	1,604,150	1,390,650	1,000,650	689,500
Exercise price (in ₹)	120-600	120-475	Nil	Nil
Options forfeited/lapsed/cancelled	575,850	539,350	484,100	258,500

Particulars	Details			
	From April 1, 2024 till the date of this Draft Red Herring Prospectus	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Options outstanding (including vested and unvested options)	924,000	980,000	1,642,000	1,759,000
Variation of terms of options	• On February 11, 2021, the following modification was made in ESOS C, 2018: "*Any exercise of options beyond the approved exercise period as mentioned in clause (15) of the ESOP schemes shall be subject to the below approval: i) Any extension within three months to be approved by the Managing Director and the CEO ii) Any extension beyond three months would be approved by the Board of the Directors subject to the recommendation of the Nomination and Remuneration Committee"* • On July 10, 2023, ESOS C, 2018 was amended to provide uniformity in terms of transfer regulations etc. • On January 13, 2025, ESOS C, 2018 was amended to comply with SEBI SBEB & SE Regulations and the time period of exercise was extended to five years.			
Vesting Period	Four years			
Money realized by exercise of options	144,377,500	137,165,000	44,115,000	3,092,500
Total number of options in force	553,500	390,000	646,750	667,000
Employee wise details of options granted to:				
(i) Key Managerial Personnel and Senior Management Personnel (grant)	Nil	Nil	Aruna V - 10,000 options	Nil
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	i. Sujoy Goswami – 5,000 options	i. Duranda Kiran Kumar - 10,000 options ii. Katkemod Khandu Pandurang - 15,000 options iii. Yenumala Rajesh - 15,000 options	i. Divanshu Kumar Bhadani - 75,000 options ii. Mhageeswara - 25,000 options	Nil
(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding	Nil			

Particulars	Details			
	From April 1, 2024 till the date of this Draft Red Herring Prospectus	Fiscal 2024	Fiscal 2023	Fiscal 2022
outstanding warrants and conversions) of our Company at the time of grant				
Diluted EPS pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	See footnote below ESOS 2024 table			
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and EPS of the Company	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 market at the time of grant of the option	See footnote below ESOS 2024 table.			
Impact on profits and EPS of the last three years if the accounting policies prescribed in the SEBI SBEB & SE Regulations had been followed in respect of options granted in the last three years	Not applicable as the Company has followed similar accounting policies, as mentioned in the erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as applicable			
Intention of the Key Managerial Personnel and Senior Management Personnel and whole-time Directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares pursuant to the Offer	Nil			

Particulars	Details			
	From April 1, 2024 till the date of this Draft Red Herring Prospectus	Fiscal 2024	Fiscal 2023	Fiscal 2022
Intention to sell Equity Shares arising out of ESOS A, 2016 within three months after the date of listing of Equity Shares, by directors, Key Management Personnel, Senior Management Personnel and employees having Equity Shares arising out of ESOS A, 2016, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil			

(iv) ESOS 2021

Our Company, pursuant to the resolutions passed by our Board on January 20, 2021 and our Shareholders on February 11, 2021, adopted the ESOS 2021. The ESOS 2021 was last amended by Board and Shareholders resolutions dated January 9, 2025 and January 13, 2025 respectively. The ESOS 2021 is in compliance with the SEBI SBEB & SE Regulations.

As on the date of this Draft Red Herring Prospectus, under ESOS 2021, an aggregate of 1,115,000 options have been granted (including an aggregate of 120,500 lapsed options), an aggregate of 279,000 options have been vested and an aggregate of 24,500 options have been exercised.

The options have been granted in compliance with the relevant provisions of the Companies Act, 2013 only to the employees and former employees of our Company.

The following are the details of the Equity Shares issued under the ESOS 2021 on a quarterly basis:

Quarter ended	Aggregate number of Equity Shares issued pursuant to exercise of vested employee stock options granted under ESOS 2021	Price range at which Equity Share was issued (₹)
June 30, 2021	Nil	Nil
September 30, 2021	Nil	Nil
December 31, 2021	Nil	Nil
March 31, 2022	Nil	Nil
June 30, 2022	Nil	Nil
September 30, 2022	Nil	Nil
December 31, 2022	Nil	Nil
March 31, 2023	Nil	Nil
June 30, 2023	Nil	Nil
September 30, 2023	24,500	225
December 31, 2023	Nil	Nil
March 31, 2024	Nil	Nil
June 30, 2024	Nil	Nil
September 30, 2024	Nil	Nil
December 31, 2024	Nil	Nil
January 1, 2025 till the date of this Draft Red Herring Prospectus	Nil	Nil

The details of the ESOS 2021, as certified by R P S V & Co., Chartered Accountants, through a certificate dated January 18, 2025 are as follows:

Particulars	Details			
	From April 1, 2024 till the date of this Draft Red Herring Prospectus	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Options granted	1,115,000	1,010,000	590,000	235,000
Options vested (excluding options exercised)	254,500	119,250	34,000	Nil
Options exercised	24,500	24,500	Nil	Nil
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	279,000	143,750	34,000	Nil
Exercise price (in ₹)	225-625	225-475	Nil	Nil
Options forfeited/lapsed/cancelled	120,500	97,500	65,000	65,000
Options outstanding (including vested and unvested options)	970,000	888,000	525,000	170,000
Variation of terms of options	• On July 10, 2023, ESOS 2021 was amended to refer the shareholders agreement dated June 21, 2023, as amended from time to time. • On January 13, 2025, ESOS 2021 was amended to comply with SEBI SBEB & SE Regulations and the time period of exercise was extended to five years.			
Vesting Period	Four years			
Money realized by exercise of options	5,512,500	5,512,500	Nil	Nil
Total number of options in force	254,500	119,250	34,000	Nil
Employee wise details of options granted to:				
(i) Key Managerial Personnel and Senior Management Personnel (grant)	Nil	i. R Sathish - 100,000; ii. W Christopher Robin- 100,000	Sankar Annamalai - 2,00,000	SV Laxmi - 50,000
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	i. Mahesh Kumar - 50,000 options	i. Soumen Ghosh - 75,000 options ii. Sunilkumar K M - 50,000 options iii. Avijeet Rakshit - 50,000 options	i. Kommana Satish Kumar - 50,000 options ii. Dhinesh Kumar S - 50,000 options	i. Ramesh Korisetty - 50,000 options ii. Badri Narayanan R - 25,000 options iii. Rajkumar - 15,000 options iv. Patil Lavkumar Venkatrao - 15,000 options v. Sandepkumar. N. D - 15,000 options vi. Ramesh Eeda - 15,000 options

Particulars	Details			
	From April 1, 2024 till the date of this Draft Red Herring Prospectus	Fiscal 2024	Fiscal 2023	Fiscal 2022
(iii) Identified employees who were 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			
Diluted EPS pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	See footnote below ESOS 2024 table.			
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and EPS of the Company	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 market at the time of grant of the option	See footnote below ESOS 2024 table.			
Impact on profits and EPS of the last three years if the accounting policies prescribed in the SEBI SBEB & SE Regulations had been followed in respect of options granted in the last three years	Not applicable as the Company has followed similar accounting policies, as mentioned in the erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as applicable			

Particulars	Details			
	From April 1, 2024 till the date of this Draft Red Herring Prospectus	Fiscal 2024	Fiscal 2023	Fiscal 2022
Intention of the Key Managerial Personnel and Senior Management Personnel and whole-time Directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares pursuant to the Offer	Nil			
Intention to sell Equity Shares arising out of ESOS A, 2016 within three months after the date of listing of Equity Shares, by directors, Key Management Personnel, Senior Management Personnel and employees having Equity Shares arising out of ESOS A, 2016, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil			

(v) ESOS 2024

Our Company, pursuant to the resolutions passed by our Board on March 6, 2024 and our Shareholders on March 15, 2024, adopted the ESOS 2024. The ESOS 2024 was last amended by Board and Shareholders resolutions dated January 9, 2025 and January 13, 2025 respectively. The ESOS 2024 is in compliance with the SEBI SBEB & SE Regulations. As on the date of this Draft Red Herring Prospectus, under ESOS 2024, an aggregate of 1,564,167 options have been granted.

The options have been granted in compliance with the relevant provisions of the Companies Act, 2013 only to the employees and former employees of our Company.

The following are the details of the Equity Shares issued under the ESOS 2024 on a quarterly basis:

Quarter ended	Aggregate number of Equity Shares issued pursuant to exercise of vested employee stock options granted under ESOS 2024	Price range at which Equity Share was issued (₹)
June 30, 2024	Nil	Nil
September 30, 2024	Nil	Nil
December 31, 2024	Nil	Nil
January 1, 2025 till the date of this Draft Red Herring Prospectus	Nil	Nil

The details of the ESOS 2024, as certified by R P S V & Co., Chartered Accountants, through a certificate dated January 18, 2025 are as follows:

Particulars	Details			
	From April 1, 2024 till the date of this Draft Red Herring Prospectus	Fiscal 2024	Fiscal 2023	Fiscal 2022
Options granted	1,564,167	266,667	NA	NA
Options vested (excluding options exercised)	Nil	Nil	NA	NA
Options exercised	Nil	Nil	NA	NA
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	Nil	Nil	NA	NA
Exercise price (in ₹)	75-625	75	NA	NA
Options forfeited/lapsed/cancelled	178,333	Nil	NA	NA
Options outstanding (including vested and unvested options)	1,385,834	266,667	NA	NA
Variation of terms of options	On January 13, 2025, ESOS 2024 was amended to comply with SEBI SBEB & SE Regulations			
Vesting Period	1 - 4 years			
Money realized by exercise of options	Nil	Nil	NA	NA
Total number of options in force	Nil	Nil	NA	NA
Employee wise details of options granted to:				
(i) Key Managerial Personnel and Senior Management Personnel (grant)	i. Subramoni Bhagavathy – 100,000 options ii. L Sridhar – 100,000 options iii. Shankar Subramanian – 100,000 options	J. Prakash Rayen - 133,334 options	NA	NA
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil	V G Suchindran - 133,333 options	NA	NA
(iii) Identified employees who were 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			

Particulars	Details			
	From April 1, 2024 till the date of this Draft Red Herring Prospectus	Fiscal 2024	Fiscal 2023	Fiscal 2022
Diluted EPS pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	See footnote below ESOS 2024 table.			
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and EPS of the Company	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 market at the time of grant of the option	See footnote below ESOS 2024 table.			
Impact on profits and EPS of the last three years if the accounting policies prescribed in the SEBI SBEB & SE Regulations had been followed in respect of options granted in the last three years	Not applicable as the Company has followed similar accounting policies, as mentioned in the erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as applicable			
Intention of the Key Managerial Personnel and Senior Management Personnel and whole-time Directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares pursuant to the Offer	Nil			
Intention to sell Equity Shares arising out of ESOS A, 2016 within three months after the date of listing of Equity Shares, by directors, Key Management Personnel, Senior Management Personnel and employees having Equity Shares arising out of ESOS A, 2016, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil			

Notes:

(1) Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with the applicable accounting standard 'Earning Per Share':

Particulars	Details			
	Six months period ended September 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Fully diluted EPS	*10.02*	*18.86*	*14.52*	*6.60*

(2) Key Assumptions

Particulars	Details			
	From April 1, 2024 till the date of this Draft Red Herring Prospectus	Fiscal 2024	Fiscal 2023	Fiscal 2022
Share price on grant date	*643.71*	*9.51 - 498.59*	*9.51 - 405*	*9.51 - 251.28*
Exercise price (in ₹)	*600.00*	*10 - 475*	*10 - 375*	*10 - 225*
Fair value of options on grant date (in ₹)	*189.91 - 302.65*	*2.48 - 435.83*	*2.48 - 190.88*	*2.48 - 111.57*
Expected volatility (in %)	*29.31% - 34.55%*	*22.00% - 41.60%*	*22.00% - 41.60%*	*22.00% - 41.60%*
Option term	*2.56 - 5.56 years*	*2.00 - 5.63 years*	*2.00 - 5.63 years*	*2.00 - 5.50 years*
Expected dividends	*Nil*	*Nil*	*Nil*	*Nil*
Risk-free interest rate (in %)	*6.64% - 6.86%*	*4.53% - 7.79%*	*4.53% - 7.79%*	*4.53% - 7.79%*
Weighted average remaining contract life (in years)	*4.39*	*4.94*	*3.78*	*3.45*

11. 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.

12. Except as disclosed under "*Notes to Capital Structure – Share capital history of our Company*" on page 85, none of 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.

13. Our Company, our Directors and the BRLMs have not made any or entered into any buy-back arrangements for purchase of Equity Shares from any person.

14. Except for the allotment of Equity Shares pursuant to exercise of options granted under the ESOS Schemes, 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 or all application moneys have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts of ASBA Bidders on account of non-listing, under-subscription etc, as the case may be, other than any issue of Equity Shares pursuant to exercise of options granted and vested under the ESOS Schemes.

15. Our Company presently does not intend or propose and is not under negotiations or considerations 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 ESOS Schemes.

16. Except for outstanding stock options granted pursuant to the ESOS Schemes, 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.

17. No person connected with the Offer, including, but not limited to the BRLMs, the Syndicate Members, our Company, Selling Shareholders, our Directors, 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.

18. There have been no financing arrangements whereby 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.

19. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined in the SEBI Merchant Bankers Regulations) do not hold any Equity Shares of our Company. 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 and each of the Selling Shareholders, and their respective directors and officers, partners, trustees, affiliates, 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, the Selling Shareholders, and each of their respective directors and officers, partners, trustees, affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.

20. All issuances of securities made by our Company since its incorporation till the date of filing of this Draft Red Herring Prospectus were in compliance with the Companies Act, 2013, as applicable.

OBJECTS OF THE OFFER

The Offer comprises a fresh issue of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹6,000 million and an offer for sale of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹22,000 million. For further details, see "*The Offer*" beginning on page 69.

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, see *"-Offer related expenses"* on page 126. The details of Selling Shareholders including the aggregate proceeds from Offer for Sale; the maximum number of Offered Shares and percentage of the pre-Offer paid-up Equity Share capital (%), have been set out below:

Name of the Selling Shareholder	Aggregate proceeds from Offer for Sale	Maximum number of Offered Shares	Percentage of the pre-Offer paid-up Equity Share capital on a fully diluted basis (%)*
Investor Selling Shareholders			
Norwest Venture Partners X – Mauritius	Up to ₹5,500 million	Up to [●] Equity Shares of face value of ₹10	21.76
Kedaara Capital Fund II LLP	Up to ₹5,500 million	Up to [●] Equity Shares of face value of ₹10	15.20
British International Investment plc	Up to ₹5,000 million	Up to [●] Equity Shares of face value of ₹10	10.41
Lok Capital Growth Fund	Up to ₹ 4,250 million	Up to [●] Equity Shares of face value of ₹10	8.14
Growth Catalyst Partners LLC	Up to ₹750 million	Up to [●] Equity Shares of face value of ₹10	0.85
Individual Selling Shareholders			
Vidya Arulmany	Up to ₹360 million	Up to [●] Equity Shares of face value of ₹10	0.38
P. Surendra Pai	Up to ₹210 million	Up to [●] Equity Shares of face value of ₹10	0.45
Savita S Pai	Up to ₹210 million	Up to [●] Equity Shares of face value of ₹10	0.52
Sheela Pai Cole	Up to ₹140 million	Up to [●] Equity Shares of face value of ₹10	2.55
Moneisha Sharad Gandhi	Up to ₹80 million	Up to [●] Equity Shares of face value of ₹10	0.15

* *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 Schemes, as applicable.*

The Fresh Issue

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards augmenting our capital base to meet future business requirements of our Company towards onward lending (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)	6,000.00
(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 of Specified Securities aggregating upto ₹1,200 million, as may be permitted under the applicable law, 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. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant 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 Red Herring Prospectus and the Prospectus.

(2) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

For details in relation to the offer related expenses, see "*Offer related expenses*" on page 126.

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	[●]

Proposed schedule of implementation and deployment of Net Proceeds

S. No.	Particulars	Amount to be funded from the Net Proceeds *(₹ in million)*	Estimated deployment of the Net Proceeds in Fiscal 2026 *(₹ in million)*
1.	Augmenting our capital base to meet future business requirements of our Company towards onward lending(1)	[●]	[●]

(1) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of Specified Securities aggregating upto ₹1,200 million, as may be permitted under the applicable law, 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. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant 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 Red Herring Prospectus and the Prospectus.*

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 – Our funding requirements and the proposed deployment of the Net Proceeds are based on management estimates, have not been appraised by any bank or financial institution, and may be subject to change. While any proposed variation in the utilization of the Net Proceeds will be made in compliance with applicable law, including obtaining prior Shareholders' approval, we may not be able to fulfill such requirements, which could have an adverse effect on our business, financial condition, results of operations and cash flows.*" on page 64.

Subject to applicable law, in the event of any increase in the actual utilization of funds earmarked for the purposes set out above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. The estimated schedule of deployment of Net Proceeds is indicative and our management may vary the amount to be utilized in a particular

Financial Year at its discretion. In case of delay in utilisation of net proceeds, the deployment will be undertaken as per the applicable law. Our Statutory Auditors have provided no assurance or services related to any prospective financial information.

Details of the Objects of the Fresh Issue

1. Augmenting the capital base of our Company to meet future business requirements towards onward lending

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. The Tier – I capital in respect of NBFCs, at any point of time, shall not be less than 10%. For further details, please see *"Key Regulations and Policies"* on page 249. As at September 30, 2024 our Company's CRAR (%) was 40.87% of which Tier I capital (%) was 40.87%.

The following table sets forth details of composition of the Company's Tier I Capital and Tier II Capital as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022:

(in ₹ million, unless otherwise stated)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Tier I Capital [(1)]	23,335.15	21,868.85	15,518.51	13,799.22
Tier II Capital [(2)]	-	-	116.49	85.43
Total Capital	**23,335.15**	**21,868.85**	**15,635.00**	**13,884.65**
Risk weighted assets [(3)]	57,092.84	52,706.00	34,740.64	21,551.27
Tier I Capital (%)	40.87%	41.49%	44.67%	64.03%
Tier II Capital (%)	-	-	0.33%	0.40%
CRAR (%) [(4)]	**40.87%**	**41.49%**	**45.00%**	**64.43%**

(1) Tier I capital comprises share capital, securities premium, retained earnings including current year profit. Tier I Capital (%) is computed in accordance with the relevant RBI guidelines.

(2) Tier II capital comprises general provision and loss reserve. Tier II Capital (%) is computed in accordance with the relevant RBI guidelines.

(3) Risk weighted assets represent the weighted sum of our credit exposures based on their risk (Risk weighted assets is computed in accordance with the relevant RBI guidelines).

(4) Capital adequacy ratio or capital to risk weighted assets ratio (CRAR) is computed by dividing our Tier I and Tier II capital by risk weighted assets (CRAR (%) is computed in accordance with the relevant RBI guidelines).

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.

Set forth below are the details of our Loans (AUM) as at September 30, 2024 and as at March 2024, 2023 and 2022:

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
Loans (AUM)[(1)] *(in ₹ million)*	65,172.17	57,237.87	35,337.31	21,873.53
Loans (AUM) growth (in %)[(2)]	45.37%	61.98%	61.55%	39.97%

(1) Loans (AUM) is aggregate of Loans and Impairment loss allowance - loans.

(2) Loans (AUM) Growth represents percentage growth in Loans (AUM) as of the last day of the relevant period/year over Loans (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 217.

While our Company's CRAR during the period/years as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 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 compliant 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 ₹[●] 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 2026.

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 (to the extent not attributable to the Offer), 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, each of the Company and the Selling Shareholders shall incur and pay, in the manner specified below, all costs, charges, fees and expenses associated with and incurred in connection with the Offer (other than as mentioned at (a) above), (including corporate advertisements, excluding those mentioned at (a) above, 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 the 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), on a pro rata basis in proportion to the number of Equity Shares issued and Allotted by the 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.

From an administrative perspective, 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, on a pro rata basis, in proportion to its respective portion of the Offered Shares sold in the Offer for any expenses in relation to the Offer, paid by the Company on behalf of respective Selling Shareholder, subject to receipt of supporting documents for such expenses, and in connection with the above, each of the Selling Shareholders severally and not jointly, authorize the Company to deduct from the proceeds of the Offer for Sale from the Offer, expenses of the Offer required to be borne by the respective Selling Shareholder, if not already paid, in proportion to its respective Offered Shares sold in the Offer, in accordance with Applicable Law.

In the event that the Offer is postponed or withdrawn or abandoned for any reason or in the event the Offer is not successfully completed, the BRLMs and respective legal counsels to the Company and the BRLMs shall be entitled to receive fees from the Company and reimbursement for expenses which may have accrued to it up to the date of such postponement, withdrawal, abandonment or failure as set out in the Fee Letter. All the charges shall be paid in accordance with the Offer Agreement.

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^:			
- 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, 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 would be deployed toward the Objects, augmenting the capital base of our Company to meet future business requirements towards onward lending. 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 Gross 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 Gross Proceeds and Gross Proceeds, respectively, 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 Gross 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 Gross 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 Gross 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 Gross Proceeds that have not been utilised, if any, of such currently unutilised Gross 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 Gross 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 Gross 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 Gross Proceeds from the objects of the Offer as stated above; and (ii) details of category wise variations in the utilisation of the Gross 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 Hindi national daily newspaper and one Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered and Corporate 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

None of our Directors, Key Managerial Personnel or Senior Management Personnel will receive any portion of the Offer Proceeds. Our Company has neither entered into nor has planned to enter into any arrangement/ agreements with our Directors, our Key Managerial Personnel, or our Senior Management in relation to the utilization of the Net 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 offered 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 ₹10 each 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 32, 217, 305, 291 and 420, 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:

- We have a diversified, granular and self-residential property backed secured portfolio with the fastest growth in terms of AUM among compared listed peers;
- We have widespread, deep and largely in-house distribution network serving unserved and under-served borrowers in rural and semi-urban markets giving us the ability to launch multiple new businesses using existing distribution footprint;
- We possess a robust risk management and credit assessment framework supported by on-ground collections infrastructure;
- Ours is a technology-enabled scalable operating model resulting in short turnaround and improved controls on sourcing, disbursement and collections;
- We have access to diversified and cost-effective sources of funding backed by a broad lender base;
- We have an experienced Senior Management team backed by marquee investors and guided by a distinguished Board

For further details, see "*Our Business – Our Strengths*" on page 221.

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 (face value of each Equity Share is ₹10):

Fiscal	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2024	19.04	18.86	3
March 31, 2023	14.85	14.52	2
March 31, 2022	6.75	6.60	1
Weighted Average for the above three financial years	15.60	15.37	
Six months period ended September 30, 2024#	10.10	10.02	

 # Not annualized.

Notes:

(1) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights

(2) Basic and Diluted EPS are computed in accordance with Indian Accounting Standard (Ind AS) 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Basic earnings per equity share is computed by dividing net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the period/ year. Diluted earnings per equity share is computed and disclosed by dividing the net profit after tax attributable to the equity shareholders for the period/ year after giving impact of dilutive potential equity shares for the period/ year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the period/ year.

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, 2024	[●]	[●]
Based on diluted EPS for year ended March 31, 2024	[●]	[●]

* *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	36.21
Lowest	22.20
Average	28.64

Notes:

(1) The industry high and low has been considered from the industry peer set out in Part G of this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed

(2) P/E Ratio has been computed based on the closing market price of equity shares on BSE on January 13, 2025 divided by the diluted earnings per share for year ended March 31, 2024

(3) All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the audited financial statements of the relevant companies for Fiscal 2024, 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	5.25
Lowest	3.22
Average	3.94

Notes:

(1) The industry high and low has been considered from the industry peer set out in Part G of this chapter. The industry composite has been calculated as the arithmetic average P/B of the industry peer set disclosed

(2) P/B Ratio has been computed based on the closing market price of equity shares on BSE on January 13, 2025 divided by the NAV per equity share as of March 31, 2024

(3) All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the audited financial statements of the relevant companies for Fiscal 2024, as available on the websites of the stock exchanges

E. **Return on Average Net Worth ("RoNW")**

Fiscal	RoNW (%)	Weight
March 31, 2024	12.27%	3
March 31, 2023	11.81%	2
March 31, 2022	6.91%	1
Weighted Average for the above three Financial Years	11.22%	
Six months period ended September 30, 2024#	5.44%	

#Not annualized.

Notes:

(1) RoNW is calculated as the profit for the period/ year as a percentage of average net worth in such period/ year. Average Net Worth represents the simple average of networth as at the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding period/year..

(2) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. [(Average Return on Equity x Weight) for each year] / [Total of weights]

F. **Net Asset Value ("NAV") per share**

Net Asset Value per Equity Share	₹
As at September 30, 2024	198.86
As at March 31, 2024	182.68
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:

(1) Net Asset Value Per Share is calculated as Net Worth as at the end of the relevant period/year divided by the aggregate of total number of equity shares and instruments entirely equity in nature outstanding at the end of such period/year.

(2) Net worth is the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses,

deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net worth is calculated as equity share capital plus Instrument entirely equity in nature plus other equity

G. Comparison with Listed Industry Peers

Following is the comparison with our peer group companies listed in India and in the similar line of business as our Company as of March 31, 2024:

Name of the company[1]	Total Income (₹ in million)	Face Value (₹)	Closing price [2]	Market Capitalization (₹ in million) [3]	P/E [4]	P/B [5]	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)[6]	NAV per equity share (₹)[7]
Veritas Finance Limited#	11,174.93	10	[●]*	[●]*	[●]*	[●]*	19.04	18.86	12.27%	182.68
Listed peers										
Five Star Business Finance	21,951.01	1	652.35	1,90,796.96	22.98	3.67	28.64	28.39	17.59%	177.68
SBFC Finance Limited	10,199.20	10	83.29	89,684.45	36.21	3.22	2.35	2.30	10.13%	25.87
Aavas Financiers Limited	20,206.93	10	1,629.50	1,28,961.20	26.31	3.42	62.03	61.93	13.96%	476.79
Aptus Value Housing Finance India Limited	14,168.45	2	271.10	1,35,371.99	22.20	3.59	12.27	12.21	14.75%	75.52
Cholamandalam Investment and Finance Company Limited	194,198.70	2	1,224.45	10,29,057.48	29.82	5.25	41.17	41.06	NA	233.26
Sundaram Finance Limited	72,855.00	10	4,473.45	4,97,017.56	34.33	4.49	130.31	130.31	NA	997.10

Notes:

** To be included at the Prospectus stage.*

1. *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, 2024 available on the website of the stock exchanges or the Company*
2. *Closing share price as on January 13, 2025*
3. *Market Capitalization = Total number of shares disclosed on BSE as of September 30, 2024 multiplied by the closing share price on BSE as on January 13, 2025*
4. *P/E Ratio has been computed based on the closing market price of equity shares on BSE on January 13, 2025 divided by the diluted earnings per share*
5. *P/B Ratio has been computed based on the closing market price of equity shares on BSE on January 13, 2025 divided by the NAV per equity share as of March 31, 2024*
6. *RoNW is calculated as the profit for the financial year 2024 as a percentage of average net worth. Average Net Worth represents the simple average of networth as at the last day of each of the four quarters of financial year 2024 and as of the last day of the preceding year*
7. *NAV Per Share is calculated as Net Worth as at the end of financial year 2024 divided by the aggregate of total number of equity shares and instruments entirely equity in nature outstanding at the end of the financial year 2024. .*

H. Key Performance Indicators ("KPI")

All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated January 17, 2025, 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 R P S V & Co., Chartered Accountants pursuant to certificate dated January 18, 2025. The certificate dated January 18, 2025 issued by R P S V & Co., Chartered Accountants, has been included in "*Material Contracts and Documents for Inspection – Material Documents*" on page 533.

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 123 of this Draft Red Herring Prospectus, whichever is later, or for such other duration as required under the SEBI ICDR Regulations.

KPI	**Unit**	**As of and for the six months ended September 30, 2024**	**As of and for the Financial Year**		
			2024	**2023**	**2022**
Number of states(1)	*Number*	10	10	8	8
Number of branches(2)	*Number*	424	382	287	229
Number of employees(3)	*Number*	7,704	6,299	4,432	2,727
Loans (AUM)(4)	*₹ in millions*	65,172.17	57,237.87	35,337.31	21,873.53
Loans (AUM) Growth (5)#	*%*	45.37%	61.98%	61.55%	39.97%
Disbursements(6)	*₹ in millions*	18,378.85	37,024.30	22,446.55	11,882.77
Disbursements Growth(7)	*%*	14.26%	64.94%	88.90%	93.35%
Business-wise Loans (AUM)					
Rural Business Loans	*%*	72.27%	74.94%	87.60%	94.36%
Affordable Home Loans		17.62%	14.40%	2.67%	0.00%
Used Commercial Vehicle Loans		1.28%	0.00%	0.00%	0.00%
Working Capital Loans (Unsecured)		8.83%	10.66%	9.73%	5.64%
Business-wise Disbursements					
Rural Business Loans	*%*	57.15%	59.28%	76.73%	86.12%
Affordable Home Loans		20.16%	20.26%	4.28%	0.00%
Used Commercial Vehicle Loans		4.62%	0.01%	0.00%	0.00%
Working Capital Loans (Unsecured)		18.07%	20.46%	18.98%	13.88%
Loans (AUM) per branch(8)	*₹ in millions*	153.71	149.84	123.13	95.52
Loans (AUM) per sales manager(9)		17.43	18.11	15.01	14.22
Net worth(10)		26,106.51	23,295.54	15,912.57	14,080.47
Total income		7,201.12	11,174.93	6,807.97	4,422.27
Profit for the period/ year		1,331.08	2,450.52	1,764.04	754.04
Earnings per share, par value of ₹10 each – Basic (in INR)(11)*	*₹*	10.10	19.04	14.85	6.75
Yield on Average Loans (Average AUM)(12)^	*%*	22.03%^	22.70%	22.77%	22.77%
Average Cost of Borrowings(13)^		9.98%^	9.90%	9.52%	10.54%
Spread(14)^		12.05%^	12.80%	13.25%	12.23%
Net interest margin(15)^		14.74%^	15.83%	16.80%	15.73%
Cost to income ratio(16)		35.49%	35.18%	34.71%	35.37%
Operational expenses as a percentage of Average Loans (Average AUM)(17)^		8.37%^	8.67%	8.49%	8.70%
Credit costs as a percentage of		2.11%^	1.99%	1.63%	3.22%

KPI	Unit	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
			2024	2023	2022
Average Loans (Average AUM) (18)^					
Return on Loans (AUM)(19)*		2.18%*	5.40%	6.34%	4.19%
Return on Equity(20)*		5.44%*	12.27%	11.81%	6.91%
Gross Carrying Amount - Loans - Stage 3(21)		1.95%	1.79%	2.19%	3.94%
Net Carrying Amount - Loans - Stage 3(22)		0.97%	0.85%	1.26%	2.34%
Provision Coverage Ratio(23)		50.84%	53.14%	42.82%	41.47%
CRAR(24)		40.87%	41.49%	45.00%	64.43%
Debt to Equity ratio (times)(25)	*times*	1.87	1.72	1.52	0.85
Credit Rating		"CARE A+" with Positive Outlook	"CARE A+" with Stable Outlook	"CARE A" with Stable Outlook	"CARE A-" with Stable Outlook

**Not annualized for the period ended September 30, 2024.*
^ Annualized for the period ended September 30, 2024.
 # Year on year growth %.

Notes:

(1) Number of states represents the presence of our Company in number of states as of the last day of the relevant period/year.
(2) Number of branches represents the number of branches as of the last day of the relevant period/year, excluding service centres
(3) Number of employees represents the number of employees as of the last day of the relevant period/year.
(4) Loans (AUM) represents Loans outstanding as of the last day of the period/year.
(5) Loans (AUM) Growth represents percentage growth in Loans (AUM) as of the last day of the relevant period/year over Loans (AUM) as of the last day of the previous period/year.
(6) Disbursements represent the aggregate of all loan amounts extended to customers in the relevant period/year.
(7) Disbursements Growth represents percentage growth in Disbursements for the relevant period/year over Disbursements of the previous period/year.
(8) Loans (AUM) per branch is calculated as Loans (AUM) as of the last day of the relevant period/year divided by the number of branches as of the last day of the relevant period/year.
(9) Loans (AUM) per Sales manager is calculated as AUM as of the last day of the relevant period/year divided by the number of sales managers as of the last day of the relevant period/year.
(10) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net worth is calculated as equity share capital plus Instrument entirely equity in nature plus other equity.
(11) Basic EPS are computed in accordance with Indian Accounting Standard (Ind AS) 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Basic earnings per equity share is computed by dividing net profit after tax attributable to the equity shareholders for the relevant period/year by the weighted average number of equity shares outstanding during the relevant period/ year.
(12) Yield on Average Loans (Average AUM) represents the Interest income on loans for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year.
(13) Average Cost of Borrowings represents finance cost for the relevant period/year as a percentage of Average Total Borrowings in such period/year. Finance cost excludes interest expenses on lease liabilities for the relevant period/year. Average Total Borrowings is the simple average of Total Borrowings outstanding as of the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding year.
(14) Spread represents the Yield on Average Loans (Average AUM) reduced by Average Cost of Borrowings in such period/year.
(15) Net Interest Margin represents the Net Interest Income for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year. Net Interest Income represents interest income on loans reduced by adjusted finance. Adjusted finance cost represents Finance costs reduced by interest expenses on lease liabilities for the relevant period/year.
(16) Cost to Income ratio (%) represents Operating Expenses, which include Employee Benefit Expenses, Fees and Commission Expense, Depreciation and Amortization, Interest Expenses on lease liabilities & Other Expenses for the relevant period/year to the Total Income for such relevant period/year.
(17) Operational Expenses as a percentage of Average Loans (Average AUM) represents the Operating Expenses for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year. Operating Expenses represent the aggregate of Employee Benefit Expenses, Fees and Commission Expense, Depreciation and Amortization, Interest Expenses on lease liabilities & Other Expenses for the relevant period/year.
(18) Credit costs as a percentage of Average Loans (Average AUM) represents the credit cost for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year.
(19) Return on Loans (AUM) represents the profit for the period/ year as a percentage of Average Loans (Average AUM) in such year.

(20) Return on Equity represents the profit for the period/ year as a percentage of Average Equity in such year. Average Equity is the simple average of Equity as of the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding year.
(21) Gross Carrying Amount - Loans - Stage 3 (%) represents Gross Carrying Amount - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total as of the last day of the relevant period/year.
(22) Net Carrying Amount - Loans - Stage 3 (%) represents Gross Carrying Amount - Stage 3 – Loans reduced by Impairment Loss Allowance - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total reduced by Impairment Loss Allowance - Loans - Stage 3 as of the last day of the relevant period/year.
(23) Provision Coverage ratio (%) represents the Impairment loss allowance – Loans – Stage 3 as a percentage of Gross Carrying Amount – Loans – Stage 3.
(24) CRAR (%) represents Capital Adequacy Ratio computed as per the relevant RBI guidelines.
(25) Debt to Equity ratio represents the Total Borrowings as of the last day of the relevant period/year as a percentage of Equity as of the last day of the relevant period/year.
(26) Average Loans (Average AUM) represents the simple average of AUM as of the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding year.

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 and union territories	Number of states and union territories represents the presence of the Company in number of states and union territories as of the last day of the relevant period/year	These metrics are used by the management to assess the physical presence, geographic footprint and organisational scale of the Company
Number of branches	Number of branches represents the number of branches as of the last day of the relevant period/year, excluding service centres	
Number of employees	Number of employees represents the number of employees as of the last day of the relevant period/year	
Loans (AUM)	AUM represents aggregate of Loans and Impairment loss allowance – loans as of the last day of the relevant period/year	These metrics are used by the management to assess the scale and growth of the Company
Loans (AUM) Growth	Loan (AUM) Growth represents percentage growth in Loans (AUM) for the relevant period/year over Loans AUM) of the previous period/year	
Disbursements	Disbursements represent the aggregate of all loan amounts extended to customers in the relevant period/year	
Disbursements Growth	Disbursements Growth represents percentage growth in Disbursements for the relevant period/year over Disbursements of the previous period/year	
Loans (AUM) per branch	Loans (AUM) per branch is calculated as Loans (AUM) as of the last day of the relevant period/year divided by the number of branches as of the last day of the relevant period/year	These metrics are used by the management to track the productivity of branches and employees of the Company
Loans (AUM) per sales manager	Loans (AUM) per Sales manager is calculated as Loans (AUM) as of the last day of the relevant period/year divided by the number of sales managers as of the last day of the relevant period/year	
Net worth	Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves	These metrics are used by the management to assess the financial performance and profitability of the Company

KPIs	Description	Relevance
	created out of revaluation of assets, write-back of depreciation and amalgamation. Net worth is calculated as equity share capital plus Instrument entirely equity in nature plus other equity.	
Total income	Total Income represents the sum of total revenue from operation and other income for the relevant fiscal year	
Profit for the period/ year	Profit for the period/ year represents profit before tax as reduced by total tax expenses for the relevant fiscal year.	
Earnings per share	Earnings per share represents the Basic Earnings per share for the period/ year	
Yield on Average Loans (Average AUM)	Yield on Average Loans (Average AUM) represents the Interest income on loans for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year	
Average Cost of Borrowings	Average Cost of Borrowings represents finance cost for the relevant period/year as a percentage of Average Total Borrowings in such period/year. Finance cost excludes interest expense on lease liabilities for the relevant period/year. Average Total Borrowings is the simple average of Total Borrowings outstanding as of the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding year	
Spread	Spread represents the Yield on Average Loans (Average AUM) reduced by Average Cost of Borrowings in such period/year	
Net interest margin	Net Interest Margin represents the Net Interest Income for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year. Net Interest Income represents Interest income on loans reduced by Finance cost excluding interest expense on lease liabilities for the relevant period/year	
Cost to income	Cost to Income represents Operating Expenses, which include Employee Benefit Expense, Fee and Commission Expense, Depreciation & Amortization, Interest Expense on lease liabilities & Other Expenses for the relevant period/year to the Total Income for such relevant period/year	
Operational expenses as a percentage of Average Loans (Average AUM)	Operational Expenses as a percentage of Average Loans (Average AUM) represents the Operating Expense for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year. Operating Expenses represent the aggregate of Employee Benefit Expense, Fee and Commission Expense, Depreciation & Amortization, Interest Expense on lease liabilities & Other Expenses for the relevant period/year	
Credit costs as a percentage of Average Loans (Average AUM)	Credit costs as a percentage of Average Loans (Average AUM) represents the credit cost for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year	

KPIs	Description	Relevance
Return on Loans (AUM)	Return on Loans (AUM) represents the Profit After Tax as a percentage of Average Loans (Average AUM) in such year	These metrics are used by the management to assess the ability of the Company to generate returns on its business
Return on Equity	Return on Equity represents the profit After Tax as a percentage of Average Equity in such year. Average Equity is the simple average of Equity as of the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding year	
Gross Carrying Amount – Loans – Stage 3	Gross Carrying Amount – Loans – Stage 3 represents Loans – Stage 3 as a percentage of total Loans (AUM) as of the last day of the relevant period/year	These metrics are used by the management to assess the asset quality of loan book and the adequacy of provisions against nonperforming assets.
Net Carrying Amount – Loans – Stage 3	Net Carrying Amount – Loans – Stage 3 represents Stage 3 Loans (or Stage 3 AUM) reduced by Impairment loss allowance – Loans – Stage 3 as a percentage of total Loans (AUM) reduced by Impairment loss allowance – Loans – Stage 3 as of the last day of the relevant period/year	
Provision Coverage Ratio	Provision Coverage ratio represents the Impairment loss allowance – Loans – Stage 3 as a percentage of Gross Carrying Amount – Loans – Stage 3	
Capital to Risk Weighted Assets Ratio	Capital to Risk Weighted Assets ratio represents Capital Adequacy Ratio computed as per the relevant RBI guidelines	These metrics are used by the management to ensure the adequacy of capital for the business growth of the Company.
Debt to Equity ratio	Debt to Equity ratio represents the Total Borrowings as of the last day of the relevant period/year as a percentage of Equity as of the last day of the relevant period/year	These metrics are used by the management to assess the capital requirement for the Company
Credit Rating	Credit rating issued by registered rating agency with the SEBI for long term bank facilities of the Company as at the last day of relevant fiscal year	Represent the credit worthiness of the Company's debt 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 217 and 420, respectively.

J. Comparison of its KPIs with Listed Industry Peers

Five Star Business Finance

KPI	Unit	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
			2024	2023	2022
Number of states	*Number*	10	10	9	9
Number of branches	*Number*	660	520	373	300
Number of employees	*Number*	10,336	9,327	7,347	5,675
Loans (AUM)	*₹ in millions*	109,272.00	96,406.00	69,148.00	50,671.00
Loan (AUM) Growth	*%*	32.22%	39.42%	36.46%	13.99%
Disbursements	*₹ in millions*	25,689.00	48,814.00	33,914.00	17,562.00
Disbursements Growth	*%*	9.97%	43.93%	93.11%	41.06%
Business-wise Loans (AUM)					
Rural Business Loans	*% of total AUM*	NA	NA	NA	NA

KPI	Unit	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
			2024	2023	2022
Affordable Home Loans		NA	NA	NA	NA
Used Commercial Vehicle Loans		NA	NA	NA	NA
Working Capital Loans (Unsecured)		NA	NA	NA	NA
Business-wise Disbursements					
Rural Business Loans	*% of total disbursements*	NA	NA	NA	NA
Affordable Home Loans		NA	NA	NA	NA
Used Commercial Vehicle Loans		NA	NA	NA	NA
Working Capital Loans (Unsecured)		NA	NA	NA	NA
Loans (AUM) per branch	*₹ in millions*	165.56	185.40	185.38	168.90
Loans (AUM) per sales manager		NA	NA	NA	NA
Net worth		57,232.83	51,961.55	43,395.35	37,103.51
Total income		13,752.22	21,951.01	15,289.28	12,561.69
Profit for the period/ year		5,195.07	8,359.16	6,034.96	4,535.45
Earnings per share, par value of ₹10 each – Basic (in INR)	₹	17.76	28.64	20.71	16.09
Yield on Average Loans (Average AUM)^	%	24.19%	25.02%	25.01%	24.91%
Average Cost of Borrowings^		NA	9.13%	8.77%	10.17%
Spread^		NA	15.90%	16.24%	14.74%
Net interest margin^		NA	19.39%	20.50%	18.56%
Cost to income ratio		NA	25.44%	28.81%	24.52%
Operational expenses as a percentage of Average Loans (Average AUM)^		NA	6.76%	7.53%	6.56%
Credit costs as a percentage of Average Loans (Average AUM)^		0.78%	0.67%	0.34%	0.97%
Return on Loans (AUM)*		5.04%	10.11%	10.32%	9.65%
Return on Equity*		9.52%	17.59%	15.03%	14.17%
Gross Carrying Amount - Loans - Stage 3		1.47%	1.38%	1.36%	1.05%
Net Carrying Amount - Loans - Stage 3		0.71%	0.63%	0.69%	0.68%
Provision Coverage Ratio		NA	54.27%	49.33%	34.91%
CRAR		48.73%	50.50%	67.17%	75.20%
Debt to Equity ratio (times)	*times*	1.20	1.22	0.98	0.69
Credit Rating		IND AA-, ICRA AA-, CARE AA-	IND AA-, ICRA AA-, CARE AA-	IND AA-, ICRA AAA (CE)/ICRA AA-, CARE A+	IND AA-, ICRA AAA (CE)/ICRA A+, CARE A+

**Not annualized for the period ended September 30, 2024.*
^ Annualized for the period ended September 30, 2024.

SBFC Finance Limited

KPI	Unit	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
			2024	2023	2022
Number of states	*Number*	18	18	18	18
Number of branches	*Number*	192	183	152	135
Number of employees	*Number*	4,062	3,758	2,822	2,048
Loans (AUM)	*₹ in millions*	77,150.00	68,219.00	49,428.00	31,922.00

KPI	Unit	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
			2024	2023	2022
Loans (AUM) Growth	*%*	32.95%	38.02%	54.84%	43.72%
Disbursements[#]	*₹ in millions*	12,060.00	27,930.00	22,768.20	13,328.28
Disbursements Growth	*%*	-11.06%	22.67%	70.83%	123.81%
Business-wise Loans (AUM)					
Rural Business Loans	*% of total AUM*	NA	NA	NA	NA
Affordable Home Loans		NA	NA	NA	NA
Used Commercial Vehicle Loans		NA	NA	NA	NA
Working Capital Loans (Unsecured)		NA	NA	NA	NA
Business-wise Disbursements					
Rural Business Loans	*% of total disbursements*	NA	NA	NA	NA
Affordable Home Loans		NA	NA	NA	NA
Used Commercial Vehicle Loans		NA	NA	NA	NA
Working Capital Loans (Unsecured)		NA	NA	NA	NA
Loans (AUM) per branch	*₹ in millions*	401.82	372.78	325.18	236.46
Loans (AUM) per sales manager		NA	NA	NA	NA
Net worth		29,680.26	27,780.66	17,272.68	12,871.67
Total income		6,122.77	10,199.20	7,403.61	5,307.02
Profit for the period/ year		1,630.69	2,371.04	1,497.36	645.21
Earnings per share – Basic (in INR)	*₹*	1.52	2.35	1.71	0.81
Yield on Average Loans (Average AUM)^	*%*	15.04%	14.85%	14.66%	NA
Average Cost of Borrowings^		9.35%	9.23%	8.42%	NA
Spread^		5.69%	5.62%	6.23%	NA
Net interest margin^		9.67%	8.85%	7.88%	NA
Cost to income ratio		27.52%	30.10%	31.29%	33.60%
Operational expenses as a percentage of Average Loans (Average AUM)^		4.66%	5.26%	5.70%	NA
Credit costs as a percentage of Average Loans (Average AUM)^		0.93%	0.81%	0.79%	NA
Return on Loans (AUM)*		2.25%	4.07%	3.69%	NA
Return on Equity*		5.68%	10.13%	9.50%	NA
Gross Carrying Amount - Loans - Stage 3		2.69%	2.43%	2.57%	2.74%
Net Carrying Amount - Loans - Stage 3		1.63%	1.36%	1.58%	1.63%
Provision Coverage Ratio		NA	44.74%	39.32%	40.54%
CRAR		38.60%	40.52%	31.90%	26.21%
Debt to Equity ratio (times)	*times*	1.49	1.44	2.16	2.28
Credit Rating		IND AA- , ICRA AA-, CARE AA-	IND AA-, ICRA A+, CARE A+	IND A+, ICRA A+	IND A+, ICRA A

[#]The figures pertain to only the secured MSME product

**Not annualized for the period ended September 30, 2024.*
^ Annualized for the period ended September 30, 2024.

Aavas Financiers Limited

KPI	Unit	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
			2024	2023	2022
Number of states and union territories	*Number*	14	13	13	13
Number of branches	*Number*	372	367	346	314
Number of employees	*Number*	NA	6,075	6,034	5,222
Loans (AUM)	*₹ in millions*	1,83,956.00	1,73,126.00	1,41,666.60	1,13,502.10
Loans (AUM) Growth	*%*	20.08%	22.21%	24.81%	20.05%
Disbursements	*₹ in millions*	25,046.00	55,822.00	50,245.00	36,022.40
Disbursements Growth	*%*	7.65%	11.10%	39.48%	35.58%
Business-wise Loans (AUM)					
Rural Business Loans	*% of total AUM*	NA	NA	NA	NA
Affordable Home Loans		NA	NA	NA	NA
Used Commercial Vehicle Loans		NA	NA	NA	NA
Working Capital Loans (Unsecured)		NA	NA	NA	NA
Business-wise Disbursements					
Rural Business Loans	*% of total disbursements*	NA	NA	NA	NA
Affordable Home Loans		NA	NA	NA	NA
Used Commercial Vehicle Loans		NA	NA	NA	NA
Working Capital Loans (Unsecured)		NA	NA	NA	NA
Loans (AUM) per branch	*₹ in millions*	494.51	471.73	409.44	361.47
Loans (AUM) per sales manager		NA	NA	NA	NA
Net worth		40,483.70	37,733.15	32,696.60	28,064.30
Total income		NA	20,206.93	16,106.08	13,056.48
Profit for the period/ year		NA	4,906.94	4,296.44	3,551.81
Earnings per share – Basic (in INR)	*₹*	NA	62.03	54.38	45.10
Yield on Average Loans (Average AUM)^	*%*	NA	10.28%	10.29%	10.40%
Average Cost of Borrowings^		NA	NA	NA	NA
Spread^		NA	NA	NA	NA
Net interest margin^		NA	4.97%	5.63%	5.77%
Cost to income ratio		NA	27.16%	28.72%	27.27%
Operational expenses as a percentage of Average Loans (Average AUM)^		NA	3.54%	3.67%	3.48%
Credit costs as a percentage of Average Loans (Average AUM)^		NA	0.15%	0.10%	0.22%
Return on Loans (AUM)*		NA	3.16%	3.41%	3.47%
Return on Equity*		NA	13.96%	14.17%	13.75%
Gross Carrying Amount - Loans - Stage 3		1.08%	0.94%	0.92%	0.99%
Net Carrying Amount - Loans - Stage 3		0.78%	0.67%	0.68%	0.77%
Provision Coverage Ratio		59.11%	64.33%	67.12%	71.18%
CRAR		46.48%	43.99%	46.94%	51.41%
Debt to Equity ratio (times)	*times*	NA	3.27	3.01	2.84
Credit Rating		ICRA AA, CARE AA	ICRA AA, CARE AA	ICRA AA, CARE AA	ICRA AA-, CARE AA-

**Not annualized for the period ended September 30, 2024.*

^ Annualized for the period ended September 30, 2024.

Aptus Value Housing Finance India Limited (On Standalone Basis)

KPI	Unit	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
			2024	2023	2022
Number of states	*Number*	7	7	6	5
Number of branches	*Number*	291	262	231	208
Number of employees	*Number*	3,046	2,883	2,405	2,271
Loans (AUM)	*₹ in millions*	73,090.00	67,590.00	57,610.00	44,920.00
Loans (AUM) Growth	*%*	19.98%	17.32%	28.25%	28.01%
Disbursements	*₹ in millions*	NA	NA	NA	NA
Disbursements Growth	*%*	NA	NA	NA	NA
Business-wise Loans (AUM)					
Rural Business Loans	*% of total AUM*	NA	NA	NA	NA
Affordable Home Loans		NA	NA	NA	NA
Used Commercial Vehicle Loans		NA	NA	NA	NA
Working Capital Loans (Unsecured)		NA	NA	NA	NA
Business-wise Disbursements					
Rural Business Loans	*% of total disbursements*	NA	NA	NA	NA
Affordable Home Loans		NA	NA	NA	NA
Used Commercial Vehicle Loans		NA	NA	NA	NA
Working Capital Loans (Unsecured)		NA	NA	NA	NA
Loans (AUM) per branch	*₹ in millions*	251.17	257.98	249.39	215.96
Loans (AUM) per sales manager		NA	NA	NA	NA
Net worth		35,644.52	34,079.54	31,106.36	27,658.96
Total income		6,293.85	11,226.45	9,638.70	7,028.81
Profit for the period/ year		2,640.57	4,806.18	4,245.87	3,082.29
Earnings per share – Basic (in INR)	*₹*	5.29	9.64	8.53	6.28
Yield on Average Loans (Average AUM)^	*%*	NA	16.71%	16.87%	NA
Average Cost of Borrowings^		NA	NA	NA	NA
Spread^		NA	NA	NA	NA
Net interest margin^		NA	11.49%	12.20%	NA
Cost to income ratio		NA	14.41%	14.82%	14.04%
Operational expenses as a percentage of Average Loans (Average AUM)^		NA	2.62%	2.76%	NA
Credit costs as a percentage of Average Loans (Average AUM)^		NA	0.36%	0.63%	NA
Return on Loans (AUM)*		3.76%	7.80%	8.22%	NA
Return on Equity*		7.63%	14.75%	14.41%	12.90%
Gross Carrying Amount - Loans - Stage 3		1.24%	1.09%	NA	NA
Net Carrying Amount - Loans - Stage 3		0.92%	0.80%	NA	NA
Provision Coverage Ratio		NA	NA	NA	NA
CRAR		70.23%	73.03%	77.38%	85.61%
Debt to Equity ratio (times)	*times*	1.33	1.17	1.12	0.85
Credit Rating		ICRA AA- , CARE AA-	ICRA AA-, CARE AA-	ICRA AA-, CARE AA-	ICRA AA- , CARE A+

**Not annualized for the period ended September 30, 2024.*

^ Annualized for the period ended September 30, 2024.

Cholamandalam Investment and Finance Company Limited

KPI	Unit	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
			2024	2023	2022
Number of states	*Number*	33	32	34	32
Number of branches	*Number*	1,508	1,387	1,191	1,145
Number of employees	*Number*	61,291	54,098	44,922	33,077
Loans (AUM)	*₹ in millions*	16,46,420.00	14,55,720.00	10,64,980.00	7,69,070.00
Loans (AUM) Growth	*%*	32.51%	36.69%	38.48%	9.87%
Disbursements	*₹ in millions*	4,86,460.00	8,87,250.00	6,65,320.00	3,54,900.00
Disbursements Growth	*%*	17.06%	33.36%	87.47%	36.27%
Business-wise Loans (AUM)					
Rural Business Loans	*% of total AUM*	NA	NA	NA	NA
Affordable Home Loans		NA	NA	NA	NA
Used Commercial Vehicle Loans		NA	NA	NA	NA
Working Capital Loans (Unsecured)		NA	NA	NA	NA
Business-wise Disbursements					
Rural Business Loans	*% of total disbursements*	NA	NA	NA	NA
Affordable Home Loans		NA	NA	NA	NA
Used Commercial Vehicle Loans		NA	NA	NA	NA
Working Capital Loans (Unsecured)		NA	NA	NA	NA
Loans (AUM) per branch	*₹ in millions*	1,091.79	1,049.55	894.19	671.68
Loans (AUM) per sales manager		NA	NA	NA	NA
Net worth		2,14,109.00	1,95,932.40	1,43,461.00	1,17,690.00
Total income		1,21,790.90	1,94,198.70	1,31,055.90	1,02,318.10
Profit for the period/ year		19,149.50	34,107.40	26,766.70	21,588.90
Earnings per share – Basic (in INR)	*₹*	22.68	41.17	32.44	26.24
Yield on Average Loans (Average AUM)^	*%*	NA	13.73%	13.16%	13.04%
Average Cost of Borrowings^		NA	NA	NA	NA
Spread^		NA	NA	NA	NA
Net interest margin^		NA	6.36%	6.77%	7.04%
Cost to income ratio		NA	22.09%	22.17%	21.06%
Operational expenses as a percentage of Average Loans (Average AUM)^		NA	3.43%	3.24%	3.01%
Credit costs as a percentage of Average Loans (Average AUM)^		1.55%	1.05%	0.95%	1.23%
Return on Loans (AUM)*		1.23%	2.73%	2.98%	3.02%
Return on Equity*		NA	NA	NA	NA
Gross Carrying Amount - Loans - Stage 3		2.83%	2.48%	3.01%	4.37%
Net Carrying Amount - Loans - Stage 3		1.59%	1.34%	1.65%	2.64%
Provision Coverage Ratio		44.49%	46.45%	46.00%	39.70%
CRAR		19.50%	18.57%	17.13%	19.62%
Debt to Equity ratio (times)	*times*	7.39	6.88	6.79	5.88
Credit Rating		IND AA/IND AA+, ICRA AA/ICRA AA+, CARE AA+/CARE AA	IND AA+/IND AA , ICRA AA/ICRA AA+, CARE AA+/CARE AA.	IND AA+/IND AA, ICRA AA+/ICRA AA, CARE AA+/CARE AA	CRISIL AA+, IND AA+/IND AA, ICRA AA+/ICRA AA, CARE

KPI	Unit	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
			2024	2023	2022
					AA+/CARE AA.

**Not annualized for the period ended September 30, 2024.*
^ Annualized for the period ended September 30, 2024.

Sundaram Finance Limited

KPI	Unit	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
			2024	2023	2022
Number of states	*Number*	NA	21	19	NA
Number of branches	*Number*	855	848	788	723
Number of employees	*Number*	9,152	9,007	8,498	5,085
Loans (AUM)	*₹ in millions*	6,34,630.00	5,77,990.00	4,57,330.00	3,90,270.00
Loans (AUM) Growth	*%*	21.02%	26.38%	17.18%	-2.57%
Disbursements	*₹ in millions*	1,66,640.00	3,11,920.00	2,48,670.00	1,55,860.00
Disbursements Growth	*%*	5.89%	25.44%	59.55%	19.93%
Business-wise Loans (AUM)					
Rural Business Loans	*% of total AUM*	NA	NA	NA	NA
Affordable Home Loans		NA	NA	NA	NA
Used Commercial Vehicle Loans		NA	NA	NA	NA
Working Capital Loans (Unsecured)		NA	NA	NA	NA
Business-wise Disbursements					
Rural Business Loans	*% of total disbursements*	NA	NA	NA	NA
Affordable Home Loans		NA	NA	NA	NA
Used Commercial Vehicle Loans		NA	NA	NA	NA
Working Capital Loans (Unsecured)		NA	NA	NA	NA
Loans (AUM) per branch	*₹ in millions*	742.26	681.59	580.37	539.79
Loans (AUM) per sales manager		NA	NA	NA	NA
Net worth		1,25,100.80	1,10,782.20	1,26,484.30	1,10,889.10
Total income		40,554.10	72,855.00	55,441.30	51,456.70
Profit for the period/ year		8,081.10	14,224.30	12,817.00	12,962.40
Earnings per share - Basic (in INR)	₹	79.00	130.30	120.50	106.50
Yield on Average Loans (Average AUM)^	%	NA	10.75%	10.39%	10.71%
Average Cost of Borrowings^		NA	NA	NA	NA
Spread^		NA	NA	NA	NA
Net interest margin^		NA	4.27%	4.77%	5.09%
Cost to income ratio		NA	20.81%	22.03%	21.05%
Operational expenses as a percentage of Average Loans (Average AUM)^		NA	2.92%	2.89%	2.76%
Credit costs as a percentage of Average Loans (Average AUM)^		0.52%	0.57%	0.48%	1.05%
Return on Loans (AUM)*		1.34%	2.73%	3.03%	2.72%
Return on Equity*		NA	NA	NA	NA
Gross Carrying Amount - Loans - Stage 3		NA	1.24%	1.81%	2.39%

KPI	Unit	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
			2024	2023	2022
Net Carrying Amount - Loans - Stage 3		NA	0.60%	0.93%	1.19%
Provision Coverage Ratio		NA	NA	NA	NA
CRAR		NA	NA	NA	NA
Debt to Equity ratio (times)	*times*	3.82	4.00	2.84	2.72
Credit Rating		CRISIL AAA, ICRA AAA	CRISIL AAA, ICRA AAA	CRISIL AAA, ICRA AAA	CRISIL AAA, ICRA AAA

**Not annualized for the period ended September 30, 2024.*
^ Annualized for the period ended September 30, 2024.

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 ESOS Schemes 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")

There have been no primary acquisition of equity shares and CCPS in the last 18 months where such issue exceeds 5% of the total paid up share capital prior to such allotment.

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 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 (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
(i)	Multiples Private Equity Fund III	Various shareholders*	Among the transferors, D. Arulmany and Lok Capital Growth Fund	July 5, 2023 and July 27, 2023	6,724,049	485.63	5.88%	485.63
Weighted average cost of acquisition (WACA)								485.63

** D. Arulmany, Lok Capital Growth Fund, V.G. Suchindran, J. Prakash Rayen, Sheela Pai Cole, Sunaina Pai Ocalan, Lavanya R, Vijay R, Parthiban S, Sudharsan T E, Kannan K, Kumareshan Sivam, Ramesh R, Sekhar Vikas, Mahesh. M, Bilipti Nandan Das, Tamal Bose, Rupesh Saxena, Gopinath. K, Sathish Babuji. G, Mohanasundaram. C, Raja Sekar. P, Joydeep Mookherjee, Pranotosh Roy, Srinivas Tallapalli, Subhabrata Sadhukhan, Dhamodharan. M, Sundar. K, Veeramuthu. T, S. Vishalakshi (Legal Heir Of Pachaiappan Sudhakar), Isaac Umman. S, Sathish Kumar. S. P, Kasi Kumaran, Jahangir Basha, Venkatesh. S, Biswanath Roy Chowdhury, Prasanna. N, Suresh. M, Sankar Prasad Das. S, Karuppasamy. R, Alok Kumar Mallik, Kaushik Dey, Prakash. P, Kannan K, Jayaraj. R, Surojit Dutta, P Vijayakumar, Muthamilselvan. M, Tapas Haldar, Bathini Sriram Goud, Arindam Halder, Elango. T, Ulaganathan. S. P, Mohammad Abid Ali, Lokendra Singh Solanki, Qurban Ansari, George Muller, Badri Narayanan. R, Rajkumar, Sandepkumar. N. D, Ramesh Eeda, Soumen Nath, Kajal Das, Debasis Das, Yogaraj. V, Tentu Naveen Kumar, Sunil Kumar Das, Devamathaarulraj. T, Manigandla Srinivasa Rao, Ratikanta Sahoo, Rahul Haridas and Lakshmipriya K.*

As certified by R P S V & Co., Chartered Accountants, by way of their certificate dated January 18, 2025.

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 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	NA	[●]	[●] times
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where 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	485.63	[●] times	[●] times

* *To be updated at Prospectus stage*
As certified by R P S V & Co., Chartered Accountants, by way of their certificate dated January 18, 2025.

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 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, 2024, 2023 and 2022

[●]*

* *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 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 32, 217, 305 and 420, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the section "*Risk Factors*" beginning on page 32 and any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO VERITAS FINANCE LIMITED (FORMERLY KNOWN AS VERITAS FINANCE PRIVATE LIMITED) (THE "COMPANY"), AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The Board of Directors,
Veritas Finance Limited (formerly known as Veritas Finance Private Limited)
SKCL Central Square 1, South & North Wing, 7th Floor,
Unit No. C28 – C35 CIPET Road, Thiru Vi Ka Industrial Estate,
Guindy, Chennai – 600 032

Dear Sir/ Madam,

Re: Statement of special tax benefits available to the Company and its shareholders under the Indian tax laws (the "Statement").

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, under:

    - the Income-tax Act, 1961, read with rules, circulars, and notifications thereunder (the "**Act**") as amended by the Finance (No. 2) Act, 2024 applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India); and

    - the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and relevant State Goods and Services Tax Act, 2017 read with rules, circulars and notifications (hereinafter collectively referred to as "**GST Acts**"), the Customs Act, 1962 ("**Customs Act**") and the Customs Tariff Act, 1975 ("**Tariff Act**") read with rules, circulars, and notifications (hereinafter collectively referred to as "**Customs Law**"), each as amended by the Finance (No.2) Act 2024 applicable for the Financial Year 2024-25, Foreign Trade (Development and Regulation) Act, 1992 and Foreign Trade Policy 2023-2028 (hereinafter referred to as "**FTP**"), each as amended and presently in force in India (herein collectively referred as "**Indirect Tax Laws**".

    The Act, the GST Acts, Customs Act and Tariff Act, FTP 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 of the Company comprising a fresh issue of Equity

Shares and an offer for sale of Equity Shares by certain existing shareholders of the Company (“**Offer**”).

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 Offer and is not to be used, referred to or distributed for any other purpose.

7. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W / E300004

Bharath NS
Partner
Membership Number: 210934
UDIN: 25210934BMLCEN4175
Place of Signature: Chennai
Date: January 18, 2025

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO VERITAS 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, read with rules, circulars, and notifications thereunder (the "**Act**") as amended by the Finance (No.2) Act, 2024 applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India

I. Special direct tax benefits available to the Company

1. As per the provisions of section 80JJAA of the Act, a company subject to tax audit under section 44AB of the Act and whose gross total income includes any profit and gains derived from business shall be entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

2. The Company is entitled to accelerated deduction in respect of bad and doubtful debts up to the limit specified under section 36(1)(viia) of the Act in computing its income under the head "Profits and gains of business or profession", to the extent of five per cent (5%) of the gross total income, computed before considering any deduction under the aforesaid section and Chapter VI-A of the Act, and subject to satisfaction of prescribed conditions.

3. As per the provisions of section 43D of the Act, the Company, being a systematically important non-deposit taking non-banking financial company, is entitled to the benefit of offering to tax the interest income on bad and doubtful loans, which are not credited to profit and loss account of that year, on realization basis. Such benefit is available in respect of certain categories of bad and doubtful loans as may be prescribed having regard to the guidelines issued by the Reserve Bank of India.

4. As per provisions of section 80M of the Act, dividend received by a domestic company from any other domestic company or a foreign company or a business trust shall be eligible for deduction of dividend income under section 80M of the Act while computing its total income for the relevant assessment year subject to the fulfilment of prescribed conditions. The amount of such deduction would be restricted to the amount of dividend distributed by the shareholder (domestic company) up to 1 month prior to the due date for furnishing the return of income under section 139(1) of the Act. Where the company has investments in Indian subsidiaries and other companies, if any, it can avail the above-mentioned benefit under Section 80M of the Act.

II. Special direct tax benefits available 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 under the Act as amended by the Finance (No.2) Act, 2024 applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, 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. As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.168% (including applicable surcharge and cess) subject to satisfaction of certain conditions

with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). The Company has adopted the said tax rate with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim any of the following deductions/exemptions:

i) Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone.

ii) Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation).

iii) Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)

iv) Deduction under 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)

v) Deduction under section 35AD or section 35CCC (Deduction for specified business agricultural extension project)

vi) Deduction under section 35CCD (Expenditure on skill development)

vii) Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA Section 80M

viii) No 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 vii) above.

ix) 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 vii) above

Further, it was clarified by the Central Board of Direct Taxes vide Circular No. 29/ 2019 dated 2 October 2019 and under section 115JB(5A) that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

5. 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 Offer.

6. 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.

7. The views expressed in this statement are based on the facts and assumptions as indicated in the statement. 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 **Veritas Finance Limited**

SV Laxmi
Chief Financial Officer
Place: Chennai
Date: January 18, 2025

ANNEXURE 2

STATEMENT OF SPECIALTAX BENEFITS AVAILABLE TO VERITAS FINANCE LIMITED (THE "COMPANY"), AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA – OTHERS

Outlined below are the special tax benefits available to the Company, and its shareholders under the the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and relevant State Goods and Services Tax Act, 2017 read with rules, circulars and notifications (hereinafter collectively referred to as "**GST Acts**"), the Customs Act, 1962 ("**Customs Act**") and the Customs Tariff Act, 1975 ("**Tariff Act**") read with rules, circulars, and notifications (hereinafter collectively referred to as "**Customs Law**"), each as amended by the Finance (No.2) Act 2024 applicable for the Financial Year 2024-25, Foreign Trade (Development and Regulation) Act, 1992 and Foreign Trade Policy 2023-2028 (hereinafter referred to as "**FTP**"), each as amended and presently in force in India (herein collectively referred as "**Indirect Tax Laws**").

I. Special tax benefits available to the Company

No special indirect tax benefits available to the Company.

II. Special tax benefits available to the shareholders of the Company

There are no special indirect tax benefits available to the shareholders for investing in the shares of the Company.

Notes:

1. This Annexure sets out the only the special tax benefits available to the Company, and its Shareholders under the 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, the Goods and Services Tax (Compensation to States) 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") read with rules, circulars and notifications (hereinafter collectively referred to as "Customs Law"), each as amended by the Finance (No.2) Act 2024 applicable for the Financial Year 2024-25, Foreign Trade Policy 2023 read with Foreign Trade – Handbook of procedures, 2023 (unless otherwise specified), presently in force in India.

2. This Annexure is 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, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

3. Our comments are based on specific activities carried out by the Company from April 1, 2024, till the date of issuance of certificate. Any variation in the understanding could require our comments to be suitably modified.

4. During the period from April 1, 2024 till date, 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.

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 **VERITAS FINANCE LIMITED**

SV Laxmi
Chief Financial Officer
Place: Chennai
Date: January 18, 2025

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The industry and market-related information in this section is derived from the report titled "Report on Loans and Financial Services in India" dated January 2025 (the "**CRISIL MI&A Report**"), which has been commissioned and paid for by our Company for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CRISIL Market Intelligence & Analytics, a division of CRISIL Limited ("**CRISIL MI&A**"), in connection with the preparation of the CRISIL MI&A Report pursuant to an engagement letter dated June 14, 2024. The CRISIL MI&A Report is available on the website of our Company at https://www.veritasfin.in/drhp.php and has also been included in "Material Contracts and Documents for Inspection – Material Documents" on page 533. The information included in this section includes excerpts from the CRISIL MI&A Report and may have been reordered by us for the purposes of presentation. There are no material parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner. The CRISIL MI&A Report was prepared on the basis of information as of specific dates and opinions in the CRISIL MI&A Report may be based on estimates, projections, forecasts and assumptions that may be as of such dates, which may no longer be current or reflect current trends. Further, forecasts, estimates, predictions, and other forward-looking statements contained in the CRISIL MI&A 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. Accordingly, investment decisions should not be based on such information. The CRISIL MI&A Report is not a recommendation to invest or disinvest in any company covered in the report. The views expressed in the CRISIL MI&A Report are that of CRISIL MI&A. Prospective investors are advised not to unduly rely on the CRISIL MI&A Report, and should conduct their own investigation and analysis of all facts and information contained in this Draft Red Herring Prospectus.*

References to various segments in the CRISIL M&A Report and information derived therefrom are references to industry segments and in accordance with the presentation, analysis and categorisation in the CRISIL M&A Report Report. Our segment reporting in our financial statements is based on the criteria set out in Ind AS 108, Operating Segments and we do not present such industry segments as operating segments.

For more information, see "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" and "Risk Factors — Certain sections of this Draft Red Herring Prospectus contain industry and market-related information from an industry report prepared by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited, which has been commissioned and paid for by us in connection with the Offer, and any reliance on such information in making an investment decision in the Offer is subject to inherent risks." on pages 17 and 58, respectively.

Macroeconomic Scenario in India

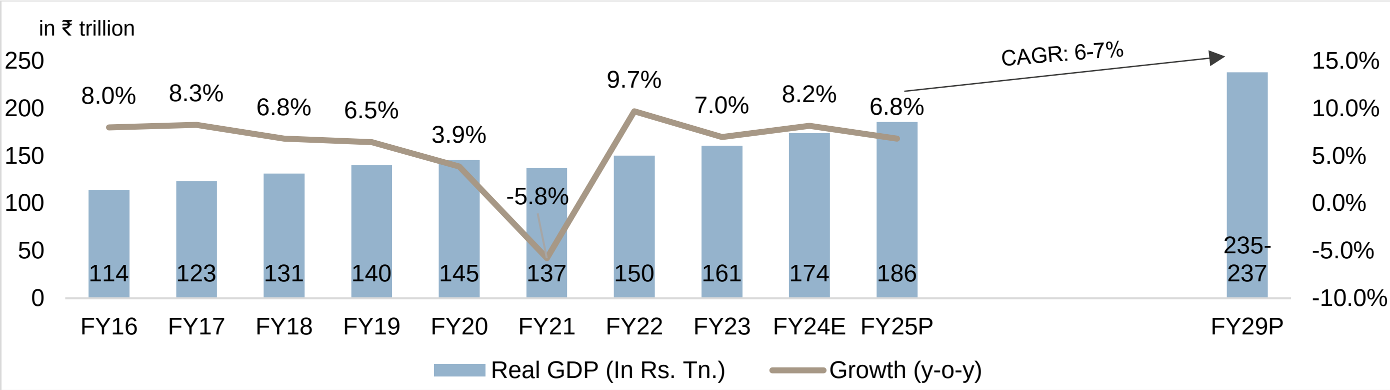
Global economy is witnessing tightening of monetary conditions

As per the International Monetary Fund (IMF) (World Economic Outlook – October 2024), global GDP growth prospects for Calendar Year 2024 and Calendar Year 2025 will hold steady at 3.2% and 3.3% respectively. Major global economies showed slight moderation in the third quarter of 2024. China to mitigate deflationary pressures, announced monetary stimulus measures, including reducing the reserve requirement ratio by 50 bps to inject greater liquidity and announced a 10 trillion-yuan debt package to ease local government financing strains. The euro area, meanwhile, held steady. The Bank of Japan turned hawkish and raised interest rates while the Federal Reserve (Fed) reduced rates by 50 basis points. Heightened geopolitical tensions in the Middle East also added to the global volatility. As per IMF, global headline inflation is expected to be around 5.8% in Calendar Year 2024 and 4.3% in Calendar Year 2025.

India expected to remain one of the fastest growing economies in the world

In May 2024, the National Statistical Office (NSO) in its provisional estimate of national income estimated the real GDP to have grown at 8.2% year-on-year in Financial Year 2024. Going forward, CRISIL MI&A expects moderation in GDP growth rate to 6.8% in Financial Year 2025, largely due to Government's focus on fiscal consolidation, which is likely to lead to moderation in investments, which is a key factor for economic growth. Slower global growth and possible spikes in commodity price, especially crude oil may also contribute to moderation in economic growth of India. Despite these factors, India continues to maintain its position as one of the fastest growing economies globally.

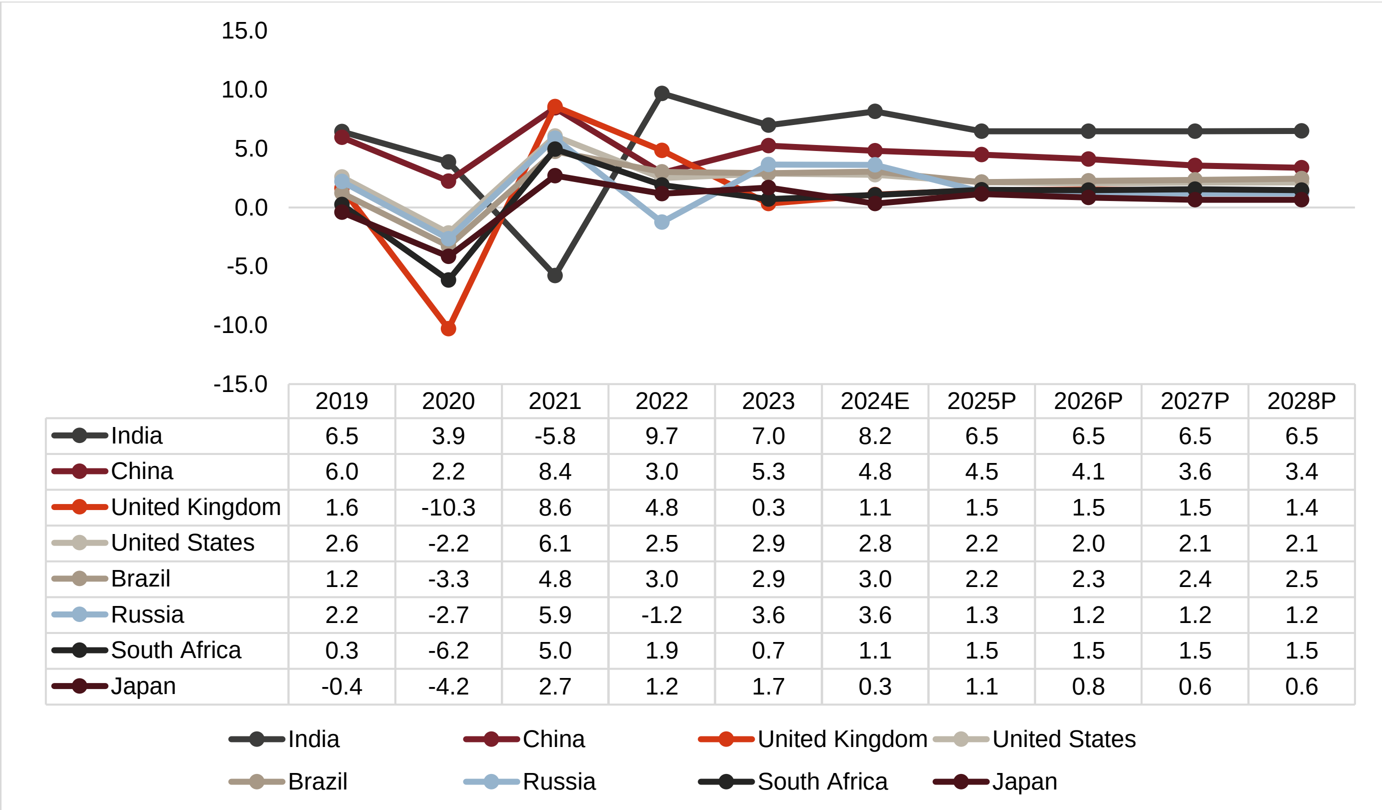
India's economy expected to grow at 6.8% in Financial Year 2025



Note: E = Estimated, P = Projected; GDP growth till Financial Year 2023 is actuals. GDP Estimates for Financial Year 2023 to Financial Year 2024 is based on NSO Estimates and 2024-2025 is projected based on CRISIL MI&A estimates and that for Financial Year 2025 Financial Year 2029 based on IMF estimates; Source: NSO, CRISIL MI&A, IMF (World Economic Outlook – October 2024 update)

In IMF's July 2024 update, it raised the GDP growth forecast for India highlighting India's improved prospect for private consumption particularly in rural areas. Going forward as well, IMF projects that Indian economy will remain strong and would continue to be one of the fastest growing economies.

India is one of the fastest-growing major economies (Real GDP growth, % year-on-year)



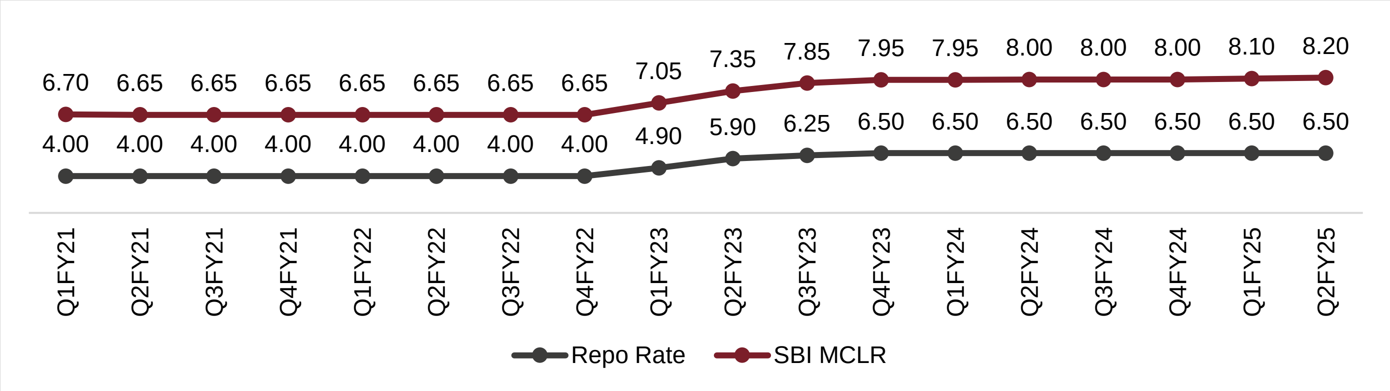
	2019	2020	2021	2022	2023	2024E	2025P	2026P	2027P	2028P
India	6.5	3.9	-5.8	9.7	7.0	8.2	6.5	6.5	6.5	6.5
China	6.0	2.2	8.4	3.0	5.3	4.8	4.5	4.1	3.6	3.4
United Kingdom	1.6	-10.3	8.6	4.8	0.3	1.1	1.5	1.5	1.5	1.4
United States	2.6	-2.2	6.1	2.5	2.9	2.8	2.2	2.0	2.1	2.1
Brazil	1.2	-3.3	4.8	3.0	2.9	3.0	2.2	2.3	2.4	2.5
Russia	2.2	-2.7	5.9	-1.2	3.6	3.6	1.3	1.2	1.2	1.2
South Africa	0.3	-6.2	5.0	1.9	0.7	1.1	1.5	1.5	1.5	1.5
Japan	-0.4	-4.2	2.7	1.2	1.7	0.3	1.1	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 Growth numbers for India till 2024 are for financial year, 2024 is as per NSO estimates for Financial Year 2024. Post Financial Year 2024, all estimates for India are as per calendar year. Data represented for other countries is for calendar years, E: Estimated, P: Projected; Source: IMF (World Economic Outlook – October 2024), CRISIL MI&A

Repo rate remains unchanged, with phase of aggressive rate hikes behind us

The repo rates increased by 250 basis points from Q4 Financial Year 2022 to Q4 Financial Year 2023 and remained at 6.50% in Q2 Financial Year 2025, standing deposit facility (SDF) at 6.25%, and marginal standing facility (MSF) at 6.75%. SBI MCLR has increased by 155 basis point from Q4 Financial Year 2022 to Q2 Financial Year 2025.

Repo rate in India (%)

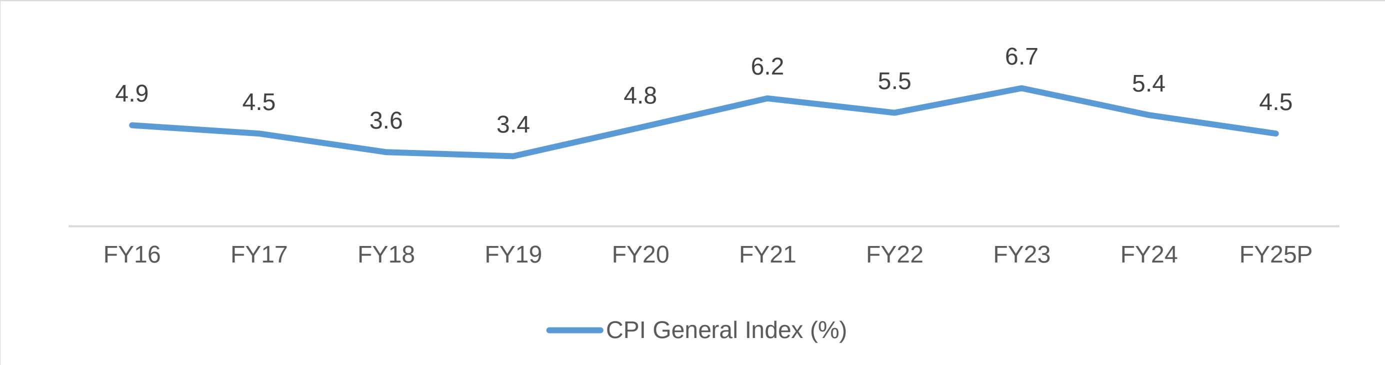


Note: Values of SBI MCLR % as on date change of interest rate, Source: SBI Website, RBI, CRISIL MI&A

Consumer Price Index ("CPI") inflation to average at 4.5% in Financial Year 2025

CRISIL MI&A expects CPI inflation to continue to soften in Financial Year 2025 to 4.5% from 5.4% in Financial Year 2024, supported by healthy Kharif sowing, softer domestic demand, and benign global oil prices.

Inflation to moderate to 4.5% in Financial Year 2025



Note: P = Projected, Source: CRISIL MI&A

Macroeconomic outlook for Financial Year 2025

Macro variables	Financial Year 2024	Financial Year 2025P	Rationale for outlook
Real GDP (y-o-y)	8.2%#	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 in Financial Year 2025 as compared to Financial Year 2024, India continuous to grow at the highest rate among major economies propelled by budgetary support to capital expenditure and strong rural demand to support growth.
Consumer price index (CPI) inflation (y-o-y)	5.4%	4.5%	Lower commodity prices, base effect, and cooling off domestic demand is likely to help in moderating inflation in Financial Year 2025. With IMD prediction of above normal monsoon, food inflation is expected to soften. But if crude oil prices surge and stay elevated on account of geopolitical reasons, inflation can increase going forward.
10-year Government security yield (Fiscal end)	7.1%	6.8%	CRISIL MI&A expect the yield to decrease in Financial Year 2025 driven by rate cuts and fiscal consolidation. This, coupled with lower inflation, is likely to moderate yields in Financial Year 2025. India's inclusion in the JP Morgan Emerging Market Bond Index is favourable for capital flows into government debt.
Fiscal Deficit (% of GDP) *	5.6%	5.1%	Persistent efforts in fiscal consolidation aided by moderation in revenue spend and robust tax collections to bring down the deficit will lead to lower government market borrowings.
CAD (current account balance/GDP) (%)	-0.7%	-1.0%	Softer crude oil prices and moderation in domestic growth will keep the trade deficit in check despite tepid exports of goods. Alongside, robust services trade surplus and healthy remittances will keep the current account deficit (CAD) in check

₹/$ (March average)	83.0	84.0	Narrower CAD and healthy foreign portfolio flows into debt amid a favourable domestic macro environment will support the rupee

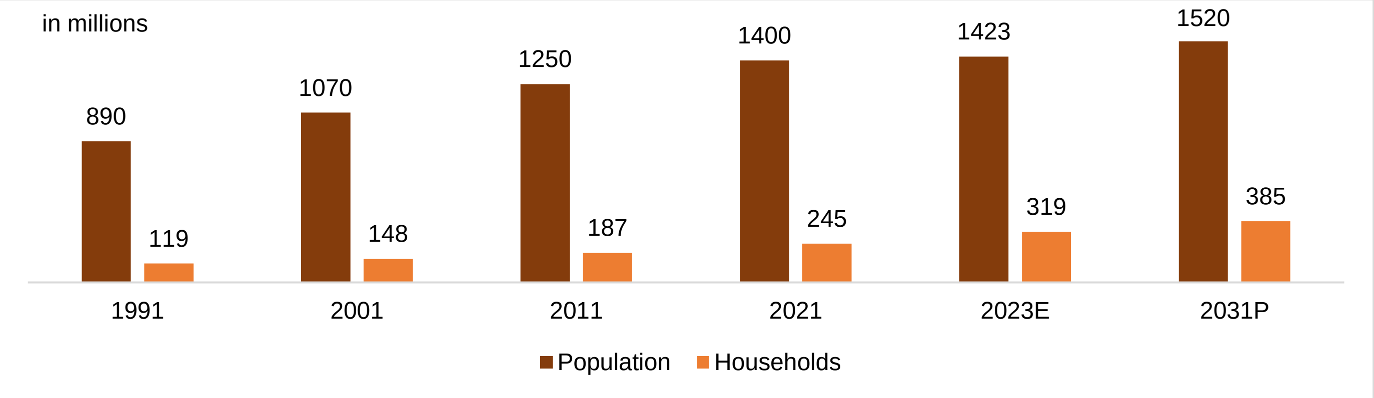
*P – Projected, # As per NSO estimates * Financial Years 2024 and 2025 numbers are government's revised and budget estimates; Source: Reserve Bank of India (RBI), National Statistics Office (NSO), CRISIL MI&A*

Key growth drivers

India has the world's largest population

As per Census 2011, India's population was ~1.3 billion and comprised nearly 187 million households. The population, which grew at nearly 1.5% CAGR between 2001 and 2011, is expected by CRISIL MI&A to have increased at 1.1% CAGR between 2011 and 2021 and reached 1.4 billion. The population is expected to reach 1.5 billion by 2031, and the number of households are expected to reach ~385 million over the same period.

India's population growth trajectory and number of households

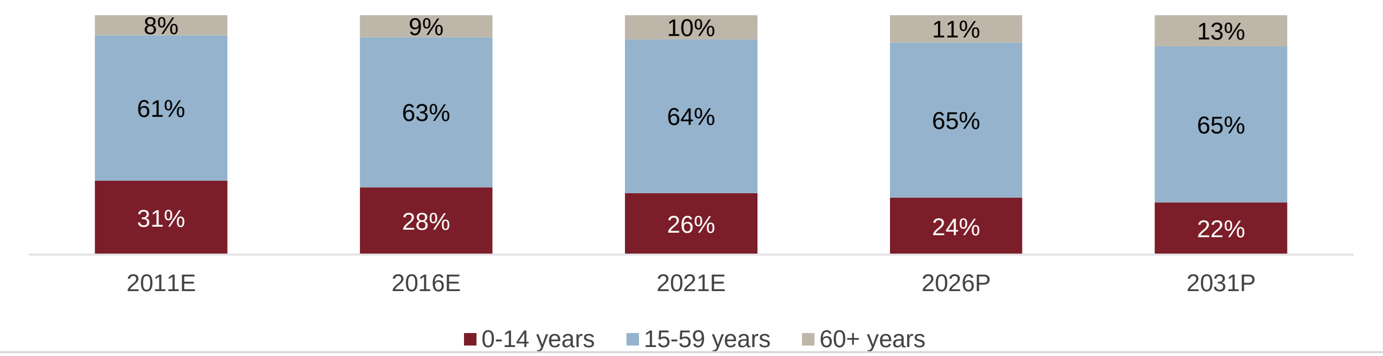


Note: As at the end of each Financial Year. P: Projected, Source: United Nations Department of Economic and Social Affairs, (https://population.un.org/wpp/), Census India, CRISIL MI&A

Favourable demographics

India has one of the world's largest youth populations, with a median age of 28 years. About 90% of Indians are below 60 years of age. In 2022, it was estimated that India had the highest share of young working population (15-30 years) compared to major developed and developing countries with the share of 27%. CRISIL MI&A expects that the large share of working population, coupled with rapid urbanisation and rising affluence, will propel growth in the economy.

India's demographic division (share of different age groups in population)



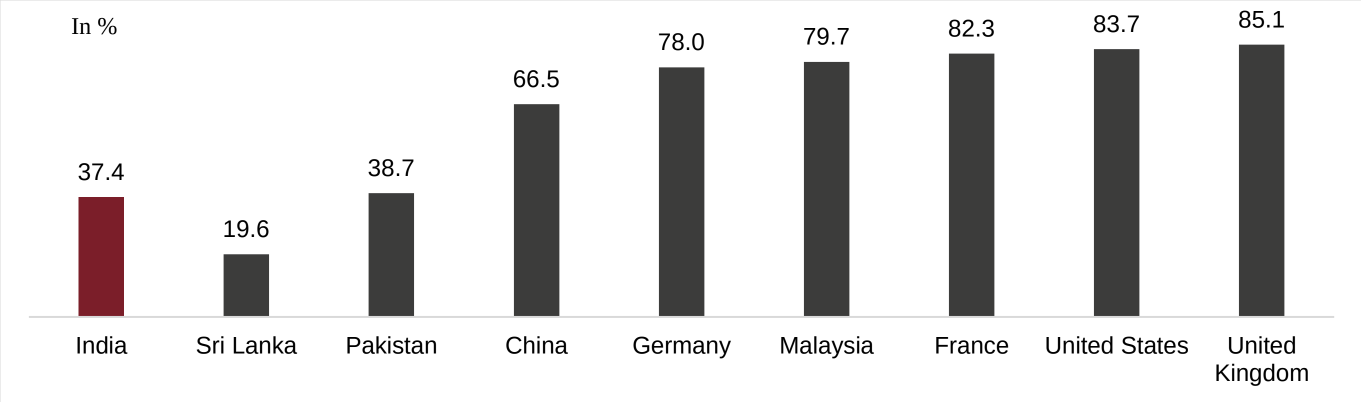
Note: P – Projected, E – Estimates

Source: Census of India 2011, Ministry of Health and Family Welfare, CRISIL MI&A

Rising Urbanization

Urbanisation is one of India's most important economic growth drivers. It is expected to drive substantial investments in infrastructure development, which in turn is expected to create jobs, develop modern consumer services, and increase the ability to mobilise savings. India's urban population has been rising consistently over the decades. As per the 2018 revision of World Urbanization Prospects, the urban population was estimated at 36% of India's total population in 2022. According to the World Urbanization Prospects, the percentage of the population residing in urban areas in India is expected to increase to 37.4% by 2025.

Urban population as a percentage of total population in % (2023E)



Note: E: Estimated; Source: United Nations World Urbanization Prospects: The 2018 Revision (UN)

Increasing per capita GDP

India's per capita net national income at constant price expanded 7.4% in Financial Year 2024, reflecting robust economic growth and the government's continued endeavour to make the country an upper middle-income economy. As per IMF estimates, India's per capita income (at constant prices) is expected to grow at 5-6% CAGR in real terms from Financial Year 2025 to Financial Year 2027.

Per capita NNI	Financial Year 2024 (₹ '000)		Growth of Real GDP Per Capita at constant prices (%)										
	Current prices	**Constant prices**	Financial Year 2014	Financial Year 2015	Financial Year 2016	Financial Year 2017	Financial Year 2018	Financial Year 2019	Financial Year 2020	Financial Year 2021	Financial Year 2022	Financial Year 2023	Financial Year 2024
	184	**107**	4.6	6.2	6.7	6.9	5.5	5.2	2.5	-8.9	7.6	5.7	7.4

Note: P – projected. (^) Per capita NNI as per Provisional Estimates of Annual GDP, 2023-24

Source: Ministry of Statistics and Program Implementation (MoSPI), International Monetary Fund (IMF), CRISIL MI&A

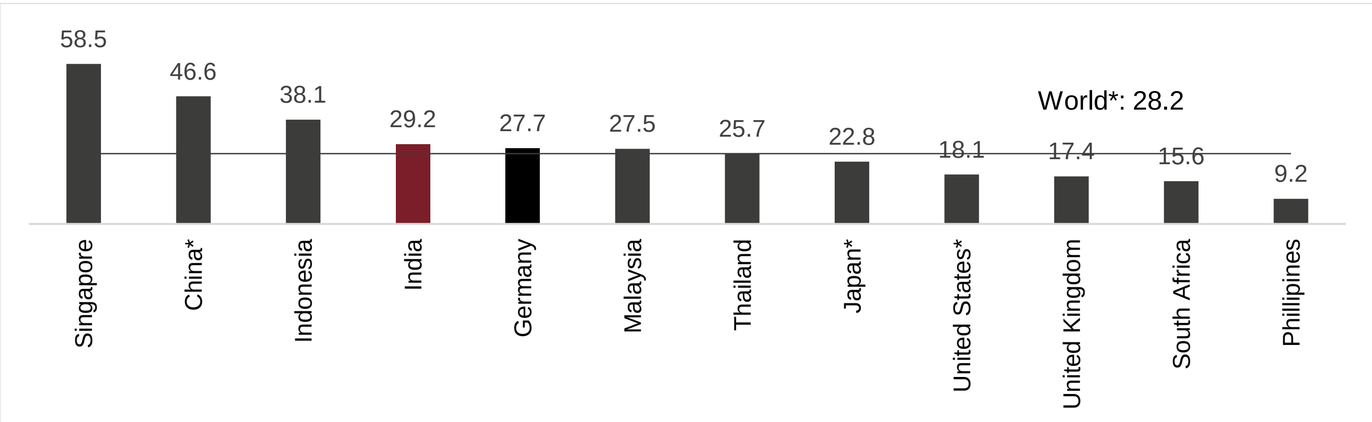
Rising Middle India population to help sustain economic growth

The proportion of "Middle India" (defined as households with annual income of ₹0.2 to ₹1.0 million) has been on the rise over the past decade and is expected to continue increasing with rising GDP and household incomes. CRISIL MI&A estimates there were 41 million middle-income households in India in Financial Year 2012 and by Financial Year 2030, expects it to increase to 181 million households by Financial Year 2030. A large number of households that have entered the middle-income bracket in the past few years are likely to be from semi-urban and rural areas. As per NSS 76th round, 83.3 % of households were living in pucca dwelling units compared to 74.6% as per 69th NSS round.

Household savings expected to increase

India remains favorable in terms of gross domestic savings rate compared with most other emerging market peers at 29% in 2023, greater than the world average of 28% in 2022.

India's gross domestic savings rate is higher than global average (2023)



*Note: The savings rate is in %, * Data as of 2022*

Source: World Bank, CRISIL MI&A

CRISIL MI&A expects India to continue being a high savings economy and savings rate increasing in the medium-term, as households become more focused on building a budget and financial plan for the future post the COVID-19 pandemic-induced uncertainty.

Gross domestic savings trend

Parameters (in ₹ billion)	Mar-2014	Mar-2015	Mar-2016	Mar-2017	Mar-2018	Mar-2019	Mar-2020	Mar-2021	Mar-2022	Mar-2023
GDS	36,082	40,200	42,823	48,251	54,807	60,004	59,411	57,869	73,631	81,500
Household sector savings (net financial savings, savings in physical assets and in the form of gold and silver ornaments)	22,853	24,391	24,749	27,871	32,966	38,446	38,452	45,056	47,423	49,632
Household sector savings as proportion of GDS (%)	63%	61%	58%	58%	60%	64%	65%	78%	64%	61%
Gross financial savings	11,908	12,572	14,962	16,147	20,564	22,637	23,246	30,670	26,120	29,736
Gross financial savings (% of GDS)	33.0%	31.3%	34.9%	33.5%	37.5%	37.7%	39.1%	53.0%	35.5%	36.5%
Financial liabilities	3,587	3,768	3,854	4,686	7,507	7,712	7,747	7,374	8,993	15,572
Savings in physical assets	14,164	15,131	13,176	15,946	19,442	23,095	22,522	21,355	29,683	34,834
Savings in physical assets as a proportion of GDS (%)	39%	38%	31%	33%	35%	38%	38%	37%	40%	43%
Savings in the form of gold and silver ornaments	368	456	465	465	467	427	431	405	613	634

Note: The data is for financial year ending March 31. Physical assets are those held in physical form, such as real estate, etc.

Source: MOSPI, National Accounts Statistics, CRISIL MI&A

Unlike most other countries, where financial savings account for a significant proportion of savings, physical assets in the form or real estate, gold and silver still account for most household savings in India. Household savings in physical assets witnessed an increase to 70% in Financial Year 2023 from 69% in Financial Year 2012. The share of savings in physical assets dipped during Financial Year 2021 (covid pandemic year) to 48% due to nation-wide lockdowns and slowdown in household construction. Post covid, during Financial Year 2022 with opening of lockdown's this share increased significantly to 64% and further to 70% in Financial Year 2023, due to increase in prices of gold and silver during the years along with rise in construction of houses.

Going forward, CRISIL MI&A expects the share of financial assets as a proportion of net household savings to increase over the next five years as elevated inflation after the pandemic could have further goaded investors to move to higher-yielding instruments in real terms.

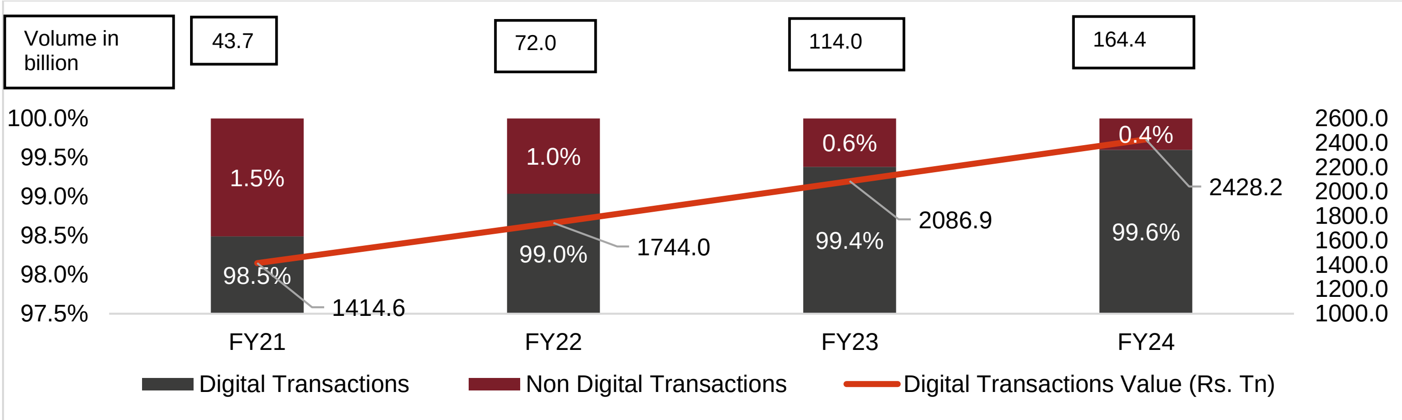
Digitisation aided by technology to play pivotal role in growth of economy

Technology is expected to play an important role by progressively reducing the cost of reaching out to smaller markets. India has seen a tremendous rise in fintech adoption in the past few years and has the highest fintech adoption rate globally of 87% which is significantly higher than the global average rate of 64% *(Source: InvestIndia)*. Among many initiatives by the government, the Unified Payments Interface (UPI) is playing a pivotal role towards financial inclusion. It provides a single-click digital interface across all system for smartphones linked to bank accounts and facilitates easy transactions using a simple authentication method. The volume of digital transactions has also seen a surge in the past few years, driven by increased adoption of UPI. Apart from financial services industry, digitisation in other industries like retail will also play an important role in growth of economy.

Digital payments have witnessed substantial growth

Higher mobile penetration, improved connectivity, and faster and cheaper data supported by Aadhaar and bank account penetration have led India to shift from being a cash-dominated economy to a digital one. Total digital payments in India have witnessed significant growth over the past few years. Between Financial Year 2021 and Financial Year 2024, the volume of digital payments transactions has increased from 43.7 billion to 164.4 billion, growing at a CAGR of ~56%. During the same period, the value of digital transactions has increased from ₹ 1,414.6 trillion in Financial Year 2021 to ₹ 2,428.2 trillion in Financial Year 2024.

Trend in value and volume of digital payments



Note: Digital Payments includes RTGS payments, Credit transfers (AePS, APBS, ECS Cr, IMPS, NACH, NEFT, UPI), Debit Transfers (BHIM, ECS Dr, NACH Dr, NETC), Card Payments (Debit and Credit Cards) and Prepaid Payments Instruments; Source: RBI, CRISIL MI&A

Credit Through UPI

The RBI recently announced a proposal to broaden the United Payments Interface (UPI) scope by allowing transfer to and from pre-sanctioned credit lines with banks. Previously to this announcement, only amounts held in bank deposits could be transferred through the UPI, this will allow overdraft accounts, credit cards and prepaid wallets to be eligible for linking to UPI. As per the announcement, this step enables the inclusion of credit lines as a funding account.

Financial Inclusion

Financial penetration to rise with increase in awareness of financial products

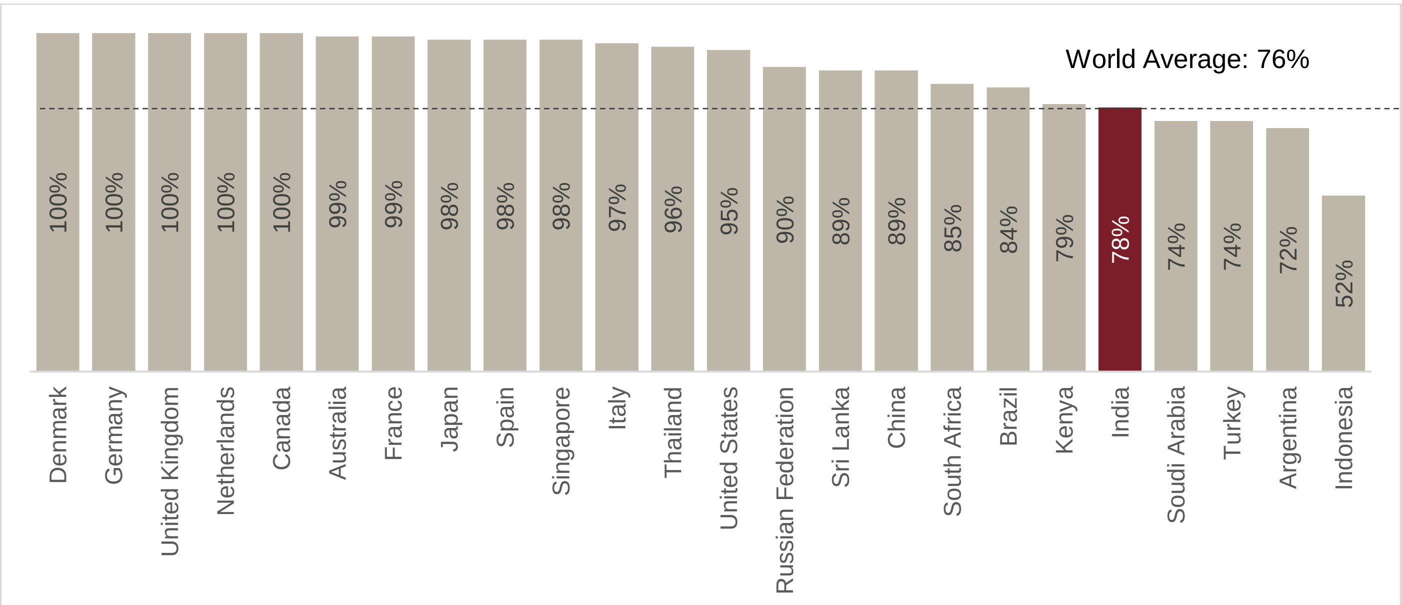
Overall literacy in India is at 77.7% as per the results of NSO survey conducted from July 2017 to June 2018, which is below the world literacy rate of 86.5%. However, according to the National Financial Literacy and Inclusion Survey (NCFE-FLIS) 2019, only 27% of Indian population is financially literate indicating huge gap and potential for financial services industry. The survey defines financial literacy as a combination of awareness, knowledge, skill, attitude, and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.

With the increase in financial literacy, the demand for financial products, especially in smaller cities, has seen a major uptick in recent years. Going forward, CRISIL MI&A expects financial penetration to increase on account of increase in financial literacy.

Financial Inclusion on a fast path in India

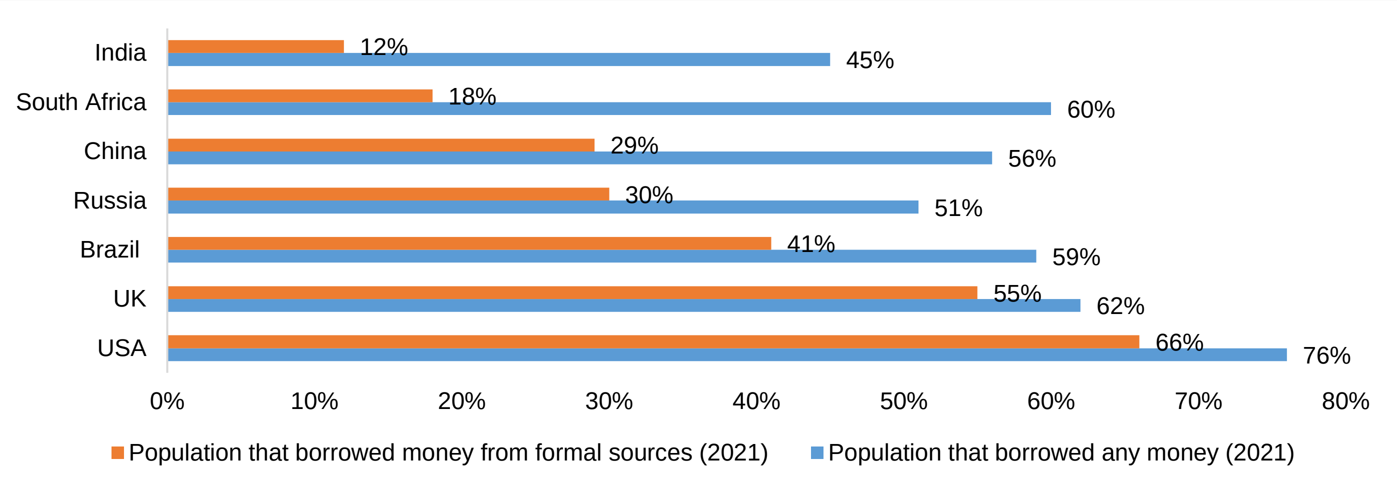
India's financial inclusion has improved significantly over calendar years 2014 to 2021 as adult population with bank accounts increased from 53% to 78% (Source: Global Findex Database) due to the Indian government's efforts to promote financial inclusion and the proliferation of supporting institutions.

Adult population with a bank account (%): India vis-à-vis other countries



Notes: 1. Global Findex data for India excludes northeast states, remote islands and selected districts. 2. Account penetration is for the population within the age group of 15+, Source: World Bank – The Global Findex Database 2021, CRISIL MI&A

Only 12% of India's population borrowed money from formal sources (Calendar Year 2021)

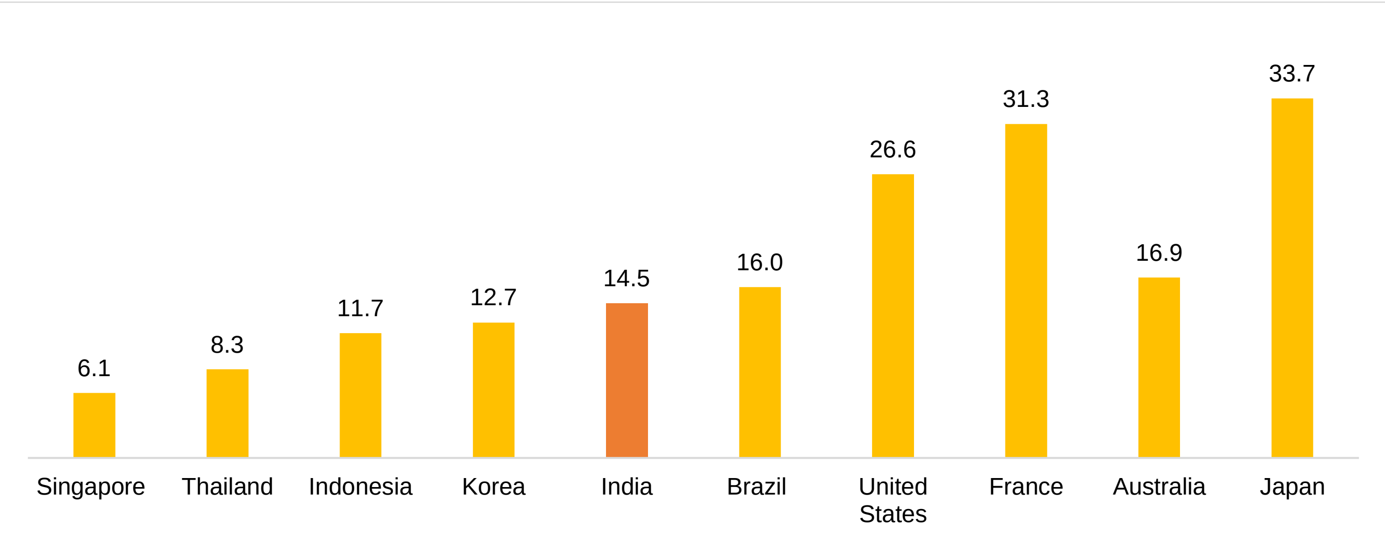


Note: Global Findex data for India excludes northeast states, remote islands and selected districts. 2. Data is for the population within the age group of 15+
Money borrowed from formal sources includes money borrowed from Banks, NBFCs and usage of credit card.
Source: World Bank – The Global Findex Database 2021, CRISIL MI&A

Under-penetration of the Indian banking sector provides opportunities for growth

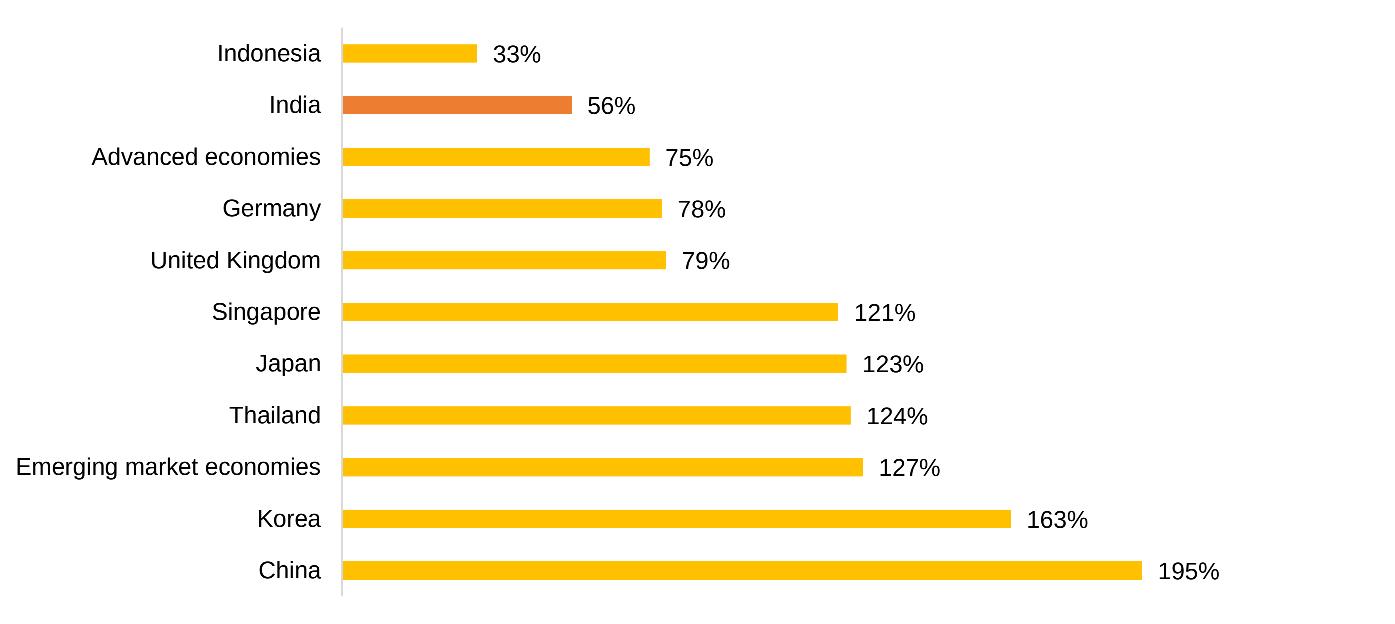
The Indian banking sector is significantly under-penetrated as observed in the bank credit-to-GDP ratio of 56% for India as of the fourth quarter of Calendar Year 2023. The number of commercial bank branches as well as ATMs in India per 100,00 people, is significantly lower compared to other countries. This provides immense opportunities for banks and other financial institutions over the long term.

Number of Commercial Bank Branches per 100,000 Adults (Calendar Year 2023)



Source: IMF: Financial Access Survey; CRISIL MI&A

Bank credit to private non-financial sector as a % of GDP ratio for major economies (as of Q4 Calendar Year 2023)



Note: Emerging market economies comprise Argentina, Brazil, Chile, China, Colombia, Czechia, Hong Kong SAR, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Poland, Russia, Saudi Arabia, Singapore, South Africa, Thailand, and Turkey; Advanced economies comprise Australia, Canada, Denmark, the euro area, Japan, New Zealand, Norway, Sweden, Switzerland, the United Kingdom, and the United States.

Source: BIS Data, CRISIL MI&A

Rural sector supporting India growth story

India's rural segment has been a key driver of the country's consumption growth story in recent years. In the past decade, the rural segment in India has expanded at a rapid pace, driven by factors, such as rising disposable income, urbanisation, and the proliferation of e-commerce.

The government has taken various steps to improve overall financial inclusion:

Direct-benefit transfer (DBT): This tool has helped in the disbursal of benefits to a wide population spread geographically through 312 government schemes, such as the Pradhan Mantri Matru Vandana Yojana (PMMVY) for women, Pradhan Mantri Ujjwala Yojana (PMUY), Krishi Unnati Yojana (KUY) or Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) for beneficiary bank accounts held by any gender.

Aadhaar card: It has played a critical role in promoting financial inclusion in India by enabling easy and efficient identification of individuals and reducing the need for physical documents. Aadhaar Card has been used for various initiatives, such as PMJDY, DBT, mobile wallets, and e-KYC, to improve financial access.

Mobile banking: The government has promoted mobile banking to make financial services accessible to people who are unable to access physical bank branches. Some of the mobile banking initiatives for financial inclusion are United Payments Interface (UPI), mobile wallets, Jan Dhan Yojana Mobile App, and business correspondent (BC) model.

Financial literacy programmes: The government has launched various financial literacy programmes to educate people about the benefits of financial planning and management. These programmes aim to improve financial literacy among the marginalised sections of the society and empower them to make informed financial decisions.

Kisan Credit Card (KCC): The KCC scheme aims at providing adequate and timely credit support to farmers for their agricultural activities at various stages of farming.

National Pension Scheme (NPS): Regulated by the Pension Fund Regulatory and Development Authority (PFRDA), NPS is mandatory for Central government employees and voluntary for corporates and all citizens (aged 18-65 years) with matching contributions by the employer.

Priority-sector lending: The PSL requirement mandates banks allocate a specified percentage of their lending portfolio to priority sectors, such as agriculture; micro, small and medium-sized enterprises (MSMEs); education; housing; and other weaker sections of the society. Lending to such priority sectors not only increases the credit access to underserved sectors but also lead to higher economic growth and promotes inclusive development. It also encourages banks to develop innovative products and services specifically for priority sectors.

Small Saving Schemes: Sukanya Samridhi Yojana is a savings scheme designed by the government especially for girl children. Parents of a girl child can save for their education and marriage purposes through this investment scheme. Mahila Samman Savings

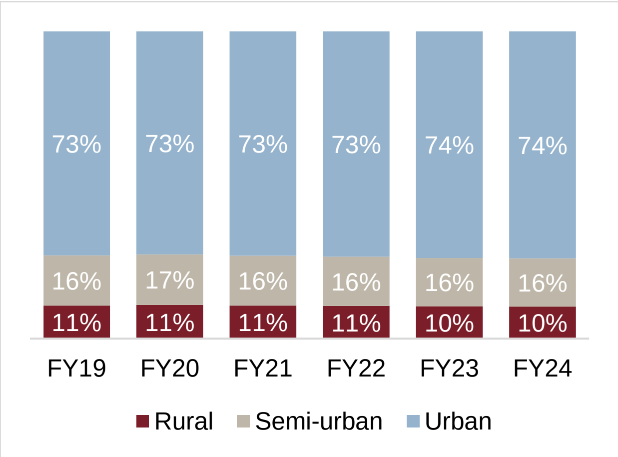
Certificate was launched as a part of Union Budget 2023-24 through which women of any age could open an account with a minimum deposit of ₹ 1,000 and maximum deposit of ₹ 2,00,000 provided with a facility of partial withdrawal. The interest rate for the accounts was declared at 7.5% p.a. which will be compounded quarterly. Other small saving schemes available include Kisan Vikas Patra.

Rural India accounts for 47% of GDP, but only 10% of deposits and 9% of credit

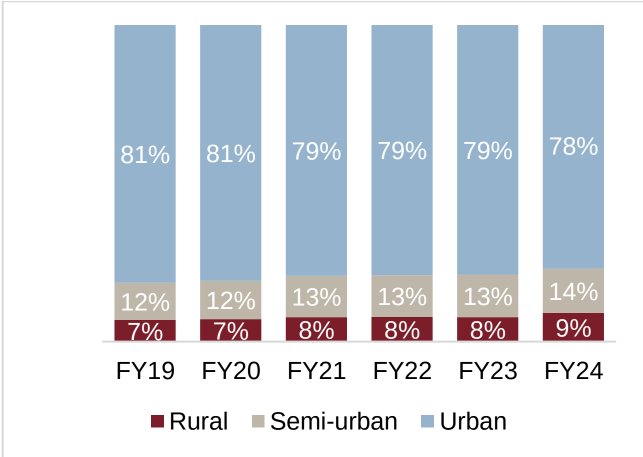
Rural India has a crucial role to play, as per the Economic Survey of 2022-2023, around 65% of Indian population lived in rural region in 2021 and as per the Census data of 2011, there are over 6.4 lakh villages in India. As per CRISIL MI&A estimates, about 47% of India's GDP comes from rural areas; however, their share is abysmally low at just 10% of total banking deposits and 9% of total banking credit as of March 2024. Lack of bank infrastructure, low level of financial literacy and investment habits, along with lack of formal identification, are some of the reasons for low penetration.

Share of bank credit and deposits shows low penetration in rural areas

Population group wise share of deposit



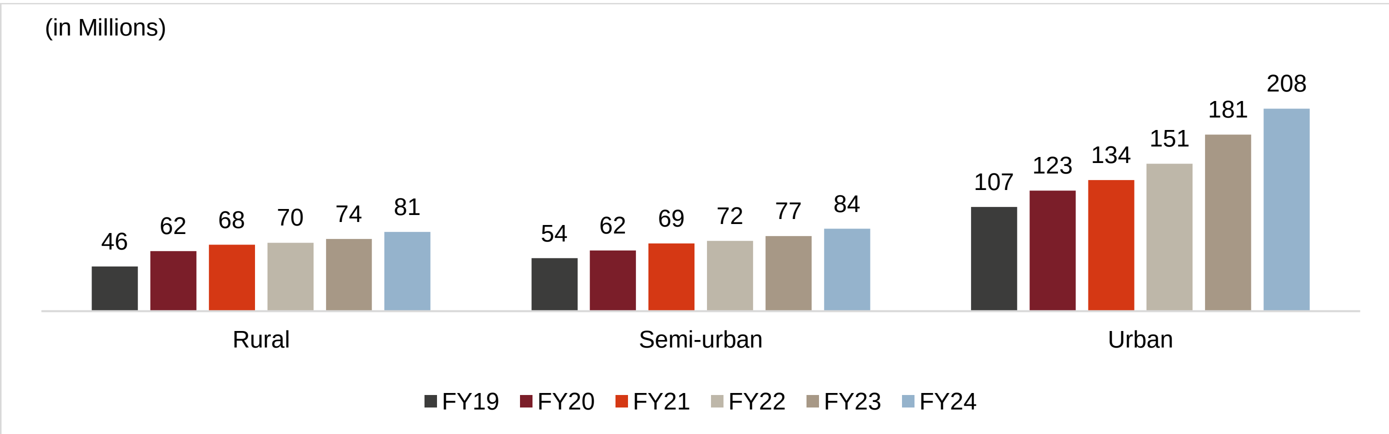
Population group wise share of credit



Note: Urban includes data for urban and metropolitan areas, Above data represents indicators for scheduled commercial banks in India, E: Estimated.
Source: RBI; CRISIL MI&A

Financial inclusion is lower in rural areas than in urban areas in India. Hence, there are significant growth opportunities in this segment. Initiatives such as PMJDY and digital banking, along with increasing emphasis on financial literacy, have led to increasing financial inclusion in rural areas.

Bank Credit accounts in rural, semi-urban and urban areas



Note: Urban includes data for urban and metropolitan areas; amounts are as of the end of the Financial Year indicated. Data represents only bank deposit accounts. Above data represents indicators for scheduled commercial banks in India, Source: RBI, CRISIL MI&A

Digital Public infrastructure reforms by Government of India

Digitization improves the transparency and efficiency of government processes, and widespread digital transformations help governments and institutions with policy implementation and broad policy outreach. The India Stack is a collective name for a set of open APIs and public goods in digital form like DigiLocker, UPI, e-sign and etc.

Open Credit Enablement Network (OCEN)

Open Credit Enablement Network (OCEN) was introduced as a step for promoting financial inclusion and democratization of credit in India. OCEN is set of open standards which facilitates interactions and collaborations among borrowers, lenders, lending service providers, and technology service providers. This will help various digital platforms in leveraging their position in delivery of credit and value addition in lending value chain. Moreover, OCEN will also promote innovation in distribution of credit, making loans accessible to MSMEs, small vendors and individuals, leading to financial inclusion.

Use of generative AI and new technologies increasing productivity

Generative AI, or Gen AI, leverages extensive training on large datasets to swiftly produce diverse content forms like text and multimedia in response to prompts. Gen AI, exemplified by ChatGPT in BFSI, enables efficient, conversational banking, delivering prompt and responses, enhancing customer experiences, and saving time. Gen AI does well in fraud prevention, where it can swiftly detect potentially fraudulent activity by analysing customer behaviour patterns. This can help BFSI companies to take proactive measures to help bolster transaction security. Gen AI aids in risk analysis & synthetic data generation. This helps to offer detailed insights from intricate financial datasets which can be employed for decision making. The different uses of Gen AI now show a fraction of its potential to transform the BFSI sector.

Account Aggregators

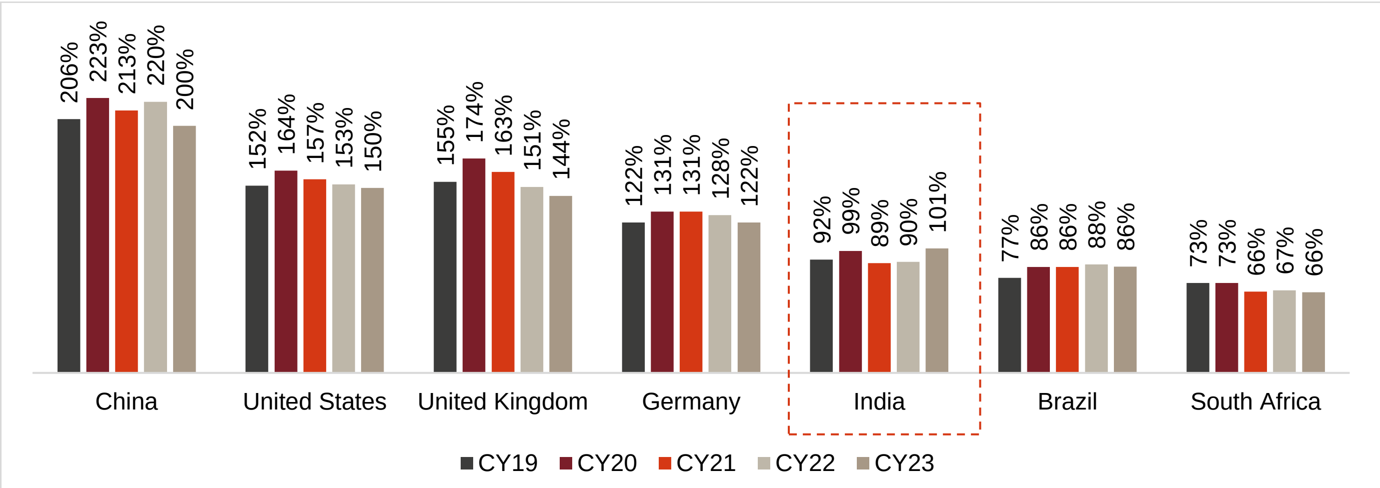
The RBI launched the account aggregator system on September 2, 2021, which has the potential to transform the MSME finance space once there is widespread adoption amongst the lending community. These account aggregators would provide granular insights to lenders into customers' financial assets and their borrowing history centrally, based on customer consent. Inclusion of additional data such as electricity bill payments and mobile recharges/bill payment data under the purview of account aggregators would further enhance its utility.

Overview of Credit Scenario in India

Significant retail credit gap exists in India, as compared to other nations

Overall credit to GDP ratio in India stood at 101% in Calendar Year 2023, which was significantly lower as compared to 144% for United Kingdom, 150% for United States and 200% for China, signalling significant room for credit penetration in the nation.

Credit to GDP ratio from (Calendar Year 2019 to Calendar Year 2023)



Source: Bank of International Settlements, CRISIL MI&A

Levels of banking credit penetration indicate growth opportunities for financiers

Chandigarh, Delhi, Maharashtra, Telangana and Tamil Nadu have a banking credit to GDP ratio of more than 100% as of March 2024 which indicates that banking credit penetration in the state is higher as compared to other states in India. For most of the states, rural credit share is significantly lower than the rural population share indicating lower credit penetration. Based on the credit penetration data, there seems a huge scope for increasing bureau coverage as well in India. Further, people who don't have credit history, formal income proofs, documentation, etc. still rely on informal sources for debt which comes at a very high cost. It could provide growth opportunities for NBFCs which provide loans at reasonable rates.

State-wise credit penetration (Financial Year 2024)

States	GSDP - Constant Prices FY24 (In Rs. Billion)	Banking Credit FY24 (In Rs. Billion)	Credit Growth CAGR (FY19-FY24)	Credit Penetration – FY24	% population living in rural areas$	% credit in rural areas – FY24	% credit in semi urban areas – FY24	% credit in urban areas – FY24	% credit in metropolitan areas – FY24
Western Region									
Maharashtra	21,656*	40,307	8%	186%	55%	2%	5%	6%	87%
Gujarat	14,756*	9,943	13%	67%	57%	7%	13%	18%	62%
Goa	599 *	315	10%	53%	38%	19%	81%	0%	0%
Southern Region									
Tamil Nadu	15,726	15,829	11%	101%	52%	11%	24%	15%	50%
Karnataka	14,232	12,390	14%	87%	61%	11%	12%	16%	62%
Telangana	7,679	9,409	14%	123%	67%**	8%	12%	9%	71%
Andhra Pradesh	8,209	7,635	16%	93%	67%	18%	25%	31%	25%
Kerala	6,162*	5,807	12%	94%	52%	4%	50%	46%	0%
Puducherry	288*	219	13%	76%	32%	12%	19%	70%	0%
Northern Region									
Delhi	6,722	17,030	6%	253%	2%	0%	1%	3%	96%
Rajasthan	8,426	6,159	15%	73%	75%	15%	23%	25%	37%
Haryana	6,340	5,821	18%	92%	65%	8%	14%	70%	8%
Punjab	4,933	3,762	10%	76%	63%	17%	29%	27%	27%
Jammu & Kashmir	1,392	1,046	14%	75%	73%	37%	29%	20%	14%
Chandigarh	339*	866	2%	256%	3%	0%	0%	99%	0%
Himachal Pradesh	1,428	553	14%	39%	90%	59%	32%	9%	0%
Central Region									
Chhattisgarh	3,219	1,936	15%	60%	77%	10%	17%	26%	47%
Madhya Pradesh	6,604	4,893	14%	74%	72%	12%	23%	18%	47%
Uttarakhand	2,134	948	13%	44%	70%	19%	21%	60%	0%
Uttar Pradesh	14,234	9,246	17%	65%	78%	20%	15%	32%	33%
Eastern Region									
West Bengal	9,041	6,019	9%	67%	68%	15%	10%	21%	54%
Bihar	4,425*	2,768	20%	63%	89%	25%	24%	25%	26%
Odisha	5,039	2,665	17%	53%	83%	22%	23%	56%	0%
Jharkhand	2,598*	1,309	16%	50%	76%	19%	19%	26%	35%
Sikkim	221*	66	14%	30%	75%	29%	10%	61%	0%
Andaman & Nicobar	72^	41	12%	58%	62%	20%	16%	65%	0%
North Eastern Region									
Assam	3,186	1,336	15%	42%	86%	24%	29%	47%	0%
Tripura	430*	174	17%	40%	74%	36%	24%	40%	0%
Meghalaya	265	143	16%	54%	80%	34%	19%	48%	0%
Manipur	205^	121	17%	59%	71%	31%	21%	47%	0%
Arunachal Pradesh	211*	91	18%	43%	77%	29%	71%	0%	0%
Mizoram	185^	80	26%	43%	48%	17%	26%	57%	0%
Nagaland	193*	90	15%	47%	71%	21%	47%	31%	0%

Note: 1. Credit penetration calculated as banking credit to states as of March 2024 divided by state GSDP (at constant prices) as of Financial Year 2023.

2. (*) GSDP as of Financial Year 2023

3. (^) GSDP as of Financial Year 2022

4. ($) According to Census 2011

5. (**) Rural population considered same as Andhra Pradesh

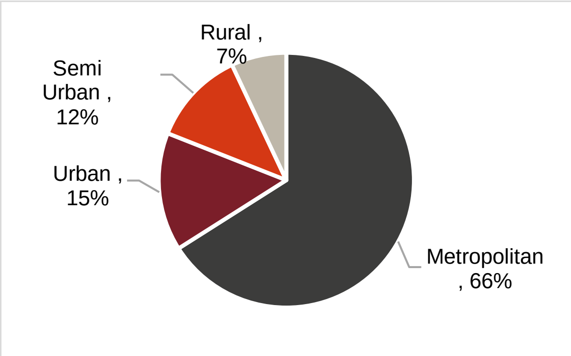
Source: RBI, MOSPI, CRISIL MI&A

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 59% as of March 31, 2024. Between the same period, credit share has witnessed a marginal rise in rural (7% as of Financial Year 2019 to 9% as of Financial Year 2024) and semi-urban areas (12% as of Financial Year 2019 to 14% as of Financial Year 2024). 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.

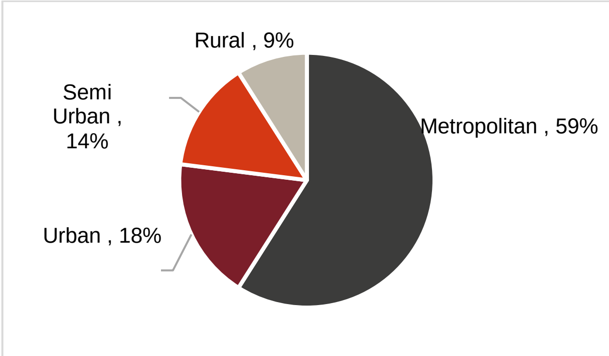
Share of rural and semi-urban regions in banking credit increased marginally between Financial Year 2019 & Financial Year 2024

Share of region wise banking credit data as of Financial Year 2019



Source: RBI, CRISIL MI&A

Share of region wise banking credit data as of Financial Year 2024

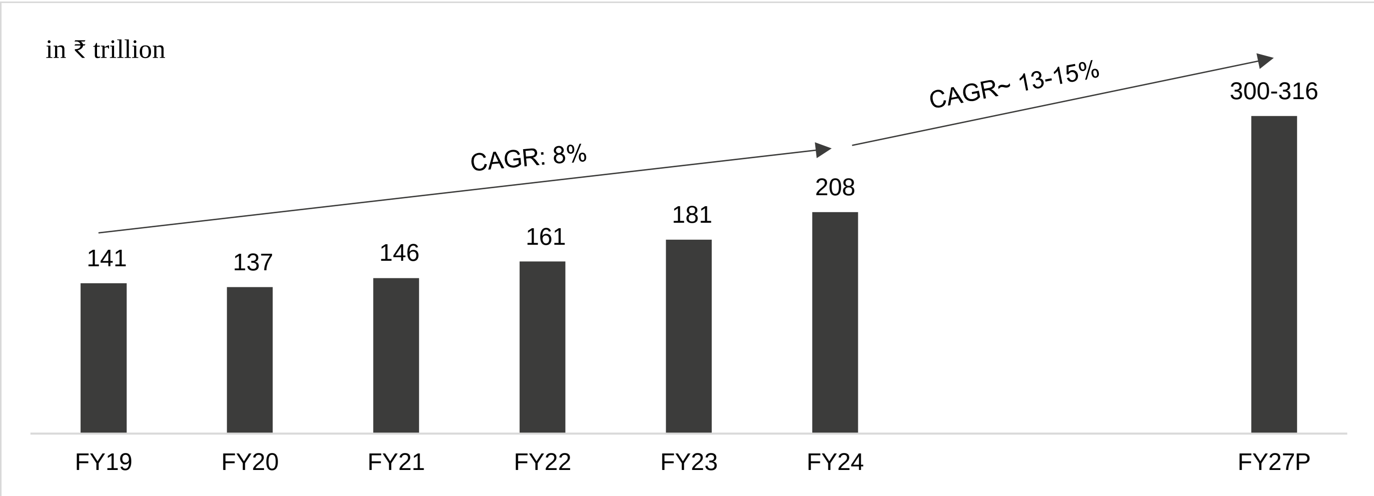


Source: RBI, CRISIL MI&A

Systemic credit

CRISIL MI&A projects systemic credit to grow at 13-15% between Financial Year 2024 and Financial Year 2027.

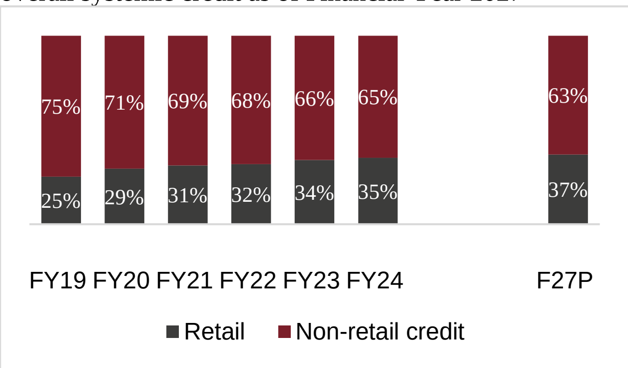
Systemic credit to grow by 13-15% between Financial Year 2024 and Financial Year 2027



Note: P: Projected, E: Estimated, 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

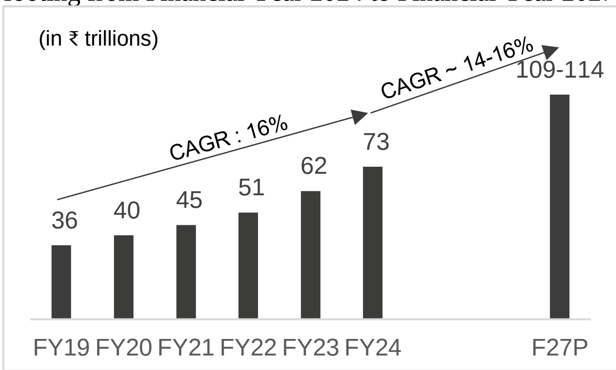
The retail credit including small ticket loans for asset classes such as Housing finance, Vehicle Financing, Gold Loans, Education Loans, Consumer Durables, Personal loans, credit cards and microfinance, in India stood at ₹ 73 trillion, as of Financial Year 2024 which rapidly grew at a CAGR of 16% between Financial Year 2019 and Financial Year 2024. Retail credit grew at 19% in Financial Year 2024 supported by steady demand in underlying assets like housing, auto and growth in credit card and personal loans growth driven by consumption. The Indian retail credit market has grown at a strong pace over the last few years and is expected to grow further at 14-16% between Financial Year 2024 and Financial Year 2027. 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. However, RBI's risk weight circular, sustained inflation and increase in lending rates could moderate the retail credit growth.

Retail segment is projected to account for 37% of overall systemic credit as of Financial Year 2027



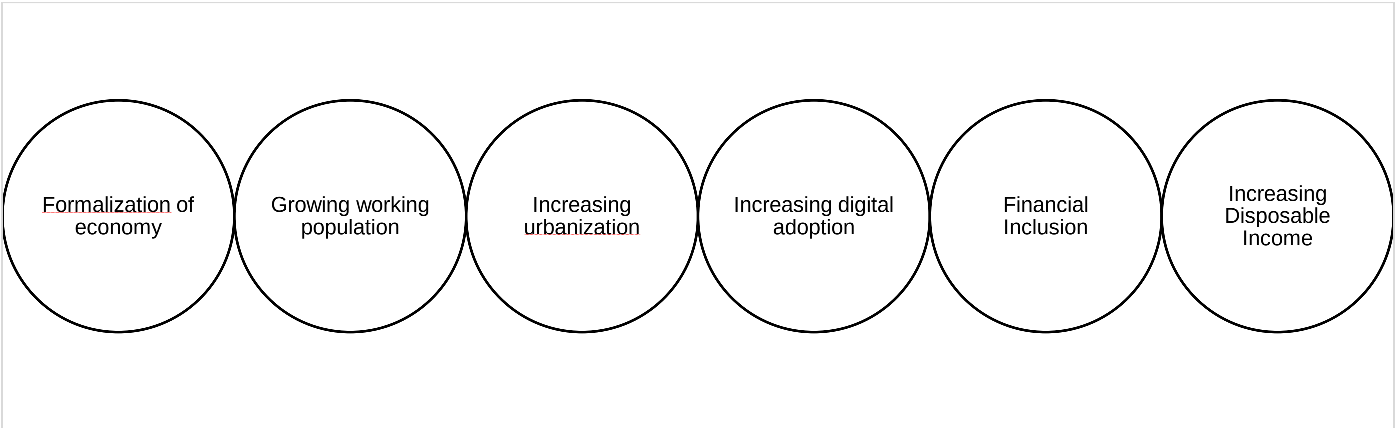
Note: E: Estimated, P: Projected
The above percentages are calculated on total systemic credit.
Source: RBI, CRISIL MI&A

Retail credit growth is projected to grow on a strong footing from Financial Year 2024 to Financial Year 2027



Note: E: Estimated, P: Projected
Source: RBI, CRISIL MI&A

Factors that will support retail credit growth



Source: CRISIL MI&A

Impact of digitization on retail credit

Higher mobile penetration, improved connectivity, and faster and cheaper data, supported by Aadhaar and bank account penetration have led India to shift from being a cash-dominated economy to a digital one. Technology has played an important role in taking the financial sector to the next level of growth, by helping to surmount challenges stemming from India's vast geography, which makes physical footprints in smaller locations commercially unviable.

In the financial space, the underwriting process can be improved leveraging all available data efficiently. Lenders are increasingly using their web platforms and creating apps to register, score, approve and disburse loans to their customers. For lenders, digitization has enabled them to make informed decision making through business insight generation and data visualization. Moreover, it has improved lead generation for lenders with faster onboarding of customers, comprehensive loan servicing, and fraud detection. For customers, it has become easier to gather information about different lenders with the help of digitization and compare them.

Furthermore, the India Stack, a set of APIs and tools that enable the building of digital platforms for various services, has been a game-changer in the retail credit sector. The India Stack includes Aadhaar (for identity verification), e-KYC (for paperless Know Your Customer processes), eSign (for digitally signing documents), and the Unified Payments Interface (UPI) for seamless and instant fund transfers. All of these components have been seamlessly integrated into the lending ecosystem, traditional lending players have also integrated these components in their loan processes which had made it easier for lenders to streamline their operations and offer a seamless experience to borrowers. Looking ahead, the digitization of retail credit in India is expected to continue evolving.

Overview of NBFC Sector in India

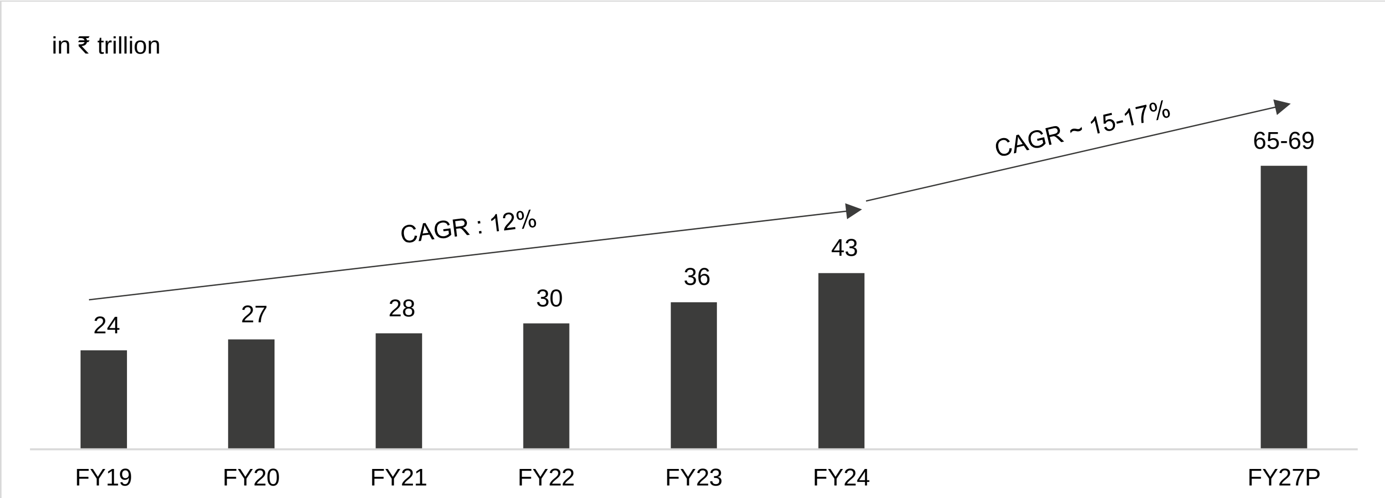
The Indian financial system includes banks and non-banking financial companies (NBFCs). Though the banking system dominates financial services, NBFCs have grown in importance by carving a niche for themselves by catering to customers in underbanked regions or those who would not be catered to by traditional financial institutions, due to absence of credit history or lack of proper collateral records.

NBFC Market Landscape

NBFC Credit to grow faster than systemic credit

The credit growth of NBFCs which has trended above India's GDP growth historically, is expected to continue to rise at a faster pace. NBFCs have shown remarkable resilience and gained importance in the financial sector ecosystem, growing from less than ₹2 trillion AUM at the turn of the century to ₹43 trillion at the end of Financial Year 2024. During Financial Year 2019 to Financial Year 2024, NBFC credit is estimated to have witnessed a growth at CAGR of 12%. Rapid revival in the economy is expected to drive consumer demand in Financial Year 2025, leading to healthy growth in NBFCs.

NBFC credit to grow at 15-17% between Financial Year 2024 and Financial Year 2027



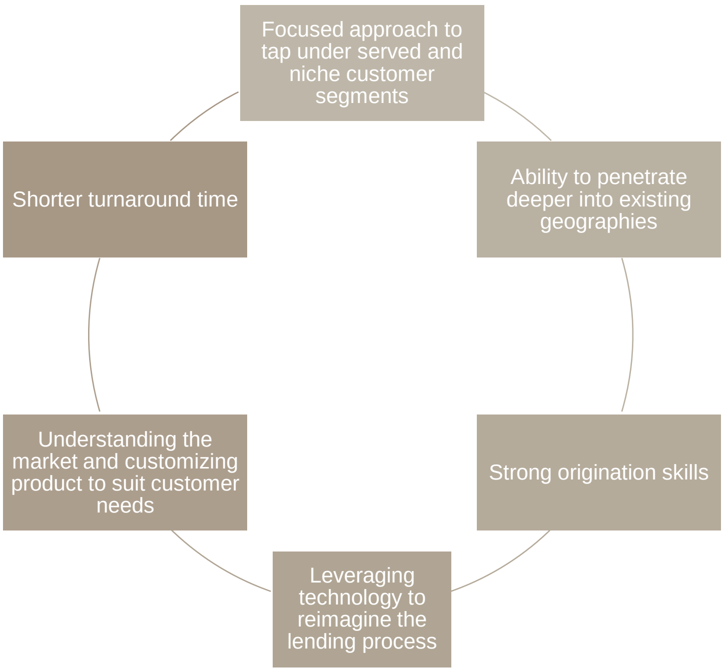
Note: P = Projected, E: Estimated; HDFC is not considered while calculating overall NBFC Credit, Source: RBI, Company reports, CRISIL MI&A.

Going forward, CRISIL MI&A expects NBFC credit to grow at 15-17% between Financial Year 2024 and Financial Year 2027 driven by growth in retail segment, and MSME loans in the wholesale segment continuing to be the primary drivers.

NBFC's share in systemic credit is estimated to have increased from 12% in Financial Year 2008 to 20% in Financial Year 2024. Overall, consolidation in certain corporate groups and other corporate activities indicate buoyancy in the NBFC space and expectations of healthy credit growth.

CRISIL MI&A believes that NBFCs will 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. Going forward, NBFCs are expected to continue to gain market share over other lenders due to their ability to provide flexible lending solutions and tailored services, focused approach to tap under-served and niche customer segments, ability to penetrate deeper into geographies, leveraging technology to reimagine the lending process, strong origination skills and shorter turnaround time.

Growth of NBFCs reflects the customer value proposition offered by them



Source: CRISIL MI&A

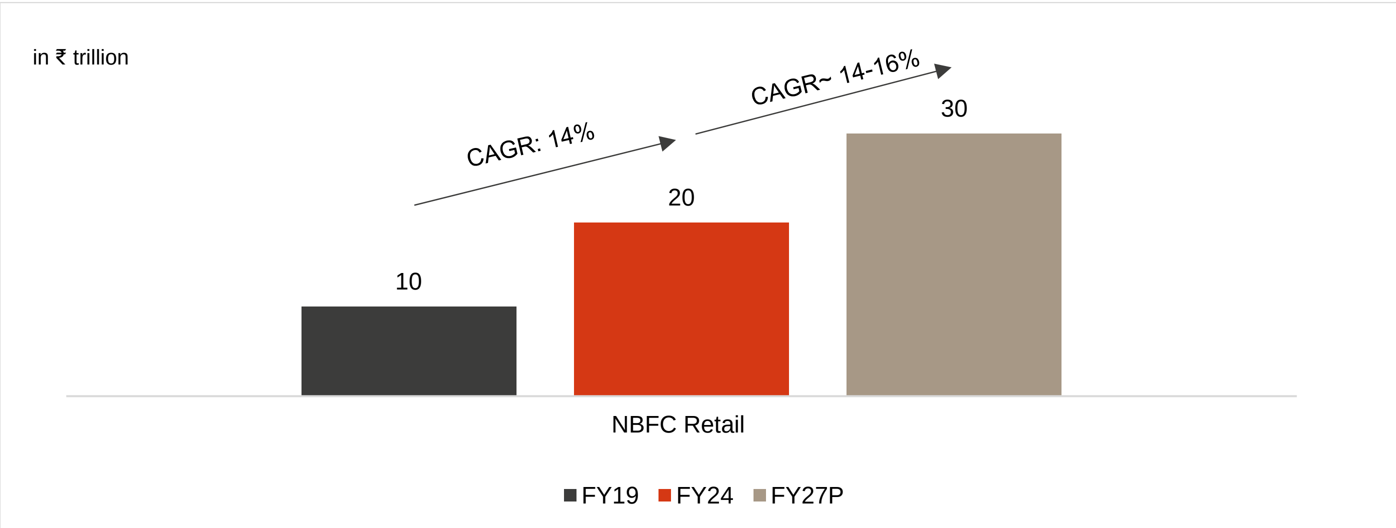
With high focus on retail loans, NBFCs are driving financial inclusion

While banks are the primary institutions for banking in India, retail loan portfolio forms only 34% of the overall banking credit as of Financial Year 2024. Lower presence of banks in the retail space has created an opportunity for NBFCs to penetrate the segment which has also led to greater financial inclusion as NBFCs also cater to riskier customer profiles with lower income. Compared to that of banks, NBFC credit to retail segment forms more than 48% of its portfolio as of Financial Year 2024 indicating larger focus on retail customers. Rural areas, presents vast market opportunity for NBFCs. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions. NBFCs help fill gaps in the availability of financial services with respect to products as well as customer and geographic segments. A strong linkage at the grassroots level makes them a critical cog in the financial machine. They cater to the unbanked and underbanked masses in rural and semi-urban India and lend to the informal sector and people without credit histories, thereby enabling the government and regulators to realize the mission of financial inclusion.

The NBFC sector has, over the years, evolved considerably in terms of size, operations, technological sophistication, and entry into newer areas of financial services and products. The number of NBFCs as well as the size of the sector have grown significantly, with a number of players with heterogeneous business models starting operations. The increasing penetration of neo-banking, digital authentication, and mobile phone usage as well as mobile internet has resulted in the modularization of financial services, particularly credit. Overall NBFC credit during Financial Year 2019 to Financial Year 2024, is estimated to have witnessed a CAGR of ~12% which was majorly led by retail segment which is estimated to have witnessed a CAGR of ~14%, while NBFC non-retail credit is estimated to have witnessed a growth of ~9% during the same time period.

Going forward, growth in the NBFC retail segment is expected at 14-16% from Financial Year 2024 to Financial Year 2027 which will support overall NBFC credit growth, with continued focus on the retail segment and multiple players announcing plans to reduce wholesale exposure.

NBFCs retail credit is expected to grow at 14% - 16% from Financial Year 2024 to Financial Year 2027



Note: P = Projected; Retail credit above includes housing finance, vehicle finance, microfinance, gold loans, construction equipment finance, consumer durable finance and education loans; Source: Company reports, RBI, CRISIL MI&A

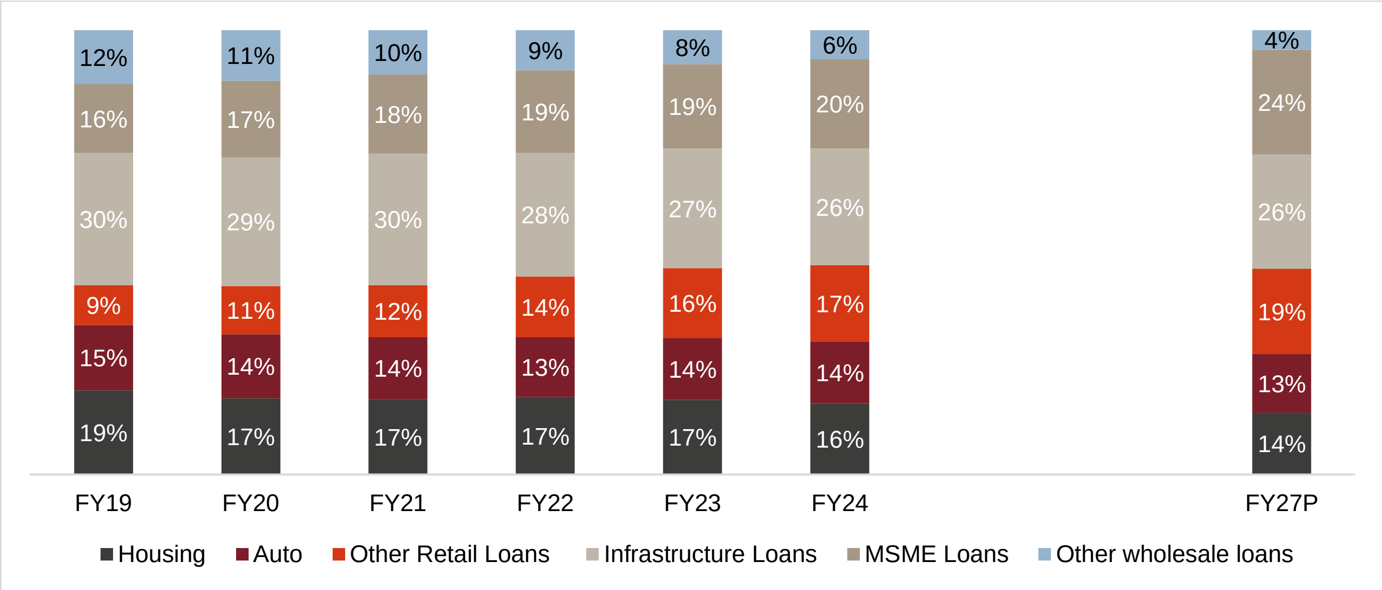
MSME, Housing and Auto Financing contributed ~50% to overall NBFC credit in Financial Year 2024

In Financial Year 2024, the retail segment was driven by strong growth in vehicle loans, personal loans, housing loans, and microfinance, while on the wholesale side, MSMEs and infrastructure finance, particularly power finance companies, led the way with high double-digit growth rates. Lending to MSMEs has gained traction over the past three fiscals, with NBFCs increasing focus on unsecured business loans amid higher competition from banks in the traditional segments.

Though infrastructure accounts for the highest share in NBFC credit (26%) as of Financial Year 2024, its share in the overall NBFC credit outstanding has come down over the past years from 30% in Financial Year 2019. Retail and MSME segments are expected to experience higher growth in the upcoming Financial Years. MSME credit accounted for 20% share as of Financial Year 2024, witnessing a rise in its market share from 16% in Financial Year 2019. Housing and auto segment constitute ~16% and ~14% share in overall NBFC credit as of Financial Year 2024.

Going forward, the growth trend is expected to moderate for retail segment on account of caution on unsecured lending and due to visible stress in unsecured book such as micro finance and personal loans where there are higher slippages in stage 1 loans during first quarter of Financial Year 2025 primarily due to overleveraging of customers and impact of elections. Meanwhile, the RBI's vigilant oversight and recent risk weight circular will temper growth in unsecured portfolios, ensuring a more measured pace of expansion. On the other hand, wholesale credit is expected to grow faster supported by credit momentum among the infrastructure finance NBFCs and MSME lending. The share is expected to remain steady, with retail and wholesale segments expected to comprise 46% and 54%, respectively, in Financial Year 2027.

Distribution of NBFC Credit across asset classes



Note: Other retail loans include gold loans, microfinance loans, personal loans, consumer durable loans, education loans, Other wholesale loans include wholesale loan and construction equipment loan.

Source: Company reports, CRISIL MI&A

Growth of asset classes

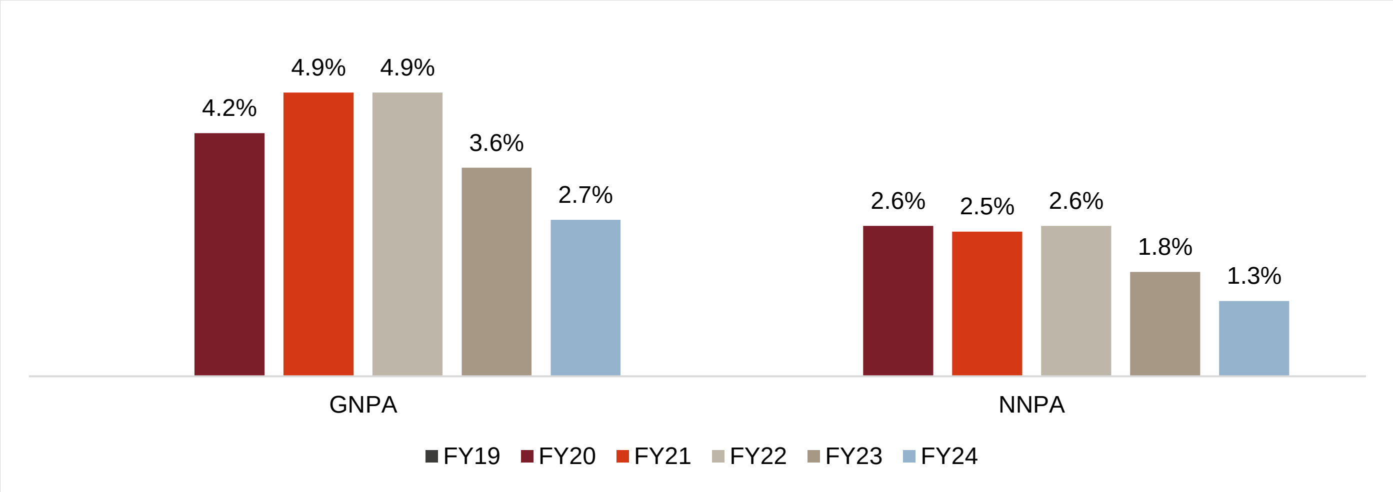
MSME Loans	35.4	24%	18%	17%	20-21%	24-25%
Housing loans	34.0	20%	13%	11%	14-15%	12-13%
Auto Loans	13.4	44%	13%	12%	15-16%	16-17%
Personal loans	12.8	25%	24%	34%	17-18%	25-26%
Gold loans	7.6	21%	25%	16%	21-22%	18-19%
Microfinance loans	3.1	54%	17%	24%	16-17%	18-19%
Consumer durables	0.8	48%	18%	19%	22-23%	23-24%

Source: RBI, NHB, MFIN, CRIF, and CRISIL MI&A estimates

Asset Quality

Asset quality for NBFCs is influenced by various factors such as economic cycle, target customer segment, geographical exposure, and local events. Within the NBFC universe itself, it is observed that various asset classes tend to exhibit heterogeneous behaviour. For example, the asset quality in small business loans and personal loans tends to be highly correlated with the macroeconomic environment. This is because asset quality is more influenced by local factors, events that have wide ranging repercussions such as demonetisation and COVID-19 and relative leverage levels amongst borrowers.

Improving asset quality of NBFCs gives more comfort for mid-term growth

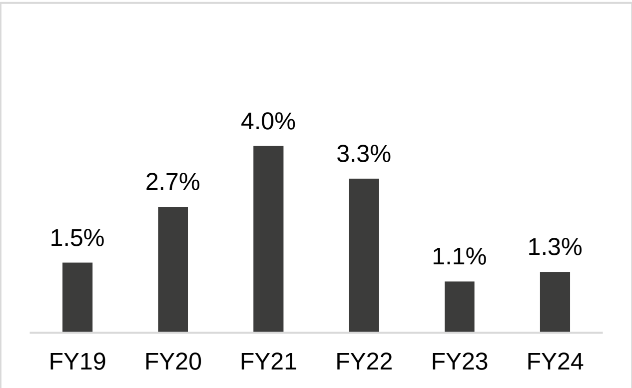


Note: For calculating GNPA and NNPA, 100 NBFCs are considered that collectively account for loans and advances of ₹23,000 billion as on March 31, 2024, The above set excludes PFC and REC Limited. Source: RBI, CRISIL MI&A

Asset Quality for NBFCs improved in Financial Year 2024 on account of normalisation of economic activity and improved collection efficiency across segments with the gold segment being an exception. The asset quality of NBFCs continued the improvement trend till March 2024, however, with the challenges in unsecured lending segments and high PAR 90 in gold finance segment, it will lead to increase in segmental NPAs in short term. Along with this the credit cost and write off is also expected to elevate during Financial Year 2025 primarily due to deterioration in unsecured lending portfolio's such as micro finance and personal loans.

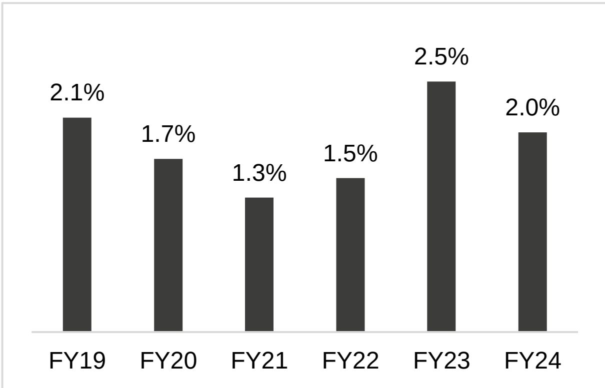
Profitability ratios of NBFCs

Credit costs for NBFCs moderately declined in Financial Year 2024



Source: CRISIL MI&A

Profitability (RoA) moderately increased in Financial Year 2024 for NBFCs



Source: CRISIL MI&A

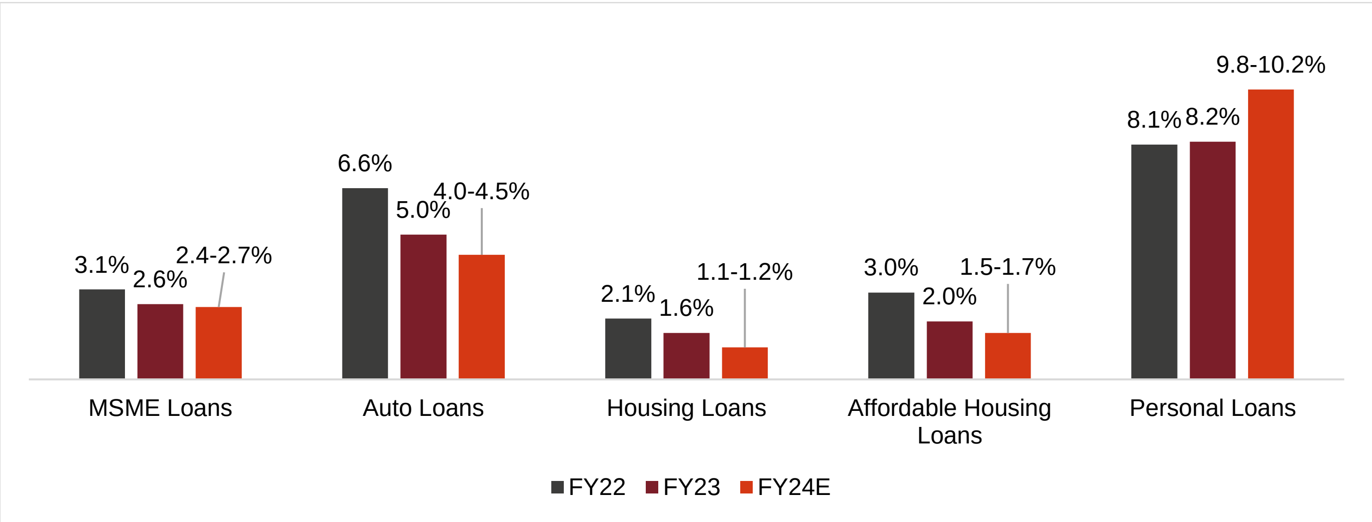
ROA Tree for NBFCs across asset classes

Asset Class	Financial Metric	Financial Year 2022	Financial Year 2023	Financial Year 2024E and Financial Year 2025P
MSME Loans	Interest income to average assets	14.5%	15.5%	15.5-16%
	Interest expense to average assets	5.6%	5.7%	5.8-6.2%
	Credit Cost	1.2%	1.3%	1.3-1.5%
	Opex	4.2%	3.6%	3.4-3.6%
	ROA	3.3%	3.7%	3.6-3.9%
Auto Loans	Interest income to average assets	12.0%	12.4%	13.2-13.4%

Asset Class	Financial Metric	Financial Year 2022	Financial Year 2023	Financial Year 2024E and Financial Year 2025P
	Interest expense to average assets	6.0%	5.8%	6.9-7.1%
	Credit Cost	2.5%	1.8%	1.6-1.8%
	Opex	1.6%	2.5%	2.0-2.2%
	ROA	1.9%	2.3%	2.4-2.6%
Housing Loans	Interest income to average assets	8.7%	9.2%	9.5-9.7%
	Interest expense to average assets	5.7%	5.9%	6.2-6.4%
	Credit Cost	0.6%	0.5%	0.3-0.5%
	Opex	0.9%	0.9%	0.8-1.0%
	ROA	1.5%	1.9%	1.9-2.1%
Affordable Housing Loans	Interest income to average assets	9.9%	10.3%	10.8-11.0%
	Interest expense to average assets	5.4%	5.4%	5.8-6.0%
	Credit Cost	0.7%	0.4%	0.2-0.4%
	Opex	1.5%	1.7%	1.7-1.9%
	ROA	2.3%	2.8%	2.8-3.0%
Personal Loans	Interest income to average assets	16.4%	16.8%	16.6-17.0%
	Interest expense to average assets	6.5%	6.7%	6.6-6.8%
	Credit Cost	3.6%	3.2%	2.8-3.2%
	Opex	4.5%	4.4%	4.2-4.4%
	ROA	3.6%	3.2%	2.8-3.2%

Source: CRISIL MI&A, Company Documents, Note: Ratios on average total assets

GNPAs for NBFCs across asset classes



Source: CRISIL MI&A, Company Documents, Note: Ratios on average total assets

MSME Credit in India

Overview of MSME Sector in India

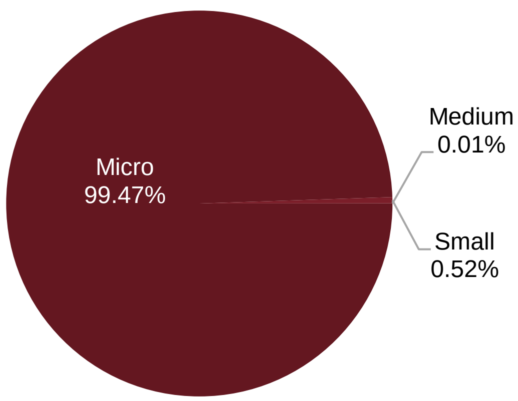
As of March 31, 2022, there are approximately 70 million MSMEs in India contributing to a substantial portion of the national GDP and total workforce. The MSME sector contributes to India's socio-economic development by providing huge employment opportunities in rural and backward areas, reducing regional imbalances, and assuring equitable distribution of national wealth and income. The Government expects that MSMEs' contribution to GDP to increase from 29.2% in Financial Year 2022 to 40-50% by Financial Year 2030. As of the Financial Year 2024, 45.7% of India's exports are by MSMEs thus supporting economic development and growth. As per Ministry of Micro, Small and Medium Enterprises, 57 million MSMEs are registered on Udyam Registration Portal and Udyam Assist Platform (UAP) providing employment to about 241.4 million people as of December 2024. (*Source: The MSME Revolution, Year End Review – 2024, Ministry of Micro, Small & Medium Enterprises*)

MSME segment accounts for ~29% of Indian GDP

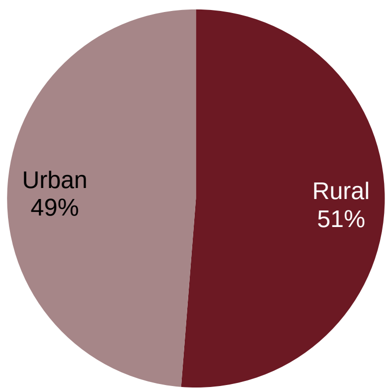
₹ (in trillion)	Total MSME GVA	Growth (%)	Total GVA	Share of MSME in GVA (%)	All India GDP	Share of MSME in All India GDP (in %)	Number of MSMEs (in millions) *
Financial Year 2016	41	11.0%	126	32.3%	138	29.7%	63.5
Financial Year 2017	45	10.9%	140	32.2%	154	29.2%	65.5
Financial Year 2018	51	13.0%	155	32.8%	171	29.8%	66.5
Financial Year 2019	57	12.9%	172	33.5%	190	30.0%	68.5
Financial Year 2020	61^	7.6%	184	33.4%	201	30.5%	NA
Financial Year 2021	54^	-12.0%	182	29.7%	198	27.2%	NA
Financial Year 2022	69^	27.1%	214	32.0%	235	29.2%	70.0
Financial Year 2023	81^	8%	246	30.1%	269	NA	NA

Note: (*) – Estimated, All India GDP as of current prices, (^) Calculated numbers, Source: MSME Ministry Annual reports, Role of MSME Sector in India- Ministry of Micro, Small & Medium Enterprises, Source: https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1946375, CRISIL MI&A

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

Maharashtra, Tamil Nadu and Uttar Pradesh account for the highest number of registered MSMEs in the country, with Maharashtra accounting for 17%, followed by Tamil Nadu and Uttar Pradesh accounting for 10% each.

Behavioural shift in MSMEs

Due to various initiatives and schemes by the Government, MSMEs have witnessed a behavioural shift which is expected to help them in gaining more access to credit.

Formalization of MSMEs - Around 38% of total estimated number of MSMEs in India are registered under Udyam system

There has been a large push for formalization of MSMEs in recent years with an exponential increase in the number of MSMEs registered on the Udyam portal (similar government portals) from Financial Year 2016 to Financial Year 2024. Udyam certificate is 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.

MSME Credit Gap

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. The MSME sector in India faces a significant and growing credit gap. This gap, estimated at ₹58.4 trillion in 2017, is projected to have expanded to approximately ₹103 trillion by Financial Year 2024.

An IFC report titled Financing India's MSMEs (November 2018) estimated the MSME credit demand at ₹69.3 trillion in Financial Year 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 amongst 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.

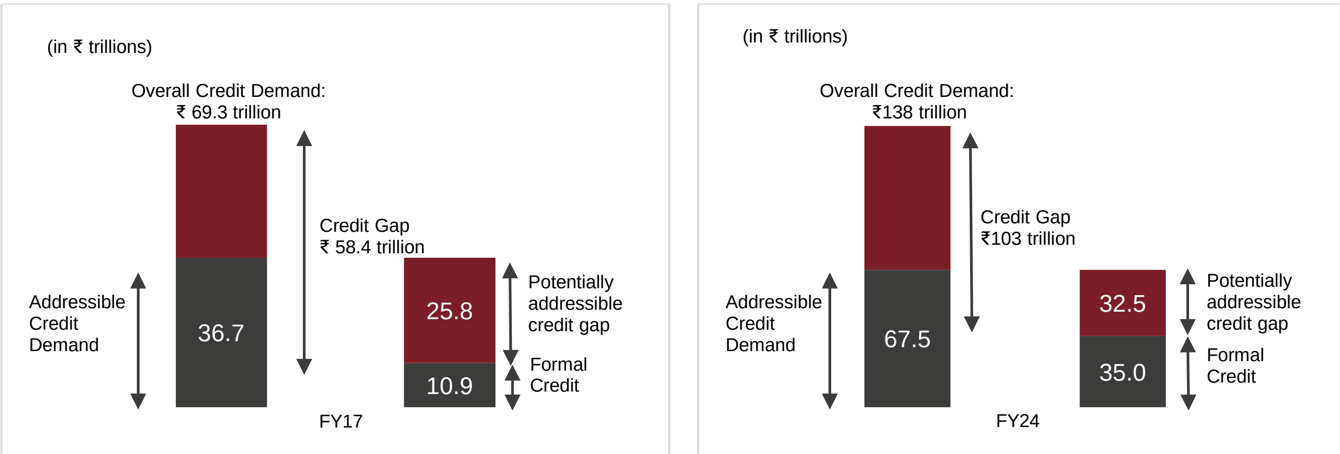
The addressable credit demand was at ₹36.7 trillion after removing demand from new MSMEs, commercially unviable MSMEs and micro MSMEs that do not seek formal financing as these types of MSMEs voluntarily go for informal source of credit on account of the process being much faster, some MSMEs are quite 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 in Financial Year 2017, formal source accounted for ₹10.9 trillion taking potentially addressable credit demand gap to ₹25.8 trillion (Financial Year 2017) which represented MSME credit gap that could have been addressed by Financial Institutions in the near term. The credit gap is estimated to have further widened over the last 4 years due to slower economic growth in Financial Year 2020, followed by the COVID-19 pandemic in Financial Year 2021.

As of Financial Year 2024, the estimated MSME credit demand in India was approximately ₹138 trillion, with only 25% of this demand being met through formal financing channels. 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 ₹103 trillion as of Financial Year 2024.

CRISIL MI&A estimates that as of Financial Year 2024, the total addressable credit demand was ₹67.5 trillion, while current formal financing amounted to ₹35 trillion leaving a potentially addressable MSME credit gap of ₹32.5 trillion to be fulfilled by financial institutions. CRISIL MI&A expects that this increase in total addressable credit demand is attributed to factors such as greater support from bank, favourable government policies and increased lender focus on tailored products and technological advancements. Technology and use of various data sources are helping lenders analyse cash flow for NTC (New to Credit) MSME customers faster and bring many MSMEs into the formal financing network. Further, this demand is expected to grow as the Government expects MSMEs' contribution to GDP to increase in the coming years.

MSME Credit Demand



Note: E: Estimated, Source: IFC report on Financing India's MSMEs dated November 2018, CRISIL MI&A estimates

Smaller enterprises relatively more starved of credit

The 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.

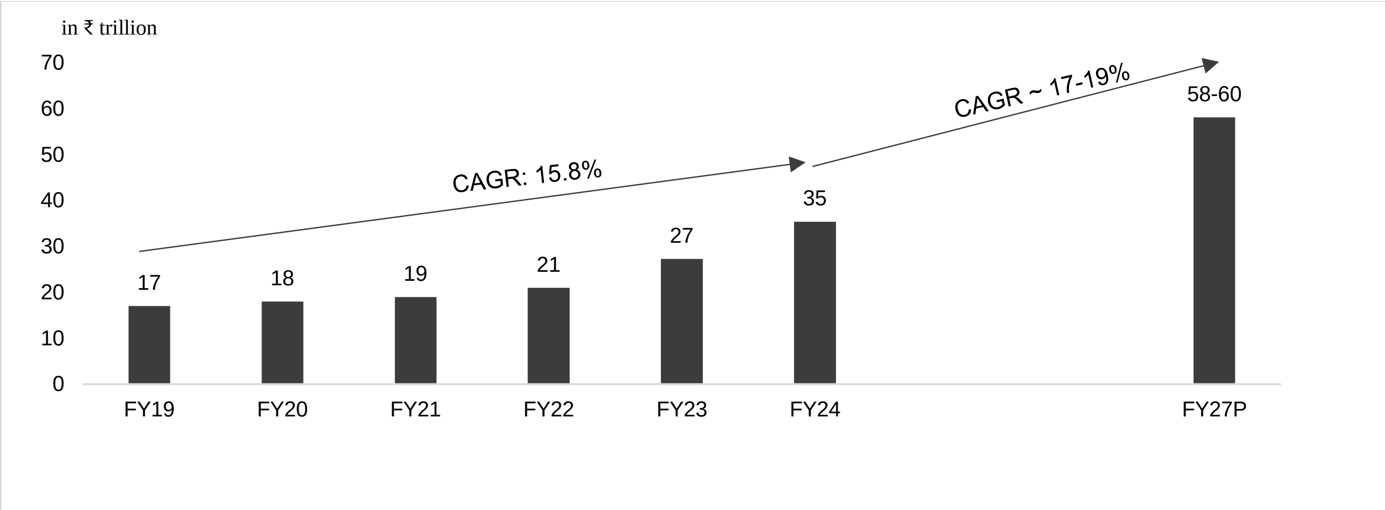
Overview of overall MSME credit in India

Overall MSME Credit Outstanding

CRISIL MI&A estimates the total size of MSME lending market across ticket sizes and various player groups (banks, NBFCs, small finance banks, and other formal lenders) to be around ₹35 trillion as of March 2024. This market size includes loans taken by MSMEs across various constitution types (sole proprietorships, partnership firms, private and public limited companies, and co-operatives) and the ticket size spectrum, and includes loans extended in the name of the firm/entity/company as well as the individuals in case of micro enterprises or entrepreneurs.

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. During Financial Year 2023, the Indian economy normalised, with industrialisation and urbanisation picking up pace. As a result, revenue increased to 20% for corporate India, while SMEs revenue grew 11%. In line with the overall growth, aggregate MSME credit grew 25% in Financial Year 2023. In Financial Year 2024, overall MSME credit grew by 22% on the back of higher credit demand from MSME's, higher focus of lenders on the asset class leading to higher disbursements. In the six months ended September 30, 2024, the credit growth in the MSME segment was slower given the overall market environment and regulator's view on overleveraging and asset quality concerns.

Portfolio outstanding (in ₹ trillion) for MSME portfolio to grow at 17-19% CAGR between Financial Year 2024 and Financial Year 2027



Source: CRISIL MI&A estimates

Growth drivers for MSME Credit

Large and increasing credit gap in the MSME segment

As per estimates, 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.

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. This 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.

Increasing access and faster TAT

Due to availability of multiple data points and technology solutions, the lending process involving documentation, verification and processing of the transactions has evolved and now takes much lesser time. Technology led enhancements such as use of big data analytics and social media campaigns to acquire customers, use of direct and derived variables for underwriting, automated processes, minimum documentations, Aadhar based e-KYC, Account aggregators, flexible repayment options due to simplified real-time digital payments system, have helped in reducing hassles, increasing access to credit for borrowers and faster TAT.

Growth in branch network of players offering MSME loans

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.

Increasing competition with entry of new players and partnerships between them

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 will 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 will expand the market for MSME loans.

Robust government support

The government has special focus on the MSME sector on account of its economic contribution to the economy and number of people employed in the sector. The government launched Udyam Assist Platform (UAP) on 11th January 2023 to enhance formalization of the 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.

Relaxation in the threshold under SARFAESI Act from ₹5 million to ₹2 million for NBFCs

In the Union Budget for 2021-2022, for NBFCs with a minimum asset size of ₹1 billion, the minimum loan size eligible for debt recovery under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI) Act, 2002 was proposed to be reduced from the existing level of ₹5 million to ₹2 million. The objective of this move is to improve credit discipline while continuing to protect the interest of small borrowers. This relaxation is expected to facilitate recovery from stressed books, help the NBFCs to improve their ability to recover smaller loans and strengthen their overall financial health. More importantly, it acts as a deterrent to default and enhances the enforceability of collateral for players focused on the medium ticket size LAP segment with loans of ₹2 million – ₹5 million.

Inclusion of retail and wholesale trade under MSME category

In July 2021, the Ministry of Micro, Small and Medium enterprises decided to include Retail and Wholesale trade as MSMEs for the purpose of Priority Sector Lending and they would be allowed to be registered on Udyam Registration Portal. The move is structurally positive from long-term perspective, as it will 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. This move will also aid in the formalization of India's retail trade and enable financial support to small and mid-sized retail businesses. By widening the scope of MSME to cover wholesale as well as retail trade, this move also creates an additional opportunity for MSME lenders to increase their penetration and business.

Prime Minister's Employment Generation Programme (PMEGP) providing margin money to MSMEs

PMEGP is a credit linked subsidy scheme to provide employment opportunities by establishing new micro enterprises in the non-farm sector where margin money is provided to MSMEs availing loan from banks to set up new enterprises. The maximum margin money provided under the scheme for setting up a new project is ₹5 million for manufacturing sector and ₹2 million for service sector. Geo-tagging for the products and services of the units set up under this scheme has been initiated. This will help the enterprises with creating market linkages.

Credit Guarantee Fund Scheme extended to cover NBFCs

One of the major reasons why MSMEs are credit-starved is the insistence by banks or financial institutions for the provision of collateral against loans. Collaterals are not easily available with such enterprises, leading to a high-risk perception and higher interest rates for these MSMEs. In order to address this issue, the government launched the Credit Guarantee Fund Scheme under the aegis of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) in order to make collateral-free credit available to micro and small enterprises. In January 2017, the scheme was extended to cover systemically important NBFCs as well.

Other government initiatives addressing structural issues in the MSME market

Some of the other government and regulatory initiatives are detailed below:

<u>Stand-up India</u>: It facilitates bank loans between ₹1 million and ₹10 million to at least one scheduled caste or scheduled tribe borrower and at least one-woman borrower per bank branch for setting up a greenfield enterprise.

<u>Make in India</u>: Launched with an intention to make India a global manufacturing hub, which in turn will provide employment to numerous youths in India

<u>Mudra loans</u>: To fulfil funding requirement of MSMEs who were earlier left out by financial institutions; credit guarantee support also offered to financiers.

59-minute loan: Online marketplace that provides in-principle approval to MSME loans up to ₹10 million in 59 minutes.

Unified Payments Interface 2.0 (UPI 2.0): Real-time system for seamless money transfer from account

Trade Receivables Discounting System (TReDS): Institutional mechanism to facilitate financing of trade receivables of MSMEs from corporates and other buyers through multiple financiers.

In an amendment to Factoring Regulation Act, 2011, the Lok Sabha passed the Factoring Regulation (Amendment) Bill in July 2021, which is expected to support more participation from NBFCs.

Further, there have been several schemes by the government such as Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship, Scheme of Fund for Regeneration of Traditional Industries, Micro and Small Enterprises-Cluster Development Programme, MSME Champions Scheme, etc.

Digital penetration

The lenders have been increasingly leveraging technology solutions and alternative data to source and underwrite MSME loans. Such changes in MSME lending have been driven by:

Digital/technological changes:

E-commerce platforms (B2C and B2B): Connecting buyers and sellers.

Introduction of digital lending focused NBFCs: Use of technology to provide MSME lending.

Low-cost internet data availability: Facilitating increase in internet penetration.

Government led initiatives:

Introduction of UPI: Simplified real-time digital payments.

GST implementation: Simplified business taxes, Improved formalization of businesses.

Aadhaar based e-KYC: Reduced documents requirements, faster TAT, Aadhaar-PAN linkage facilitating lenders to verify information.

ONDC: Facilitated adoption of e-commerce through open protocol.

RBI-led initiatives:

TReDS: TReDS is an electronic platform for facilitating the financing/discounting of trade receivables of MSMEs through multiple financiers.

Account aggregators: Act as a common platform which enable sharing and consumption of data from various entities with user consent.

Above are some of the broad initiatives in the market which are assisting lenders to facilitate growth in MSME lending market by leveraging technologies and alternate data points.

Additionally, such technological changes have led to innovative, simple, and cost-effective processes.

Customer acquisition/Sourcing: Lenders can use big data analytics, social media campaigns, partner with various stakeholders such as e-commerce platforms, provide multilingual chatbots, mobile apps, etc. to generate leads, and acquire customers. This makes the application process convenient and quick and increases the success rate of customer onboarding.

Underwriting: Lenders can use alternative data points (direct and derived variables) to assess creditworthiness of borrowers. Usage of advanced algorithms to identify risk profiles and repayment ability of borrowers can lead to sanctioning of loans to underserved and new-to-credit customers within minutes.

Through proprietary scorecard model-based underwriting system for MSME rural loans, lenders assess a borrower's income-earning capacity by evaluating customers' asset documentation, cash flows, and income and non-income-related documents. Additionally, lenders also conduct reference checks within the borrower's local community, including their trading ecosystem, friends, family, and neighbours. This approach goes beyond traditional metrics such as documentation and credit scores typically used by banks and financial institutions, enabling a more holistic and tailored assessment of creditworthiness.

Collection: Flexible repayment options can be provided with initiatives such as e-NACH, UPI and other digital payment options which make the collection process easier and increase collection efficiency.

With all these changes in the lending process, penetration of digital lending has been increasing in the past few years with lenders trying to provide all the services digitally to customers.

Key success factors for NBFCs offering MSME Loans

<u>Ability to dive into deeper geographies with a strong branch network</u>: 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.

<u>Focussed approach to tap underserved niche borrower segments</u>: 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.

<u>Strong underwriting capabilities</u>: 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.

<u>On-the-ground presence to manage collections and maintain portfolio quality</u>: 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.

<u>Collateral risk management</u>: 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.

Comparison of various MSME focussed NBFCs based on yield on advances and average ticket size (Financial Year 2024)

Average ticket size more than or equal to ₹10 lakhs	Fedbank Financial Services Ugro Capital Capri Global Poonawalla Fincorp	Bajaj Finance Vistaar Financial Services	Neogrowth
Average ticket size less than ₹10 lakhs	HDB Financial SBFC Finance	IIFL Finance	Veritas Finance Five-Star Business Finance Aye Finance Lendingkart Finance Finova Capital Kinara Capital

Note: Yield based on overall portfolio, Source: Company Reports, CRISIL MI&A

Comparison of players based on secured and unsecured loans mix in small business loans with asset quality

MSME players offering unsecured business loans (GNPA ratio)	MSME players offering secured business loans (GNPA ratio)
Neogrowth Credit (3.7%) LendingKart Finance (2.9%) Indifi Capital (3.4%) Kinara Capital (5.7%)	HDB Financial Services (1.9%) Ugro Capital (2.0%) Fedbank Financial services (1.7%) Poonawalla Fincorp (1.2%) SBFC Finance (2.5%) Finova Capital (1.8%) Veritas Finance (1.8%) Vistaar Financial Services (2.7%) Five Star Business Finance (1.4%)
Average GNPA ~ 4%	Average GNPA ~ 2%

Note: GNPA on overall portfolio, Source: Company Reports, CRISIL MI&A

Overall Secured MSME Portfolio Outstanding

Overall Secured MSME portfolio outstanding is projected to grow by 16-18% over Financial Year 2024 – Financial Year 2027

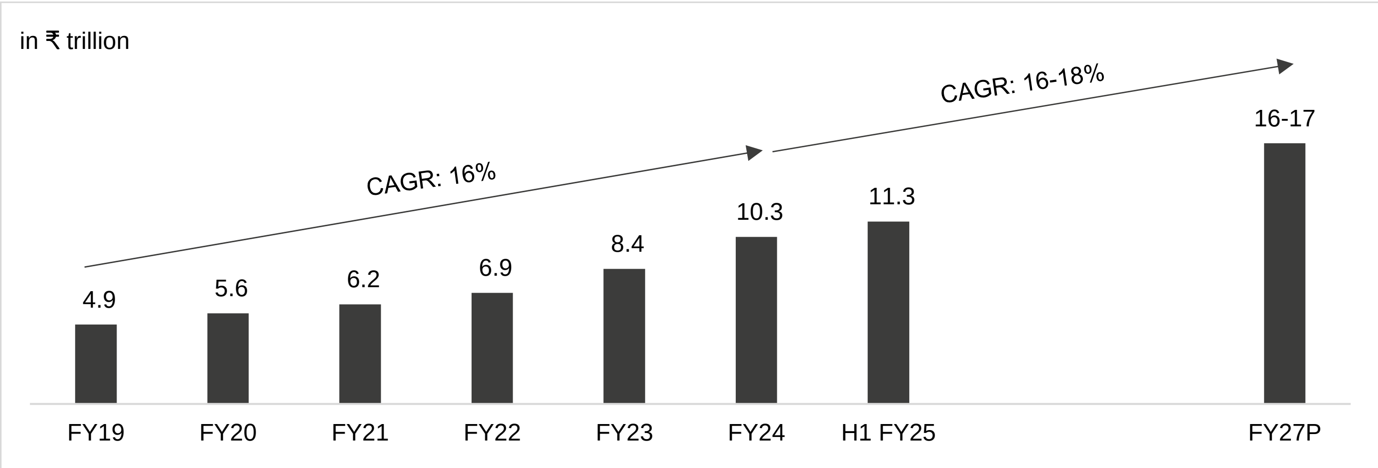
Overall Secured MSME loan segment grew at a strong pace with portfolio outstanding registering a CAGR of ~16% from Financial

Year 2019 to Financial Year 2024. CRISIL MI&A estimates such outstanding secured MSME loans given out by banks and NBFCs to be around ₹10.3 trillion as of Financial Year 2024. A secured MSME loan can be obtained by mortgaging a residential or commercial real estate with the lender.

The loan product can be used for personal or business objectives, and both salaried and self-employed individuals are eligible to apply. The main purpose of the loan is not strictly regulated as it offers the financier security in the form of real estate. Secured MSME offers a lower interest rate than a personal or corporate loan. Self-employed borrowers are provided unsecured MSME loans in the absence of a collateral.

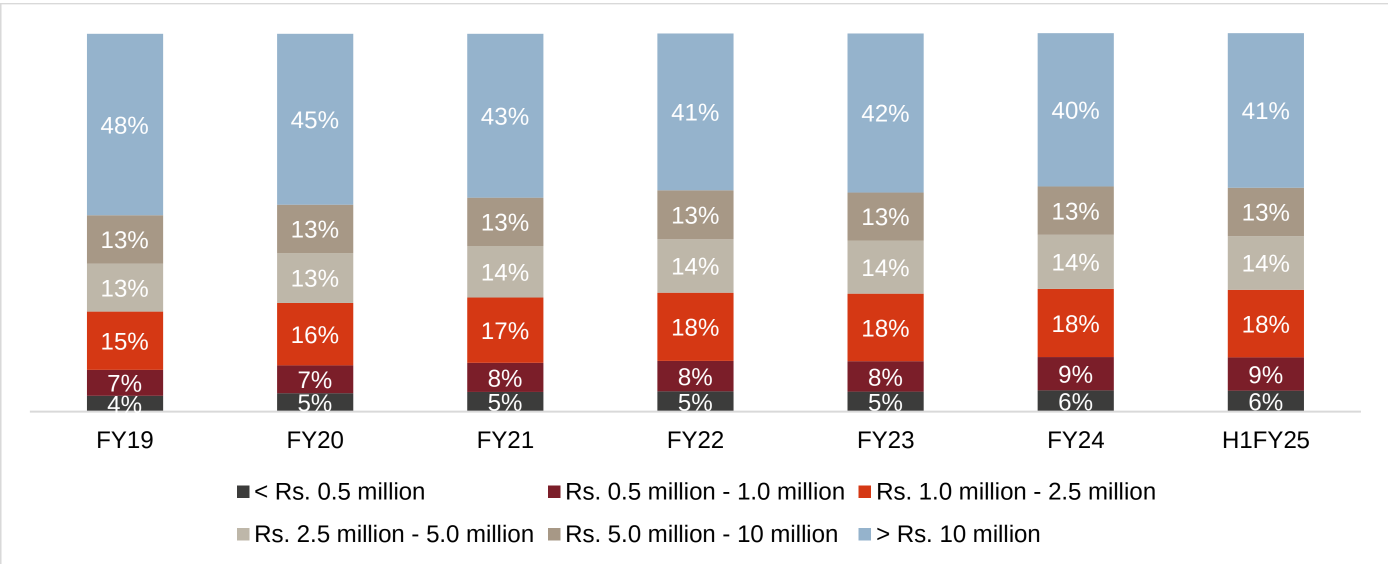
Over the last few years, expansion in branch network, more data availability and government initiatives like GST, Udyam, and increasing formalisation of the MSME segment has led to increasing focus of lenders, especially the NBFCs, on this space. NBFCs (including HFCs, NBFC-Fintech) enjoy a market share of 38% as of September 2024 in overall secured MSME portfolio outstanding.

Overall Secured MSME portfolio outstanding is projected to grow by 16-18% over Financial Year 2024 to Financial Year 2027



Note: P: Projected, Source: CRIF Highmark, CRISIL MI&A

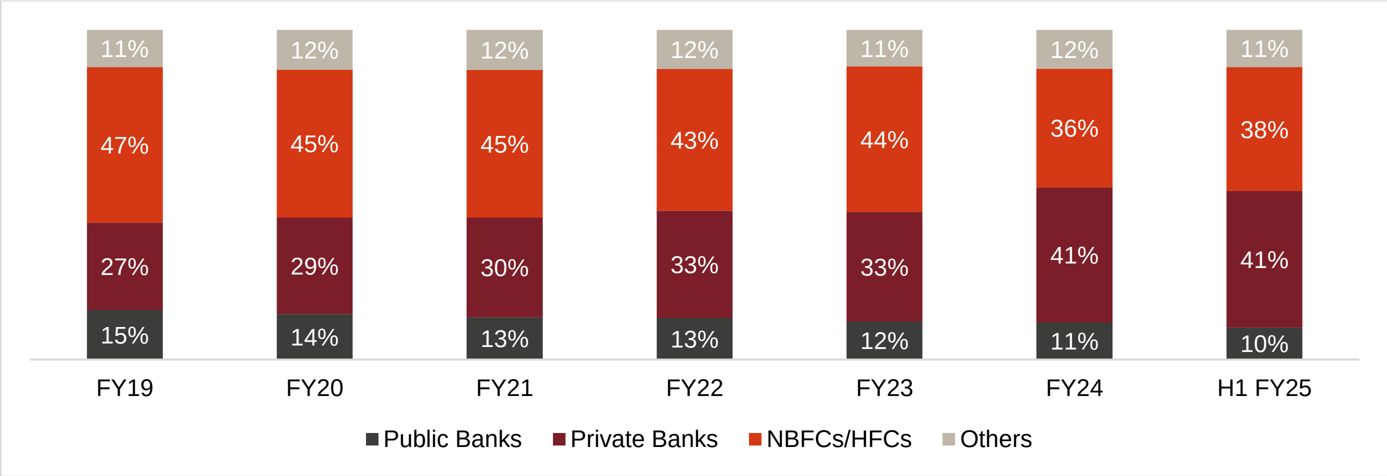
Share of overall secured MSME portfolio outstanding with ticket size < ₹0.5 million has been increasing in the overall pie



Source: CRIF Highmark, CRISIL MI&A

NBFCs/HFCs have established a significant presence in MSME loans by prioritizing customer needs, ensuring quick turnaround times, delivering excellent customer service, and expanding their geographic reach. Over time, the MSME portfolio of NBFCs has shown faster growth compared to the overall MSME portfolio at a systemic level. CRISIL MI&A expects the competitive positioning of NBFCs to remain strong, given their strong target customer and product focus.

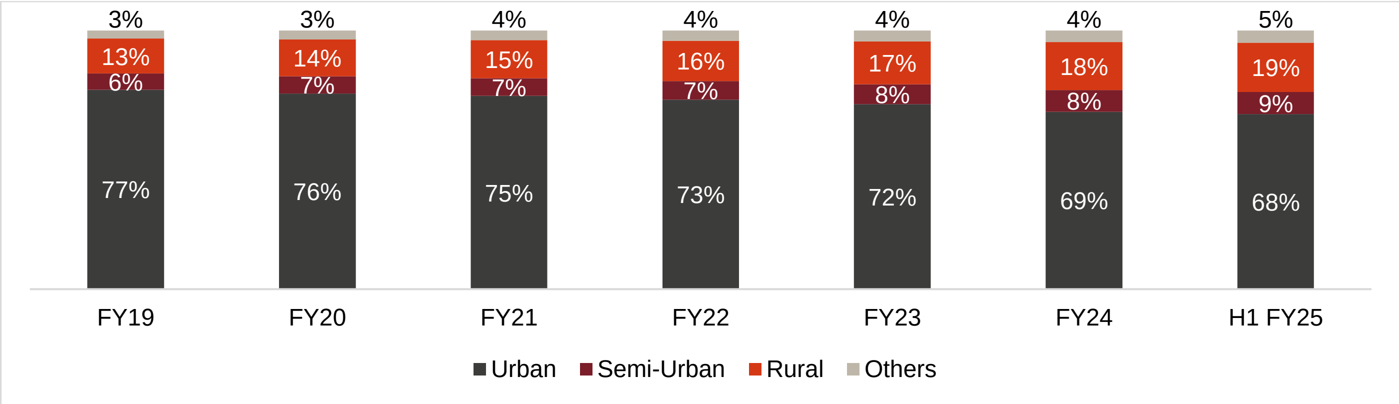
Share of lender wise portfolio outstanding in overall Secured MSME portfolio outstanding



Note: On account of merger of HDFC Bank with HDFC Limited, share of private banks has shown a sudden increase in Financial Year 2024.

Source: CRIF Highmark, CRISIL MI&A

Share of Rural and Semi Urban areas in overall secured MSME portfolio outstanding has increased to 19% and 9% respectively, as of H1 Financial Year 2025



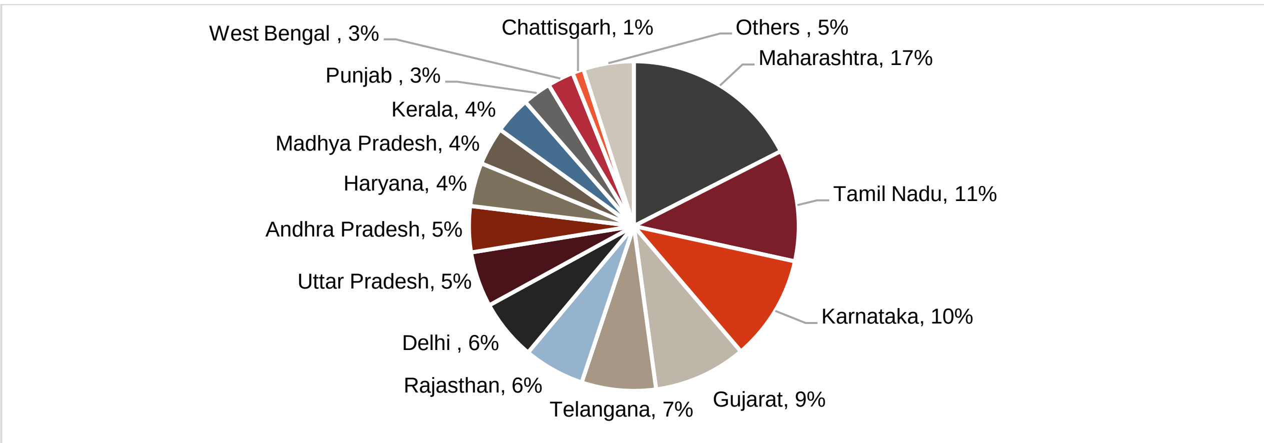
Note: Others include unclassified areas, Source: CRIF Highmark, CRISIL MI&A

Lenders are utilizing technologies like AI, ML, and alternative credit scoring mechanisms to determine customer's creditworthiness. These non-traditional data points are assisting in the underwriting process for customers with limited credit history. The share of MSMEs obtaining secured loans who are new to credit has improved from 2.4% to 3.0% from Financial Year 2019 to Financial Year 2024.

Maharashtra reported the highest share in overall Secured MSME portfolio outstanding as of Financial Year 2024

As of H1 Financial Year 2025, Maharashtra reported the highest portfolio outstanding of overall secured MSME portfolio outstanding at 17% followed by Tamil Nadu (11%), Karnataka (10%), Gujarat (9%) and Telangana (7%).

Share of states in overall secured MSME portfolio outstanding (H1 Financial Year 2025)



Note: Others include Bihar, Uttarakhand, Odisha, Assam, Jharkhand, Chandigarh, Himachal Pradesh, Goa, Pondicherry, Jammu & Kashmir, Tripura, Dadra &

Nagar Haveli, Meghalaya, Sikkim, Manipur, Mizoram, Nagaland, Daman & Diu, Arunachal Pradesh, Andaman and Nicobar, Lakshadweep and other unclassified loans outstanding

Source: CRIF Highmark, CRISIL MI&A

Similarly, in terms of disbursement, Maharashtra recorded the highest amount at ₹683 billion, followed by Tamil Nadu, Karnataka, Gujarat, and Telangana as of Financial Year 2024. The top 15 states collectively contributed to approximately 95% of the market share of overall secured MSME portfolio outstanding as of H1 Financial Year 2025.

State wise analysis of overall secured MSME portfolio outstanding

State	GSDP at constant prices Financial Year 2024 (in ₹ billion)	Portfolio Outstanding H1 Financial Year 2025 (in ₹ billion)	Portfolio CAGR Financial Year 2019- H1 Financial Year 2025	Disbursement Financial Year 2024 (in ₹ billion)	Disbursement CAGR Financial Year 2019-Financial Year 2024	GNPA H1 Financial Year 2025
Maharashtra	21,656*	1,979	14%	683	11%	5.6%
Tamil Nadu	15,726	1,238	16%	422	13%	3.5%
Karnataka	14,232	1,167	17%	414	15%	5.3%
Gujarat	14,756*	1,027	16%	369	16%	2.4%
Telangana	7,679	824	28%	309	25%	1.4%
Delhi	6,722	671	9%	277	9%	2.8%
Rajasthan	8,426	675	18%	242	18%	2.7%
Uttar Pradesh	14,234	613	18%	226	19%	3.2%
Andhra Pradesh	8,209	511	21%	176	19%	2.9%
Haryana	6,340	482	17%	210	22%	1.9%
Kerala	6,162*	411	16%	110	7%	12.2%
Madhya Pradesh	6,604	422	22%	146	22%	3.7%
Punjab	4,933	315	14%	109	13%	3.8%
West Bengal	9,041	292	15%	105	12%	6.5%
Chattisgarh	3,219	125	14%	40	15%	3.5%
Bihar	4,425*	107	30%	38	32%	2.2%
Uttarakhand	2,134	93	16%	31	13%	2.9%
Odisha	5,039	92	24%	33	21%	3.9%
Assam	3,186	61	26%	22	29%	3.8%
Jharkhand	2,598*	47	29%	18	28%	3.2%
Chandigarh	339*	39	9%	15	8%	2.1%
Himachal Pradesh	1,428	25	17%	9	14%	7.0%
Goa	599*	21	10%	6	3%	4.0%
Pondicherry	288*	18	13%	5	7%	4.9%
Jammu & Kashmir	1,392	18	22%	7	19%	2.6%
Tripura	430*	7	43%	2	36%	4.2%
Dadra &	-	5	28%	2	22%	2.3%

Nagar Haveli						
Meghalaya	265	4	28%	2	33%	2.6%
Sikkim	221*	3	14%	1	-8%	1.5%
Manipur	205**	3	33%	0	11%	7.8%
Mizoram	185**	3	50%	1	46%	5.3%
Nagaland	193*	2	18%	1	18%	2.2%
Daman & Diu	-	2	26%	1	18%	3.1%
Arunachal Pradesh	211*	2	35%	1	22%	2.1%
Andaman and Nicobar	72**	1	15%	0	12%	11.0%

Note: (*) GSDP as of Financial Year 2023, (**) GSDP as of Financial Year 2022, GNPA calculated as sum of portfolio with > 90 DPD, Source: CRIF Highmark, CRISIL MI&A

Average ticket size (ATS) decreased for all lenders except Public Banks from Financial Year 2019 to Financial Year 2024

As of Financial Year 2024, private banks recorded the highest average ticket size of ₹2.43 million, trailed by Public Banks, NBFCs, HFCs, and other lenders. With the exception of public banks, all other lenders witnessed a decline in the average ticket size within the overall secured MSME portfolio outstanding.

ATS (in ₹ Million)	**Financial Year 2019**	**Financial Year 2020**	**Financial Year 2021**	**Financial Year 2022**	**Financial Year 2023**	**Financial Year 2024**	**H1 Financial Year 2025**
Public Banks	2.15	2.05	1.76	1.99	2.24	2.36	2.41
Private Banks	2.54	2.38	1.98	2.13	2.15	2.43	2.34
NBFCs	2.64	1.75	1.76	1.96	2.15	2.31	2.52
HFCs	2.02	1.57	1.39	1.44	1.52	1.62	1.76
Others	1.64	1.54	1.22	1.39	1.58	1.47	1.44

Note: Others include foreign banks, SFBs and other small lenders, Source: CRIF Highmark, 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. There therefore exists a plethora of players – universal banks, small finance banks, 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:

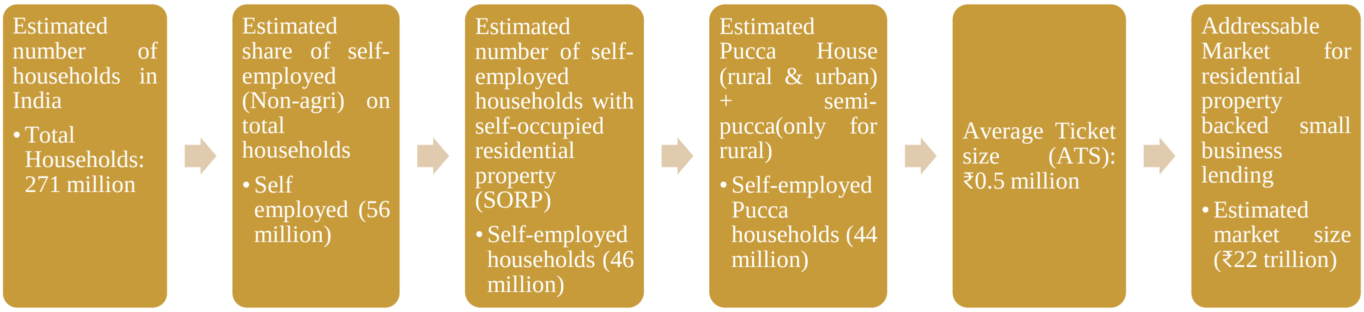
Number of households from NSS 76th round (July 2018-December 2018)

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 SBFC Finance Limited, Five Star Business Finance Limited, Vistaar Financial Services Private Limited, Veritas Finance Private Limited, Finova Capital, Kinara Capital etc. 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 (Financial Year 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.

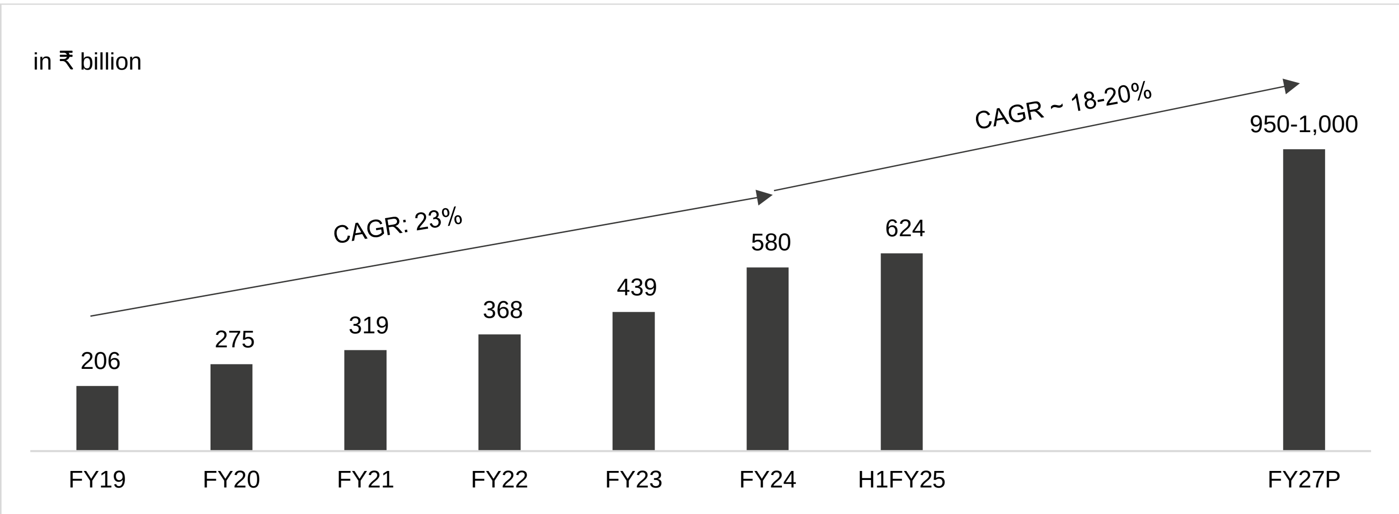
Most small businesses in India do not maintain documents such as income proof, business registration, GST registration, income tax filings, and bank statements, making credit assessment challenging. These businesses have limited or no access to formal credit from banks and financial institutions due 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.

Secured MSME portfolio outstanding (< ₹0.5 million)

In this section, CRISIL MI&A has considered secured MSME loans < ₹0.5 million as reported in the consumer bureau for analysis. Secured MSME loan segment grew at a strong pace with portfolio outstanding registering a CAGR of 23% from Financial Year 2019 to Financial Year 2024. CRISIL MI&A estimates such outstanding secured MSME loans given out by banks and NBFCs to be around ₹580 billion as of Financial Year 2024. Secured MSME portfolio outstanding (< ₹0.5 million) outpaced the overall secured MSME lending in terms of CAGR growth by registering 23% from Financial Year 2019 to Financial Year 2024.

Secured MSME portfolio (< ₹0.5 million) to grow at 18-20% CAGR over Financial Year 2024 to Financial Year 2027

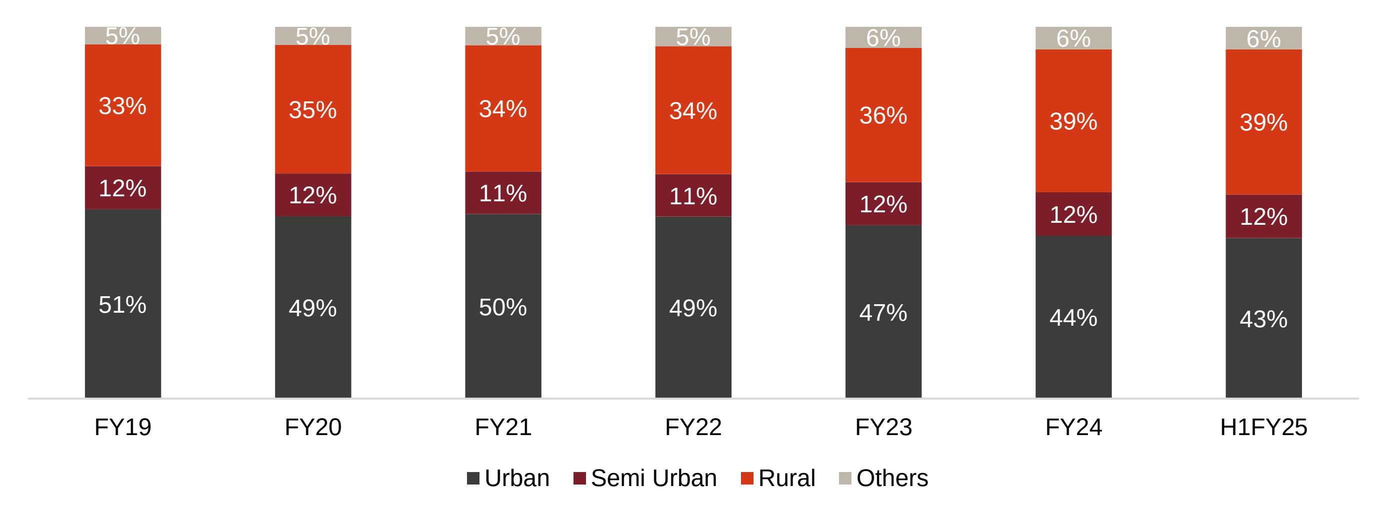


Note: P: Projected Source: CRIF Highmark, CRISIL MI&A

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 Financial Year 2024 and Financial Year 2027 aided by increasing focus and higher penetration 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.

Rural areas increased its market share in secured MSME portfolio outstanding (< ₹0.5 million) by 6% from Financial Year 2019 to Financial Year 2024, Whereas market share of urban decreased to 43% in H1 Financial Year 2025 from 51% in Financial Year 2019. Semi urban's market share remained unchanged at 12% during the same period.

Location wise portfolio outstanding for secured MSME portfolio outstanding (< ₹0.5 million)

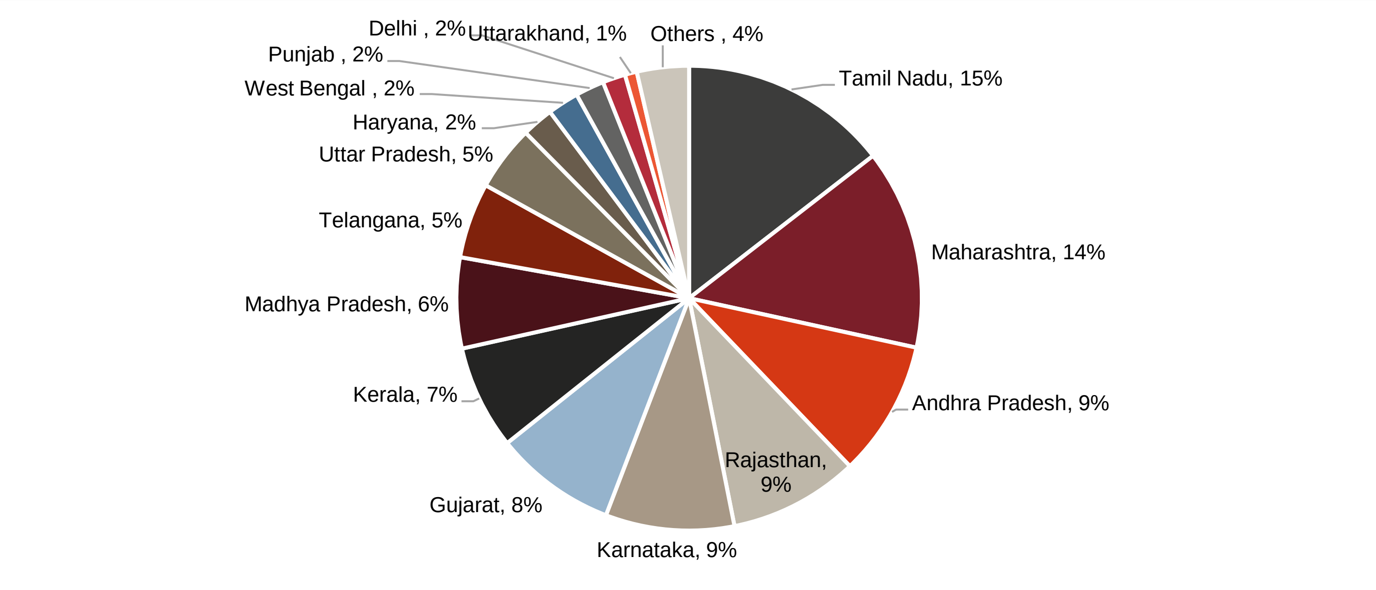


Note: Others include unclassified areas, Source: CRIF Highmark, CRISIL MI&A

Tamil Nadu has the highest share of Secured MSME portfolio outstanding (< ₹0.5 million) as of H1 Financial Year 2025

As of H1 Financial Year 2025, Tamil Nadu reported the highest portfolio outstanding of secured MSME portfolio outstanding (< ₹0.5 million) at 15% followed by Maharashtra (14%), Andhra Pradesh (9%) and Rajasthan (9%).

Share of states in secured MSME portfolio outstanding (< ₹0.5 million) (H1 Financial Year 2025)



Note: Others include Bihar, Uttarakhand, Odisha, Assam, Jharkhand, Chandigarh, Himachal Pradesh, Goa, Pondicherry, Jammu & Kashmir, Tripura, Dadra & Nagar Haveli, Meghalaya, Sikkim, Manipur, Mizoram, Nagaland, Daman & Diu, Arunachal Pradesh, Andaman and Nicobar, Lakshadweep and other unclassified loans outstanding

Source: CRIF Highmark, CRISIL MI&A

State wise analysis of secured MSME portfolio outstanding < ₹0.5 million

State	Portfolio Outstanding < Rs. 0.5 Mn. FY24 (in Rs. billion)	Portfolio CAGR FY19-24	Disbursement < Rs. 0.5 Mn. - FY24 (in Rs. billion)	Disbursement CAGR FY19-24	ATS < Rs. 0.5 million (Rs. 000's)	GNPA FY24
Tamil Nadu	87	21%	30	11%	260	5.0%
Maharashtra	80	22%	23	13%	186	5.5%
Karnataka	53	15%	18	13%	226	11.9%
Andhra Pradesh	53	25%	23	22%	312	3.0%
Rajasthan	51	26%	20	22%	258	4.7%
Gujarat	50	24%	15	17%	180	3.0%
Kerala	43	32%	11	10%	266	16.4%
Madhya Pradesh	35	33%	15	32%	249	3.6%
Telangana	30	34%	12	30%	263	3.1%
Uttar Pradesh	25	20%	9	23%	208	4.4%
West Bengal	12	24%	4	11%	208	5.7%
Haryana	12	22%	5	28%	206	3.8%
Punjab	12	17%	4	18%	202	4.0%
Delhi	9	25%	3	18%	169	3.8%
Chattisgarh	5	16%	2	19%	136	3.8%
Uttarakhand	5	17%	1	10%	165	1.7%
Odisha	5	27%	2	22%	221	4.4%
Bihar	3	24%	1	33%	198	3.2%
Jharkhand	2	32%	1	35%	231	4.5%
Assam	2	21%	1	29%	152	4.1%
Himachal Pradesh	1	3%	0.2	-5%	181	8.6%
Pondicherry	1	17%	0.2	5%	241	4.4%
Goa	1	7%	0.1	-9%	201	1.9%
Chandigarh	1	13%	0.2	14%	165	1.4%
Dadra & Nagar Haveli	0.4	27%	0.1	18%	149	0.8%
Jammu & Kashmir	0.3	10%	0.1	-1%	182	18.7%
Tripura	0.2	26%	0.1	34%	126	2.8%
Daman & Diu	0.1	21%	0.03	7%	117	1.1%
Manipur	0.1	29%	0.04	38%	269	8.2%
Meghalaya	0.1	14%	0.03	10%	97	1.9%
Mizoram	0.1	-5%	0.02	1%	304	10.2%
Sikkim	0.04	19%	0.01	34%	171	9.4%
Nagaland	0.04	-7%	0.02	-3%	264	3.0%
Andaman and Nicobar	0.02	11%	0.004	10%	141	17.9%
Arunachal Pradesh	0.01	17%	0.004	15%	178	3.6%
Lakshadweep	0.004	26%	0.001	27%	137	0.0%

Note: GNPA calculated as sum of portfolio with > 90 DPD, Source: CRIF Highmark, CRISIL MI&A

Asset Quality Metrics

Private banks had the best asset quality among major lenders with 90+ DPD at 1.3% as of H1 Financial Year 2025

Asset quality for all lenders deteriorated in Financial Year 2021 due to the pandemic where income of the borrowers was impacted which led to rise in GNPA numbers. With continued improvement in economic activity, better collection efficiency and strong credit growth, GNPA level started improving. As of Financial Year 2024, the GNPA ratio for overall secured MSME loans stood at 4.1%. Private Banks and NBFCs exhibited better asset quality compared to the industry level as of H1 Financial Year 2025.

Lender wise asset quality of overall secured MSME portfolio

Lender	Financial	Financial	Financial	Financial	Financial	Financial	H1 Financial

	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025
Public Banks	6.5%	8.2%	8.3%	8.7%	7.6%	5.5%	4.8%
Private Banks	1.8%	1.5%	2.2%	1.8%	1.5%	1.4%	1.3%
NBFCs	5.3%	6.1%	7.5%	7.7%	5.8%	3.8%	3.7%
HFCs	2.0%	4.5%	5.1%	5.8%	5.8%	6.3%	4.4%
Others	7.7%	10.4%	13.3%	12.4%	11.8%	9.3%	13.1%
Industry	**3.9%**	**5.1%**	**6.0%**	**6.0%**	**5.2%**	**4.1%**	**4.0%**

Note: Others include foreign banks, SFBs. Source: CRIF Highmark, CRISIL MI&A

Ticket wise asset quality

As of H1 Financial Year 2025, ticket size less than ₹0.5 million has reported the highest GNPA level at 6.9%, However, this high level of NPA gets offset to some extend by charging higher interest rates compared to other ticket sized loans. ticket size 0.5 million - 1.0 million and >10 million reported GNPA level of 4.7% each during the same time period.

Asset quality: 90+ Days Past Due ("DPD") across various ticket sizes

Ticket size	Financial Year 2019	Financial Year 2020	Financial Year 2021	Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025
< ₹0.5 million	6.8%	7.2%	8.4%	8.4%	6.7%	5.9%	6.9%
₹0.5 million - ₹1.0 million	4.3%	5.4%	6.1%	5.9%	5.0%	4.3%	4.7%
₹1.0 million – ₹2.5 million	3.3%	4.4%	5.2%	4.9%	4.0%	3.7%	3.6%
₹2.5 million – ₹5.0 million	3.4%	4.3%	5.1%	4.9%	4.0%	3.5%	3.4%
₹5.0 million – ₹10 million	3.4%	4.4%	5.3%	5.3%	4.6%	3.5%	3.4%
>₹10 million	3.9%	5.4%	6.5%	6.6%	6.1%	4.3%	4.0%
Overall (90+ DPD)	**3.9%**	**5.1%**	**6.0%**	**6.0%**	**5.2%**	**4.1%**	**4.0%**

Source: CRIF Highmark, CRISIL MI&A

Threats and challenges in MSME loan segment

MSME lending segment is expected to witness a rapid growth in the upcoming Financial Years, however, there are a few risks associated with lending to this segment.

Inadequate credit history of borrowers: Generally, small borrowers often lack credit history which is necessary for underwriting. Additionally, they do not have the financial capabilities to invest in maintaining proper accounts due to which it becomes difficult for lenders to assess their creditworthiness.

Borrowers susceptible to policy and regulatory changes: Owing to the highly dynamic industry environment, MSMEs are vulnerable to policy and regulatory changes to which they might not have a capability to cope with.

Borrowers lack liquidity and are vulnerable to cash flow challenges: MSMEs often face delays in payments which significantly impact their cash flow cycle and in-turn impact their repayment behaviour.

Borrowers are unable or unwilling to share all information: Borrowers usually do not have all the required information available because of which lenders cannot assess the borrowers in a better manner.

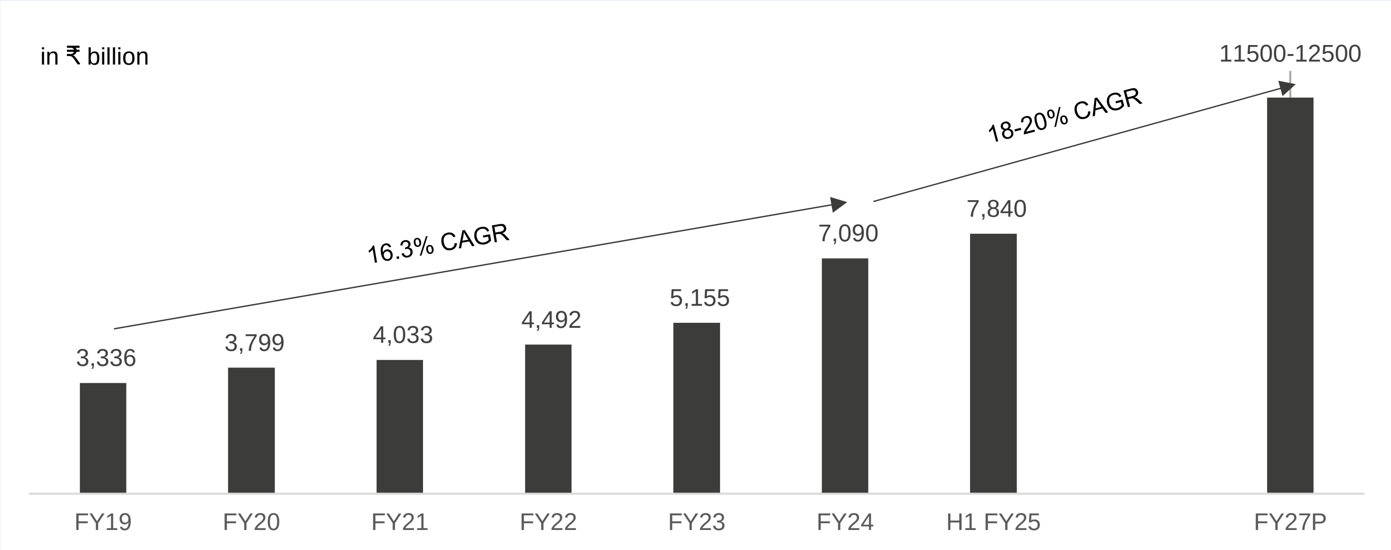
MSMEs lack of adaptability to technological changes: As technological environment is dynamic in nature and keeps on changing, it is tough for MSMEs to keep up with changes owing to lack of capital and hence face the risk of getting outdated.

Inadequate financial literacy: MSME owners often lack financial expertise. The lack of financial literacy may lead to poor financial planning.

Unsecured Business Loans

In this section, CRISIL MI&A has considered unsecured business loans as reported in the consumer bureau for analysis.

Unsecured Business Loan Portfolio witnessed a CAGR of ~16.3% from Financial Years 2019-2024



Note: Unsecured Business loan portfolio includes business loan general, business loan unsecured, and loans to professional as per bureau.

Source: CRIF Highmark, CRISIL MI&A

Overall Unsecured Business Loans sector in India, stood at ₹7,840 billion as of H1 Financial Year 2025, and ₹7,090 billion as of Financial Year 2024, witnessing a CAGR of ~16.3% from Financial Years 2019-2024. The segment has witnessed continuous growth across Financial Years, with the fastest year-on-year growth in outstanding witnessed in Financial Year 2023 and Financial Year 2024, growing at 15% and 38% year-on-year respectively. Going forward, as per CRISIL MI&A estimates, Unsecured Business Loans sector is expected to grow at a CAGR of 18-20% till Financial Year 2027, driven by the increasing number of business enterprises and increasing financial penetration in both rural and urban areas aided by multiple government initiatives in the segment. In the upcoming Financial Years, as financiers are moving to more advance methods of customer underwriting and not just taking credit bureau scores in consideration, lenders would be able to lend more, significantly helping the segment to grow at a faster pace.

Loans less than ₹0.2 million witnessed the fastest growth in Unsecured Business Loans Segment

Among ticket brackets, loans less than ₹0.2 million witnessed the fastest growth among ticket brackets growing at a CAGR of ~26%, accounting for ~6% share in overall unsecured business loan segment, this was followed by loans between ₹0.5 to ₹1.0 million growing at a CAGR of ~17.2%, accounting for ~8% share. Loans more than ₹2.5 million accounted for the highest share in unsecured business portfolio outstanding, with a share of ~63% growing at a CAGR of ~16%.

Ticket Bracket	Financial Year 2019	Financial Year 2020	Financial Year 2021	Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025	CAGR (Financial Year 2019 - H1 Financial Year 2025)
Less than ₹0.2 million	139.2	166.5	179.1	203.2	264.7	438.4	502.3	26.3%
₹0.2 million to ₹0.5 million	181.0	225.6	255.1	263.8	308.5	382.3	429.4	17.0%
₹0.5 million to ₹1 million	248.2	314.6	363.1	404.1	498.1	558.5	595.5	17.2%
₹1 million to ₹2.5 million	482.0	566.9	579.2	623.5	811.2	985.8	1105.8	16.3%
More than ₹2.5 million	2,149.4	2,399.7	2,536.6	2,891.8	3,166.5	4,570.5	4,914.2	16.2%
Others	135.8	125.8	119.6	105.1	106.5	154.4	292.8	15.0%

Note: Others include customer portfolio data in which no information on ticket size was available with the bureau, Unsecured Business loan portfolio includes business loan general, business loan unsecured, and loans to professional as per bureau.

Source: CRIF Highmark, CRISIL MI&A

NBFCs witnessed the fastest growth among lenders from Financial Year 2019 to H1 Financial Year 2025, while public sector banks accounted for the highest share

Among lenders, NBFCs witnessed the fasted growth during Financial Year 2019 to H1 of Financial Year 2025, growing at a CAGR of ~18.7% in the Unsecured Business Loan segment followed by Public Sector Banks witnessing a CAGR of ~17.9% and Private Banks growing at a CAGR of ~17.5% from Financial Year 2019 to H1 Financial Year 2025. Among lenders, Public Sector banks accounted for the highest share in credit outstanding with a share of ~47% followed by NBFCs accounting for ~23% share and private banks with 16% share.

Portfolio Outstanding (in ₹ billion)	Financial Year 2019	Financial Year 2020	Financial Year 2021	Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025	CAGR (Financial Year 2019 - H1 Financial Year 2025)
NBFCs	716.7	908.7	956.1	1,068.3	1,460.1	1,436.8	1,837.7	18.7%
Private Banks	511.1	602.5	623.5	732.2	880.4	1,135.8	1,238.5	17.5%
Public Sector Banks	1,485.7	1,610.2	1,632.5	1,813.6	1,808.6	3,440.1	3,675.4	17.9%
Others	622.1	677.6	820.8	877.5	1,006.3	1,077.2	1,088.4	10.7%

Note: Unsecured Business loan portfolio includes business loan general, business loan unsecured, and loans to professional as per bureau. Others includes SFBs, foreign banks and other small players

Source: CRIF Highmark, CRISIL MI&A

Among major lenders, Public Sector Banks had the highest average ticket size at ₹0.82 million

Among major lenders present in the Unsecured Business Loan segment, Public Sector Banks had the highest loan average ticket size at ~₹0.82 million. which was followed by private banks with their average ticket size at ~₹0.44 million. as of H1 Financial Year 25. Average ticket size for NBFCs stood at ₹0.31 million as of H1 Financial Year 2025.

Lender wise average ticket

Lender (in ₹)	Financial Year 2019	Financial Year 2020	Financial Year 2021	Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025
NBFCs	849,850	456,803	475,525	489,578	512,029	466,795	306,765
Private Banks	1,143,342	1,115,488	973,897	799,323	414,561	380,575	442,058
PSU Banks	1,170,016	1,204,186	566,424	1,592,672	1,206,068	420,296	816,638
Others	432,825	470,671	425,787	317,749	340,287	227,736	313,346

Note: Unsecured Business loan portfolio includes business loan general, business loan unsecured, and loans to professional as per bureau. Others includes SFBs, foreign banks and other small players

Source: CRIF Highmark, CRISIL MI&A

Among lenders, Private Banks and NBFCs had best asset quality in Unsecured Business Loan Segment as of H1 Financial Year 2025

Among lenders, NBFCs had the best asset quality in the Unsecured Business Loan segment with 90+ DPD at ~6% as of H1 Financial Year 2025, this was followed by Private Banks with 90+ DPD at ~7% and Public Sector banks with 90+ DPD at ~17.9% as of H1 Financial Year 2025.

Lender wise asset quality

Lender	GNPA	GNPA	GNPA	GNPA	GNPA	GNPA	GNPA H1 Financial

	Financial Year 2019	Financial Year 2020	Financial Year 2021	Financial Year 2022	Financial Year 2023	Financial Year 2024	Year 2025
NBFCs	4.3%	6.3%	8.7%	9.0%	7.8%	7.3%	6.1%
Private Banks	3.9%	4.2%	5.8%	6.0%	5.3%	6.9%	7.0%
Public Sector Banks	32.7%	37.5%	38.3%	40.5%	38.1%	19.6%	17.9%
Others	9.3%	11.0%	13.8%	14.1%	13.8%	15.1%	17.2%

Note: Unsecured Business loan portfolio includes business loan general, business loan unsecured, and loans to professional as per bureau. Others includes SFBs, foreign banks and other small players

Source: CRIF Highmark, CRISIL MI&A

Urban Regions accounted for the highest share in Unsecured Business Loan Segment, accounting for ~64% share

Urban regions accounted for the highest share in Unsecured Business Loan Segment, accounting for ~64% market share followed by rural regions accounting for ~23% share and semi-urban regions accounting for ~9.3% market share. While the fastest growth was witnessed in rural regions during the Financial Years growing at a CAGR of ~22.9% followed by semi-urban regions which grew at ~21% CAGR from Financial Year 2019 to H1 Financial Year 2025.

Region wise share of unsecured business loan segment

Tier	Financial Year 2019	Financial Year 2020	Financial Year 2021	Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025	CAGR (Financial Year 2019 - H1 Financial Year 2025)
Rural	581.4	691.2	780.9	899.0	1,126.1	1,595.7	1,805.1	22.9%
Semi-Urban	258.1	300.2	315.2	363.1	441.9	668.3	732.7	20.9%
Urban	2,387.7	2,680.0	2,799.9	3,063.8	3,396.7	4,547.1	4,981.0	14.3%
Others	108.3	127.6	136.8	165.8	190.7	278.9	321.3	21.9%

Note: Unsecured Business loan portfolio includes business loan general, business loan unsecured, and loans to professional as per bureau.

Source: CRIF Highmark, CRISIL MI&A

Profitability of NBFC Players present in the Unsecured Business Loan Segment

NBFCs in the Unsecured Business Loan segment operate with yield in the range of 23-25%, on average. With average cost of funds being in the range of 12-13%, net interest margins (NIMs) for this segment are in the range of 12-14%. CRISIL MI&A estimates the profitability in this segment to have increased in Financial Year 2024 owing to improving credit costs and increase in interest yields. Going forward, profitability to improve on the back of growth in loan book and increasing operating efficiency.

Competitive Scenario in the Unsecured Business Loan Segment

Parameter	Financial Year 2022	Financial Year 2023	Financial Year 2024
Yield on advances	25.7%	24.4%	24.6%
Cost of Borrowings	12.4%	12.2%	12.2%
Net Interest Margins	12.5%	14.2%	16.9%
Return on Assets	-3.2%	2.4%	2.9%
ROE	-11.8%	9.5%	11.7%

Sources: Company Reports, CRISIL MI&A

NBFCs operating in the Unsecured Business Loan Segment have been able to command higher margins (~16.9%) due to higher yield on advances (24.6%), with cost of borrowings at ~12.2%. leading to return on assets at 2.9% for Financial Year 2024, rising from 2.4% in Financial Year 2023, their return on equity stood at 11.7% in Financial Year 2024, rising from 9.5% in Financial Year

2023.

Key Growth Factors in the Unsecured Business Loan Landscape

Higher Interest Rate Margins: Unsecured Business Loans typically carry higher interest rates compared to secured loans. The higher yield on unsecured loans compensates for the additional risk involved, making it an attractive option for lenders seeking higher returns.

Technology Adoption: Leveraging technology in credit assessment, loan processing, and monitoring can streamline operations, reduce costs, and enhance efficiency in Unsecured Business Loan lending. Automated credit scoring models and digital platforms enable lenders to make faster decisions and serve a larger number of borrowers.

Regulatory Support: Government initiatives such as the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) provide support to lenders to offer unsecured credit to MSMEs. These schemes help mitigate risks for lenders and promote increased lending to small businesses.

Promoting Financial Inclusion: Providing Unsecured credit to micro and small enterprises plays a crucial role in promoting financial inclusion. Many small businesses lack requisite collateral to avail formal credit. By offering unsecured credit lenders can reach underserved businesses and support their growth and development.

Customised solutions: By understanding the challenges and aspirations of small businesses, lenders can provide tailored solutions, Lenders can customize financial products to suit the unique needs and cash flow patterns of Business loan borrowers, fostering long-term relationships and loyalty.

Key Risks in the Unsecured Business Loan Landscape

Inadequate credit history of borrowers: Generally, small borrowers often lack credit history which is necessary for underwriting. Additionally, they do not have the financial capabilities to invest in maintaining proper accounts due to which it becomes difficult for lenders to assess their creditworthiness..

Borrowers susceptible to policy and regulatory changes: Owing to the highly dynamic industry environment, small businesses are vulnerable to policy and regulatory changes to which they might not have a capability to cope with.

Borrowers lack liquidity and are vulnerable to cash flow challenges: Small Businesses often face delays in payments which significantly impact their cash flow cycle and in-turn impact their repayment behaviour.

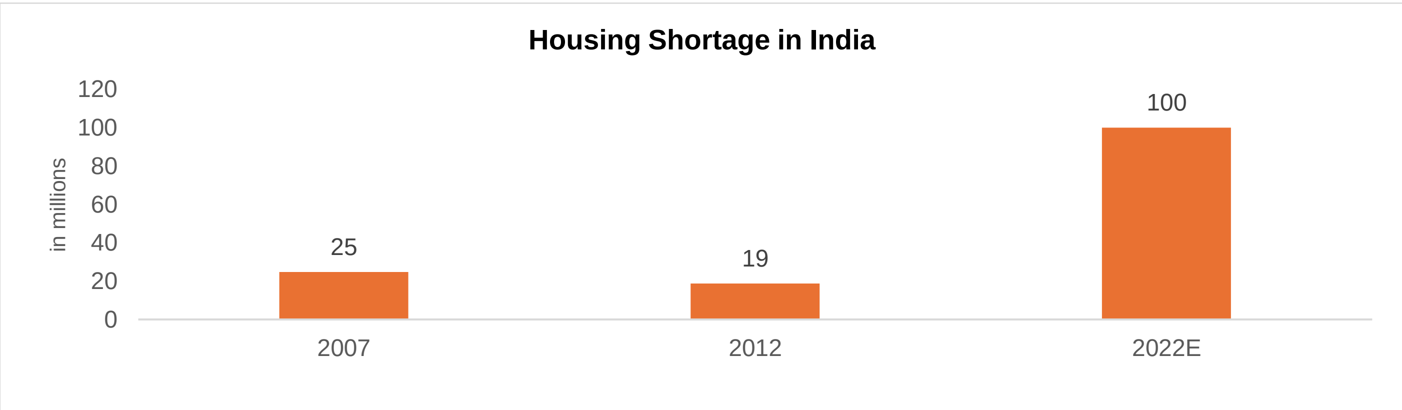
Borrowers are unable or unwilling to share all information: Borrowers usually do not have all the required information available because of which lenders cannot assess the borrowers in a better manner.

Vulnerable customer segment: The target customer segment for unsecured business loans is vulnerable to economic vagaries and the associated credit risk is relatively higher as compared to the secured business loans.

Housing Finance Industry in India

Estimated shortage and requirement of ~100 million houses in 2022

The housing shortage in India has only increased since the estimates at the time of the Twelfth Five-year plan. As per the report of RBI-appointed Committee on the Development of housing finance securitisation market (September 2019), the housing shortage in India was estimated to increase to 100 million units by 2022. Total incremental housing loans demand, if this entire shortage is to be addressed, is estimated to be in the region of ₹50 trillion to ₹60 trillion, as per the Committee report, indicating the immense latent potential of the market.

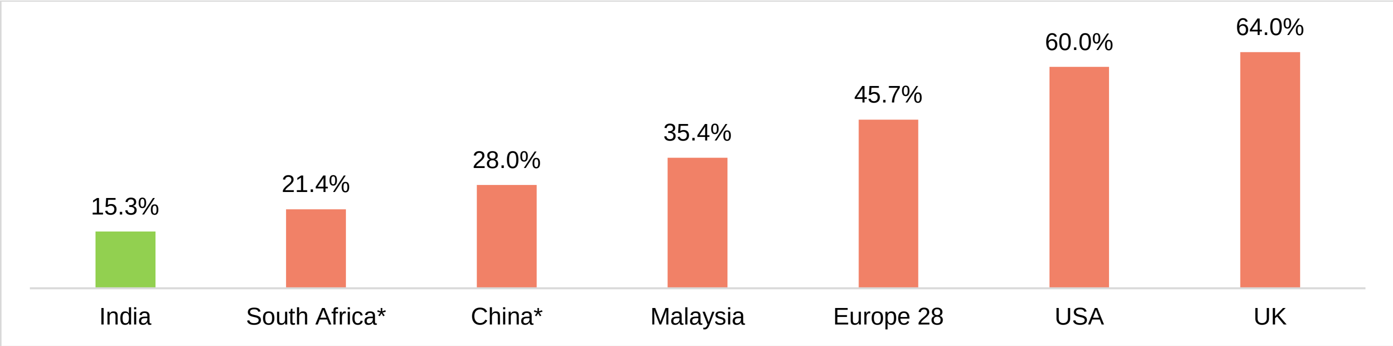


Note: E: Estimated; Source: RBI, Planning Commission, CRISIL MI&A

India's mortgage penetration is lower than other economies

India has very low penetration in terms of housing finance as compared to its rising peers which shows a high potential for expansion of Indian housing finance companies.

Mortgage-to-GDP ratio in India (Financial Year 2024) compared with other countries (Calendar Year 2018)

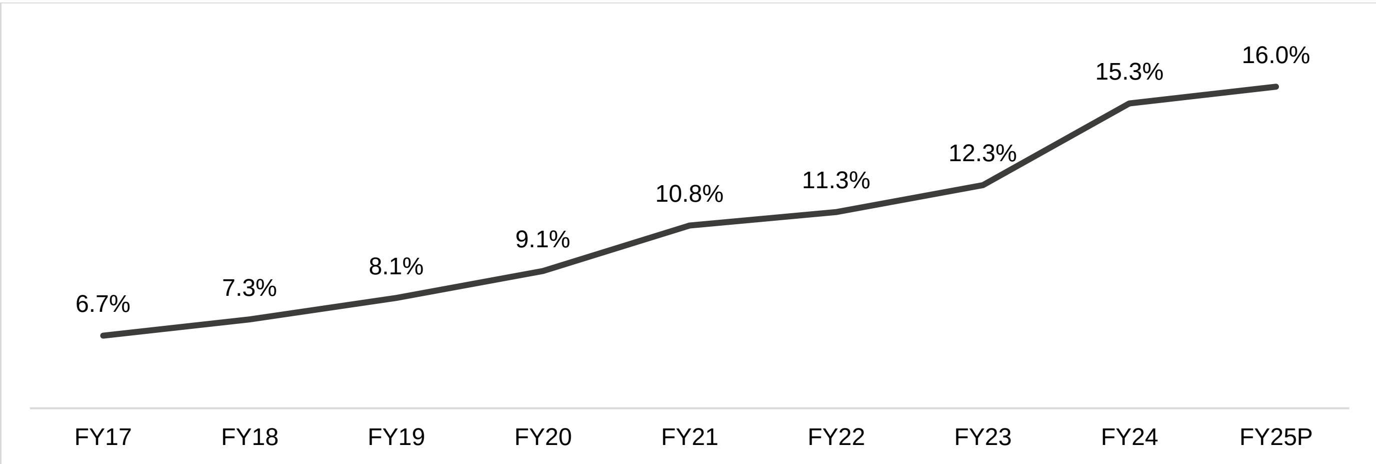


Note: (*) – As of Calendar Year 2017, Indian mortgage to GDP is for Financial Year 2024 – 15.3%; Europe 28 includes the 28 European Union Member states as of December 2018; Source: HOFINET, European Mortgage Federation, NHB, CRISIL MI&A

Mortgage-to-GDP ratio in India to grow to 16% by Financial Year 2025

In Financial Year 2023, India's mortgage-to-GDP ratio stood at 12.3%. Though low compared with other developing countries, it has significantly improved from 6.5% in Financial Year 2009. The factors that contributed to the improvement are rising incomes, improving affordability, growing urbanisation and nuclearization of families, emergence of tier-II and tier-III cities, ease of financing, tax incentives, and widening reach of financiers. Given the expected steady growth from Financial Year 2023, CRISIL MI&A projects the ratio at around 16% by Financial Year 2025.

Trend in mortgage-to-GDP ratio in India

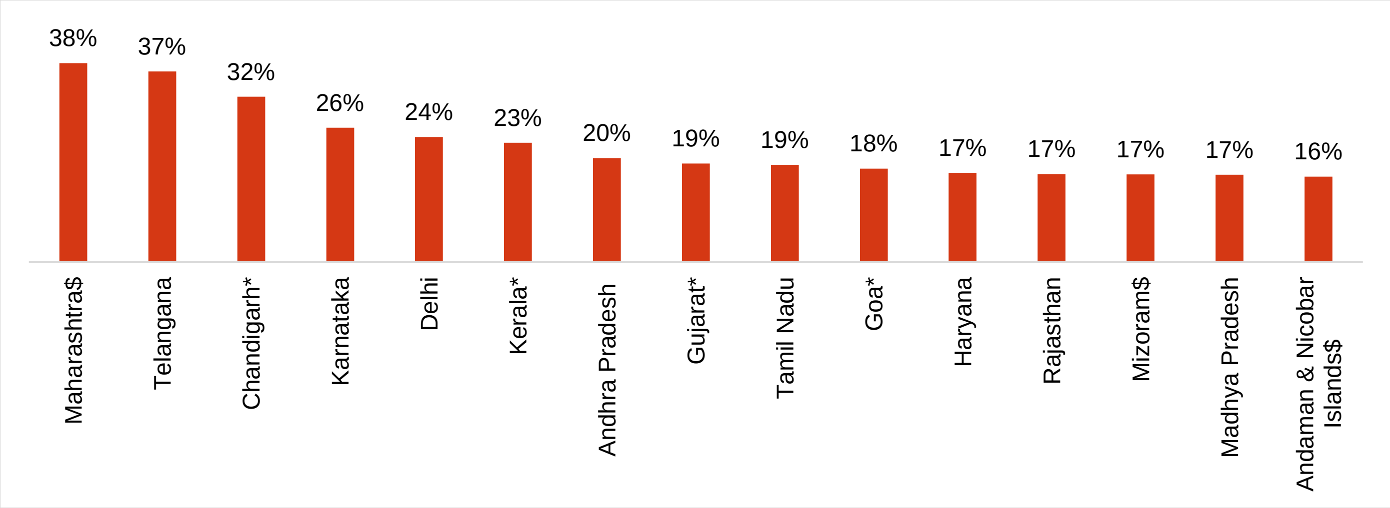


Note: P – Projected, Data for mortgage to GDP for India includes both Housing loans outstanding over constant GDP for India; Source – NHB, World Bank, CRISIL MI&A

State-wise mortgage penetration in India

The mortgage-to-GDP ratio varies widely based on home loan market size, ranges between ~3% and ~38% in Financial Year 2023. Maharashtra has the highest housing loan penetration with ~38% of GDP followed by Telangana (~37%) and Chandigarh (~32%) at second and third position respectively as of Financial Year 2024.

State wise Mortgage penetration(%)



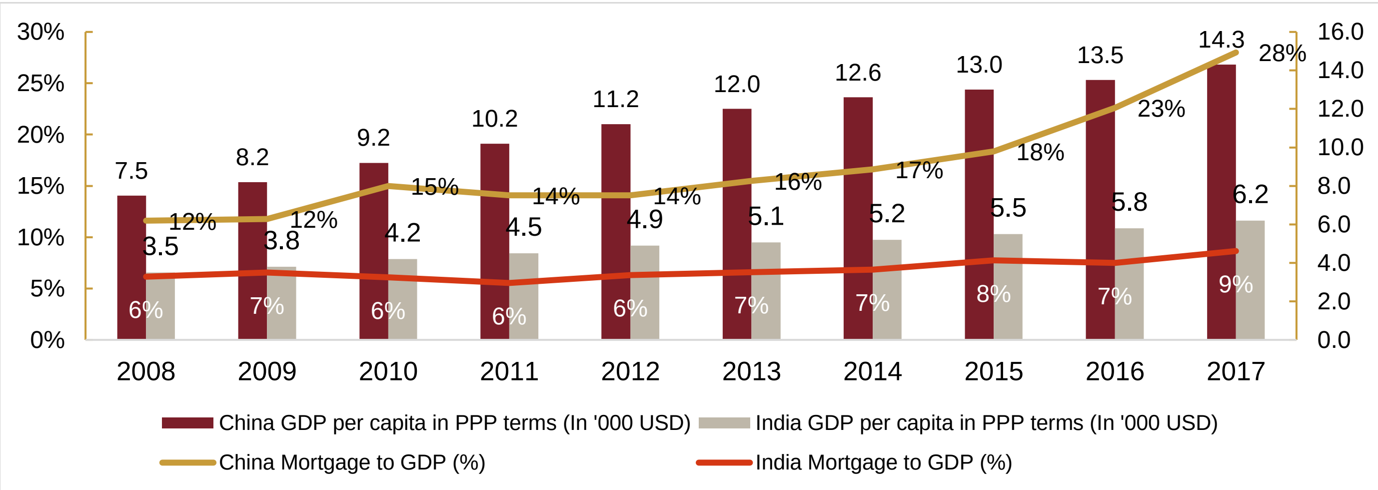
*Note: Housing loan penetration calculated as Housing loan outstanding over state GSDP (at constant prices) as of Financial Year 2024; GDP taken as GSDP at constant prices, Base Year: 2011-12., * GDSP taken for Financial Year 2022, $GDSP taken for Financial Year 2023, Source: CIBIL, RBI, MOSPI, CRISIL MI&A*

Factors affecting mortgage-to-GDP ratio in India

Mortgage penetration in India is far lower than other emerging economies (South Africa, China, Malaysia etc.) owing to lower per capita income and higher proportion of informal employment in the country. However, CRISIL MI&A believes rising urbanisation, growing disposable income, favourable demographics and government measures will lead to higher mortgage penetration going forward. Following are the growth drivers to boost mortgage penetration in India:

Rise in per capita income to drive the growth of mortgage penetration in India

The mortgage penetration in China is correlated to the GDP per capita of the country and the mortgage to GDP ratio of China has grown from 12% in 2008 to 28% in 2017. The per capita income of the country has increased from USD 7,500 in 2008 to USD 14,300 in 2017. India has gone through a similar trajectory with mortgage penetration in the country increasing from 6% in 2008 to 9% in 2017 which is correlated to the increase in per capita income of the country from USD 3,500 in 2008 to USD 6,200 in 2017. India's GDP per capita income stood at USD 8,400 at end of 2022 witnessing significant growth in the past five Financial Years.

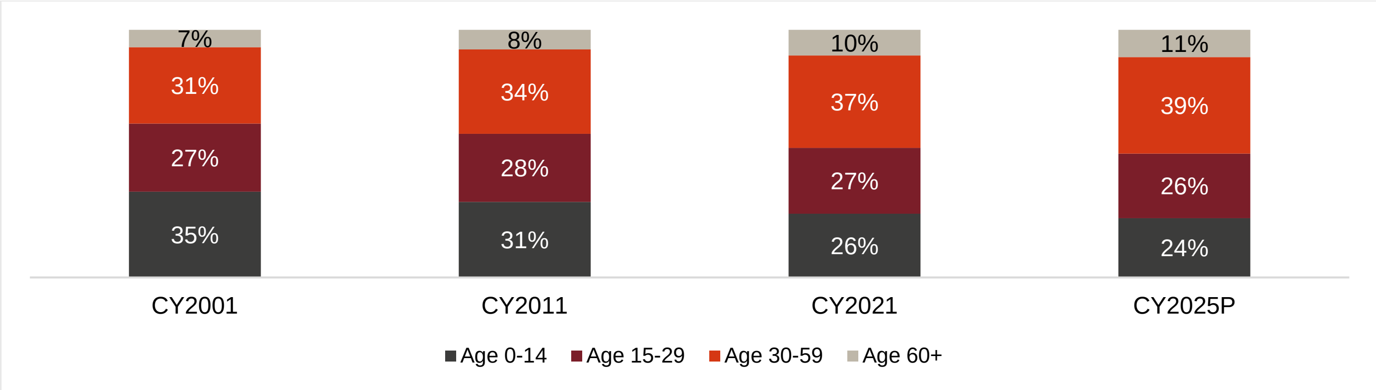


Source – HOFINET, Peoples Bank of China, World Bank, CRISIL MI&A

India's demographic dividend: India has one of the largest young populations in the world

As per United Nations DESA estimates, as of July 2023, India has one of the largest young populations in the world, with a median age of 28.2 years. As of Calendar Year 2021, 64% of India's population was between 15 and 59 years, with 26% of the nation's population under the age of 14. In comparison, in 2020, the United States (US), China and Brazil had 74%, 62% and 78%, respectively, of their population below the age of 60.

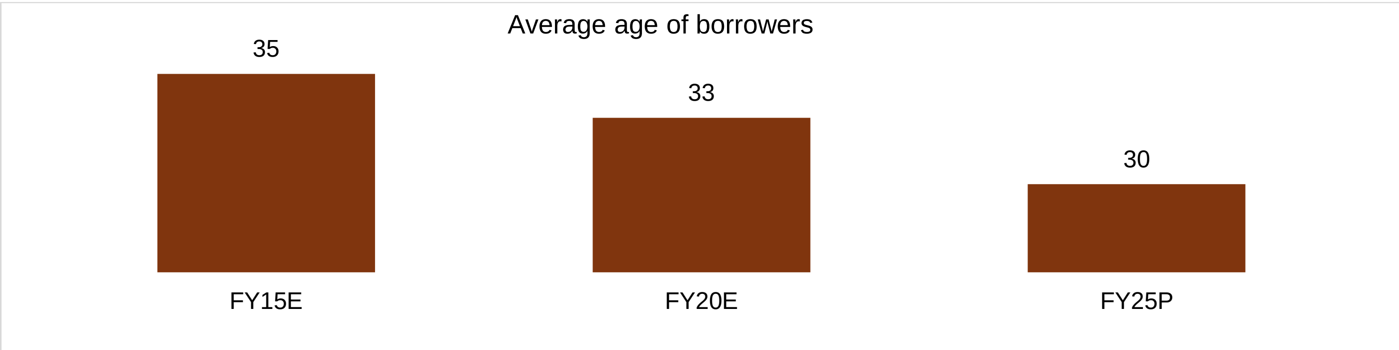
Indian demographic dividend



Note: E: Estimated, P: Projected; Source: United Nations Department of Economic and Social affairs, CRISIL MI&A

Shift towards younger age profile for home loan borrowings

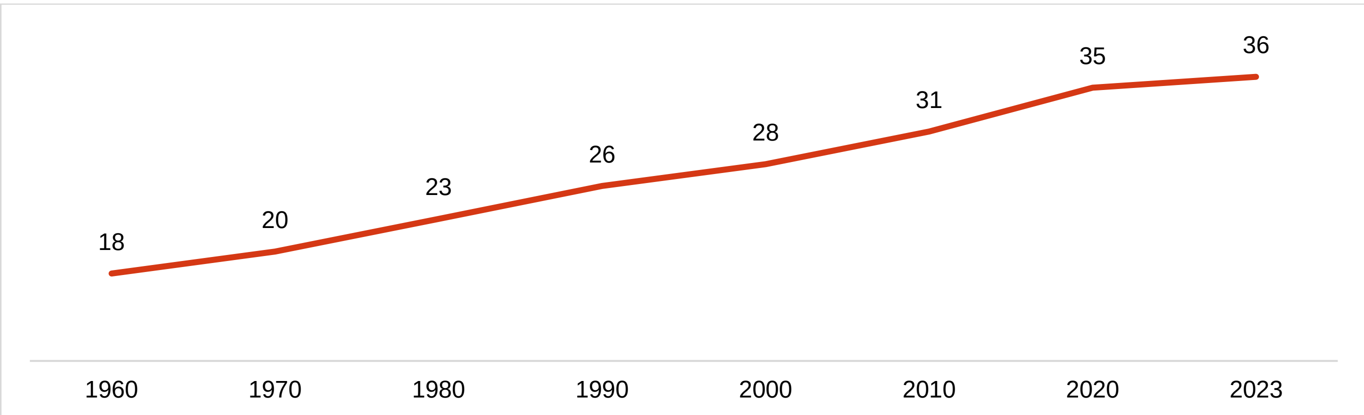
Average age of borrowers has been declining over the years and was estimated at 33 years in Financial Year 2020. We expect this figure to decline further with growth in salaries and people's strengthening preference for accumulating assets, both for investment purpose and tax benefits, coupled with increased access to formal credit India's demographic profile is expected to favour the Housing industry, leading to growth in the housing finance market.



Note: E – Estimated, P – Projected, Source: CRISIL MI&A

Continuous increase in share of urban population to boost demand for housing in urban areas

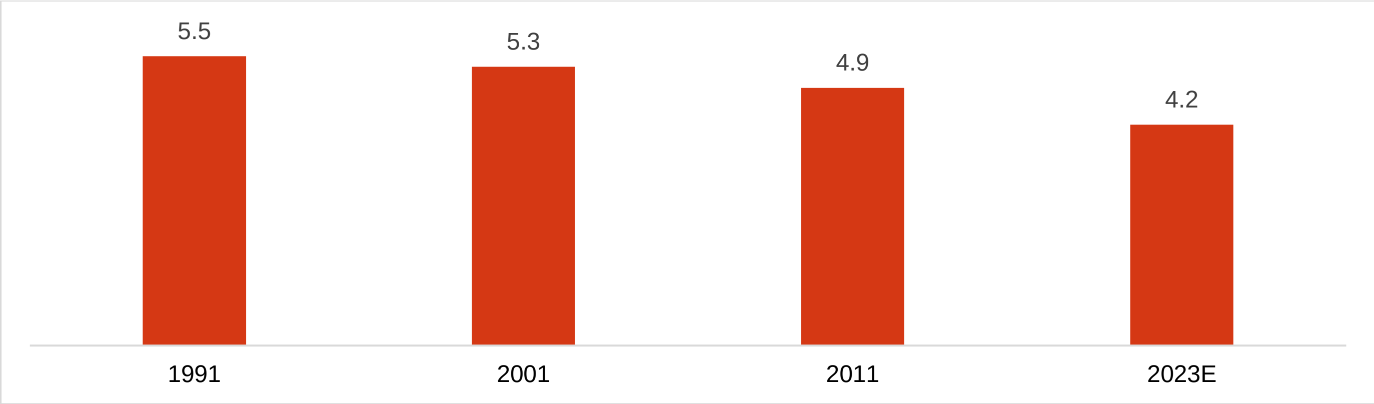
Urban population as a percentage of total population



Source: United Nations Population Division's world urbanization prospects, World Bank, CRISIL MI&A

Rise in number of nuclear families leads to formation of new houses

Trend in average persons per household (In numbers)



Note: 2023E data is as per Periodic Labour Survey Report, Source: Census 2011, MOSPI, CRISIL MI&A

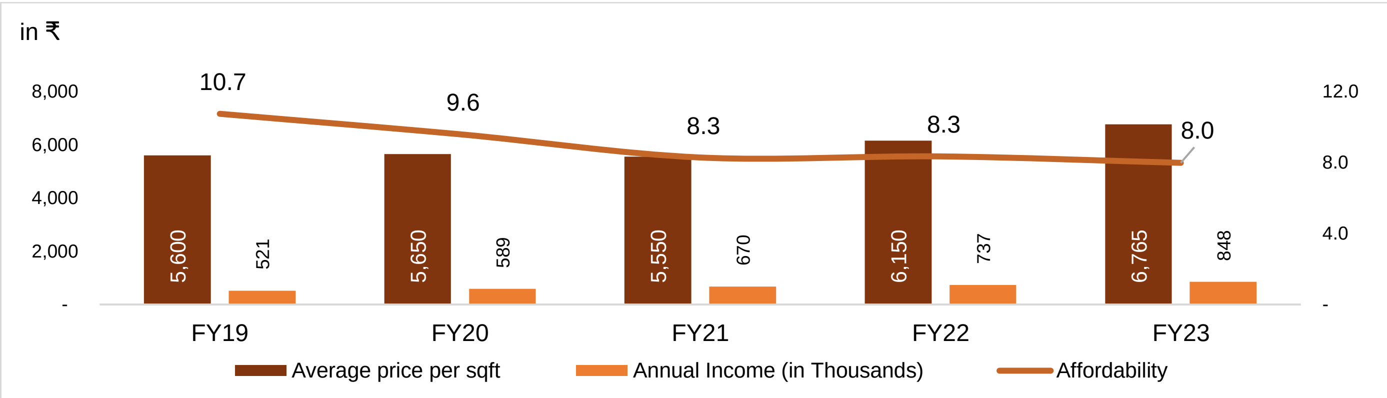
Rising demand for independent houses

According to the 2011 Census Data, Indians show a preference for residing in independent housing. The rise in population density, particularly in urban regions, has resulted in a higher need for apartments. This trend is anticipated to persist, fuelling the demand for self-constructed homes, particularly in smaller cities.

Higher affordability

CRISIL MI&A forecasts that the per capita income will gradually improve with a pick-up in GDP growth and sustained low inflation. This is expected to be an enabler for domestic consumption leading to rise in demand for housing. Further, increase in household savings over the last decade coupled with availability of underwriting and providing credit to the vulnerable or informal segment owing to advancement in technology has also led to higher demand for housing.

Real estate prices are relatively higher though affordability has only improved historically



Note: The charts indicate the price per sqft based on top 10 markets -Delhi NCR, Mumbai, Pune, Ahmedabad, Chennai, Kolkata, Bangalore, Chandigarh, Hyderabad, and Kochi, at a Pan India level, the overall prices could be way lower than estimates, Affordability is computed as average price per sqft / annual income; Source: CRISIL MI&A

Government and Regulatory Initiatives in the Housing Finance segment

Pradhan Mantri Aawas Yojana -Urban

The Ministry of Housing and Urban Affairs launched PMAY Urban (PMAY-U) on June 25, 2015 to address urban housing shortage among the EWS/LIG and MIG categories, including slum dwellers, and provide a pucca house to all eligible urban households by 2022. The scheme aims to fill the supply-demand gap in the housing sector. On supply side, the scheme offers incentives for beneficiary-led housing, public private partnerships (PPP) in building homes for economically weaker sections (EWS) and low income group (LIG) by offering incentives such as allowing higher floor space index and announcing grants and subsidies for slum redevelopment. On the demand side, PMAY provides credit-linked subsidies to stimulate demand. 10 million additional houses with planned allocation of ₹2.2 lakh crore to be taken up over the next five Financial Years.

Pradhan Mantri Aawas Yojana -Grameen

The erstwhile Indra Gandhi Awas Yojana was restructured into the PMAY Gramin (PMAY-G) from April 1, 2016 to address gaps in the rural housing programme and fulfil the government's commitment to provide a pucca house with basic amenities by 2022 to all houseless individuals and those households living in kutcha and dilapidated dwellings. The scheme is for the rural population who don't have their own houses. It provides financial assistance and interest rate subsidy. Under PMAY, 20 million more projects are to be taken up in the next 5 years to meet the requirements arising from the increase in number of families.

Reintroduction of Credit-Linked Subsidy Scheme

The re-introduction of Credit-Linked Subsidy Scheme after a gap of two years is expected to support housing loan growth as well. The scheme provides subsidised home loans to buyers of affordable homes under PMAY and support to housing loan growth as well.

Relaxation of ECB guidelines

The relaxed external commercial borrowing (ECB) guidelines will enable easier access to overseas funds and stimulate the sector.

EPF corpus withdrawal

Permission to withdraw 90% of employee's provident fund (EPF) corpus enables prospective home buyers to make the down payment and pay their home loan EMIs. The recent amendment will enable employees with less than six months of service to avail withdrawal benefits.

PSL eligibility increased in Housing

The RBI has increased (under the notification released in June 2018) eligibility for priority sector lending (PSL) in housing loans with a view to converge PSL guidelines with Pradhan Mantri Awas Yojana (PMAY). The eligibility has increased from ₹2.8 million to ₹3.5 million for metropolitan centers and from ₹2 million to ₹2.5 million for other centers. The cost of dwelling units has been capped at ₹4.5 million in metropolitan centers and at ₹3 million in other centers. The on-lending limits given to NBFC/HFCs from Banks were also raised from ₹1 million to ₹2 million.

Implementation of the Real Estate (Regulation and Development) Act ("RERA")

Implementation of the Real Estate (Regulation and Development) Act (RERA) in 2017 had a direct impact on the supply-demand dynamics in the sector. RERA is expected to improve transparency, timely delivery, and organized operations over time. It does not permit developers to launch new projects before registering them with the real estate authority.

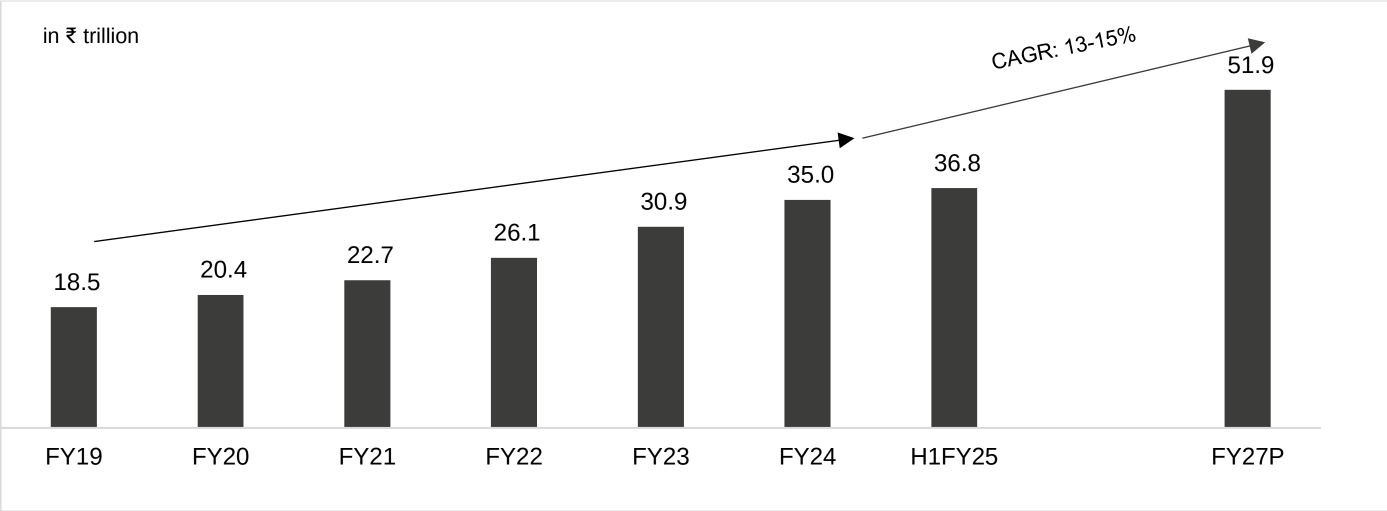
This is a major shift from the practices followed earlier by developers, wherein they managed to sell part of the project through soft/pre-launch activities. RERA puts an end to fund diversion across projects as it mandates 70% of the funds collected from customers for a specific project should be maintained in a separate escrow account and used only for the same project. Besides, developers have to disclose project-related information, such as project plan, layout, government approvals, carpet area of units, construction status and delivery schedule.

Housing finance market in India grew at a CAGR of 13.6% from Financial Years 2019 to 2024

The housing finance market has demonstrated strong growth, with credit outstanding rising at a CAGR of 13.6% from Financial Year 2019 to Financial Year 2024, reaching approximately ₹35.0 trillion as of Financial Year 2024. The growth has been fuelled by increased demand in Tier 2 and Tier 3 cities. A growing young population with rising disposable income migrating to metro cities are some of other structural factors leading to the growth in the sector. Demand for home loans has remained resilient despite a sudden rise in repo rates. Additionally, the salaried class experienced minimal income disruption during the economic slowdown caused by the Covid-19 pandemic and rising inflation, addressing lenders' concerns about asset quality deterioration.

Going forward, CRISIL MI&A expects overall housing segment to grow at a CAGR of 13-15% from Financial Years 2024 to 2027. The Government of India has been pursuing various social welfare schemes and initiatives to enhance the flow of credit to the housing sector and increase home ownership in India like Pradhan Mantri Awas Yojana (PMAY), interest subsidies, tax benefits and relaxed regulations.

Housing finance portfolio outstanding witnessed a CAGR of 13.6% from Financial Year 2019 to Financial Year 2024



Source: CRIF Highmark, CRISIL MI&A

Shift in housing finance landscape post-merger of HDFC Bank and HDFC

Merger of HDFC Bank and HDFC took place in the first half of Financial Year 2024 which has led to changes in the dynamics of the retail housing finance market. In fact, growth of HFCs between Financial Year 2019 and Financial Year 2021 was supported by high growth of HDFC due to its wide geographic reach and market penetration. At the end of Financial Year 2023, of the ₹28.7 trillion housing finance market, the share of banks was ~79%, with the balance with HFCs/NBFCs. Some of the key players after HDFC are LIC Housing Finance, Bajaj Housing Finance, Indiabulls Housing Finance, PNB Housing Finance and CanFin Homes.

Following the merger of the two entities, in first half of Financial Year 2024 the market share of banks vis-à-vis NBFC/HFC has shifted 80:20 from 66:34, with banks having majority market share. Further, in terms of HFCs/NBFCs, other large players with favourable funding profile, strong parentage, and capability to invest and expand into newer geographies would gain market share from smaller players. Further this would also open up funding limits for HFCs from banks to lend to the end consumers.

Overview of Affordable Housing Finance Market in India (< ₹2.5 million)

As per Refinance Scheme under Affordable Housing Fund for the Financial Year 2021-22 issued by the National Housing Bank, read with the Master Directions–Reserve Bank of India (Priority Sector Lending–Targets and Classification) Directions, 2020, housing loans with a ticket size of less than ₹2.5 million are considered as Affordable Housing Loans.

Encouraging and favourable trends in affordable housing finance market (loans up to ₹2.5 million); market to bounce back strongly in the long term

The overall size of the affordable housing finance market in terms of loan outstanding was ₹12.1 trillion as of H1 Financial Year 2025, constituting around 33% of the overall housing finance market. In H1 Financial Year 2025, Public Sector Banks had the highest market share of ~39% in the Affordable Housing finance segment. Housing Finance Companies accounted for 27% of the market (Outstanding loans of ₹3.3 trillion as of H1 Financial Year 2025) followed by Private banks with market share of 25% (outstanding loans of ₹3.0 trillion as of H1 Financial Year 2025).

Between Financial Year 2019 and Financial Year 2024, the growth in the affordable housing loans has remained subdued, with the segment having witnessed a CAGR of 6.8% as compared to overall housing loans, which has grown by ~13.6% during the same time. This can be primarily attributed to a slowdown in economic activity, funding challenges due to NBFC crisis and the Covid-19 pandemic. Further, rise of hybrid work model and working from home along with rising propensity to spend merged with rising standard of living due to rising incomes of individuals has led to an increase in demand for bigger residential homes. As a result, the sale in affordable housing took a beating whereas high-end and mid-segment housing gained the maximum in the last couple of years.

While the market has grown at a tepid pace in the past 2-3 years, CRISIL MI&A is sanguine on future growth due to the following reasons:

Government's increased focus on housing and incentives being given by some state governments such as lowering stamp duties to aid housing demand

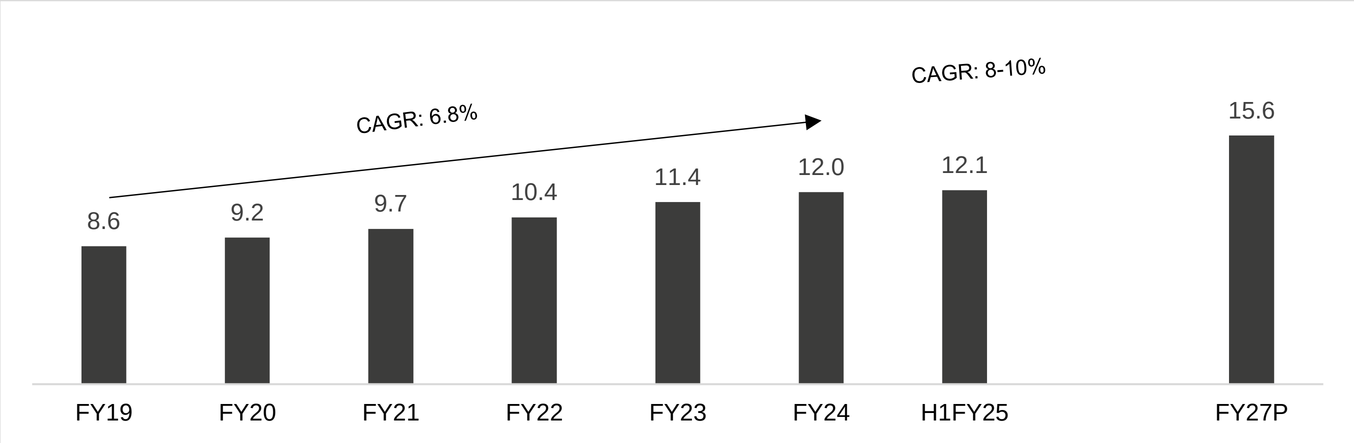
Rising demand for affordable homes as consumers increasingly work out of Tier 3/4 cities in a post-Covid world

Preference for owning homes seems to be on the rise in the post-Covid world

CRISIL MI&A expects the industry to pick up steam gradually and the affordable housing segment to touch ₹15.6 trillion by

Financial Year 2027, translating into an 8-10% CAGR between Financial Years 2024 to 2027.

Affordable Housing finance market to grow at 8-10% between Financial Year 2024 to Financial Year 2027P



Source: CRIF Highmark, CRISIL MI&A

Top 15 states account for ~91% of total affordable housing credit outstanding as of H1 Financial Year 2025

There are wide variations in size and growth in the Affordable Housing finance segment across states and within various districts in the same state as well, which indicate latent opportunity for offering loans to unserved or underserved customers. Based on loans outstanding in the affordable housing finance market, among states, as of H1 Financial Year 2025, Maharashtra accounted for the highest share in the affordable housing finance segment, accounting for ~18% share, which was followed by Gujarat, Tamil Nadu, and Uttar Pradesh accounting for ~11%, ~9% and ~7% respectively.

State-wise share of affordable housing credit outstanding

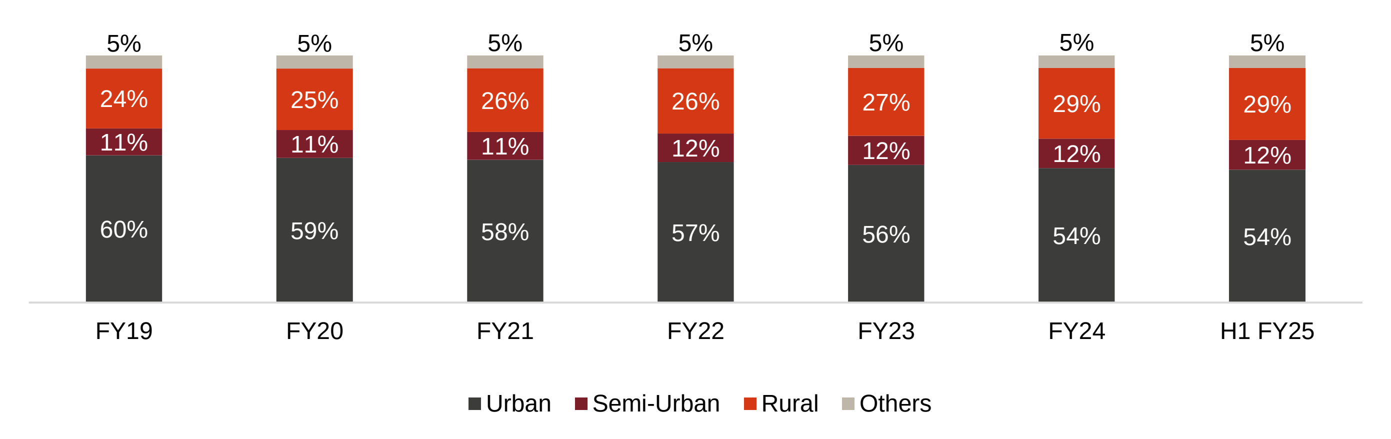
State (in ₹ billion)	Financial Year 2019	Financial Year 2020	Financial Year 2021	Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025	Share (H1 Financial Year 2025)	CAGR (Financial Year 2019-2024)
Maharashtra	1,635	1,724	1,818	1,939	2,115	2,189	2,194	18%	6%
Gujarat	858	944	1,043	1,170	1,251	1,336	1,356	11%	9%
Tamil Nadu	844	881	931	979	1,051	1,077	1,084	9%	5%
Uttar Pradesh	582	614	654	709	793	831	839	7%	7%
Karnataka	622	630	637	655	722	760	758	6%	4%
Rajasthan	405	450	493	563	643	728	753	6%	12%
Kerala	513	551	583	613	645	666	663	5%	5%
Madhya Pradesh	393	426	464	507	570	636	654	5%	10%
Andhra Pradesh	444	476	495	522	568	599	616	5%	6%
Telangana	476	497	513	535	573	591	593	5%	4%
West Bengal	359	384	407	445	496	525	540	4%	8%
Delhi	248	255	267	280	301	305	303	2%	4%
Punjab	204	214	226	245	273	286	291	2%	7%
Haryana	197	206	216	230	252	257	255	2%	5%
Bihar	117	129	138	153	175	195	202	2%	11%
Others	734	792	840	896	974	1026	1039	9%	6.9%

Source: CRIF Highmark, CRISIL MI&A

Share of Rural region increased by 5% from Financial Year 2019 to H1 Financial Year 2025

As of H1 Financial Year 2025, urban regions accounted for the highest share in affordable housing finance credit with 54% share which was followed by Rural regions which accounted for 29% share, Semi Urban regions accounted for 12% share in credit outstanding.

Region wise share of portfolio outstanding



Source: CRIF Highmark, CRISIL MI&A

Urban regions had the lowest asset quality as of H1 Financial Year 2025

Tier	Financial Year 2019	Financial Year 2020	Financial Year 2021	Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025
Urban	2.0%	2.7%	3.0%	3.2%	3.3%	3.7%	3.6%
Semi-Urban	2.2%	2.9%	3.0%	2.9%	3.1%	3.1%	2.9%
Rural	2.8%	3.6%	3.6%	3.4%	3.5%	3.6%	3.3%
Others	1.8%	2.3%	2.5%	2.6%	2.9%	3.3%	3.2%

Source: CRIF Highmark, CRISIL MI&A

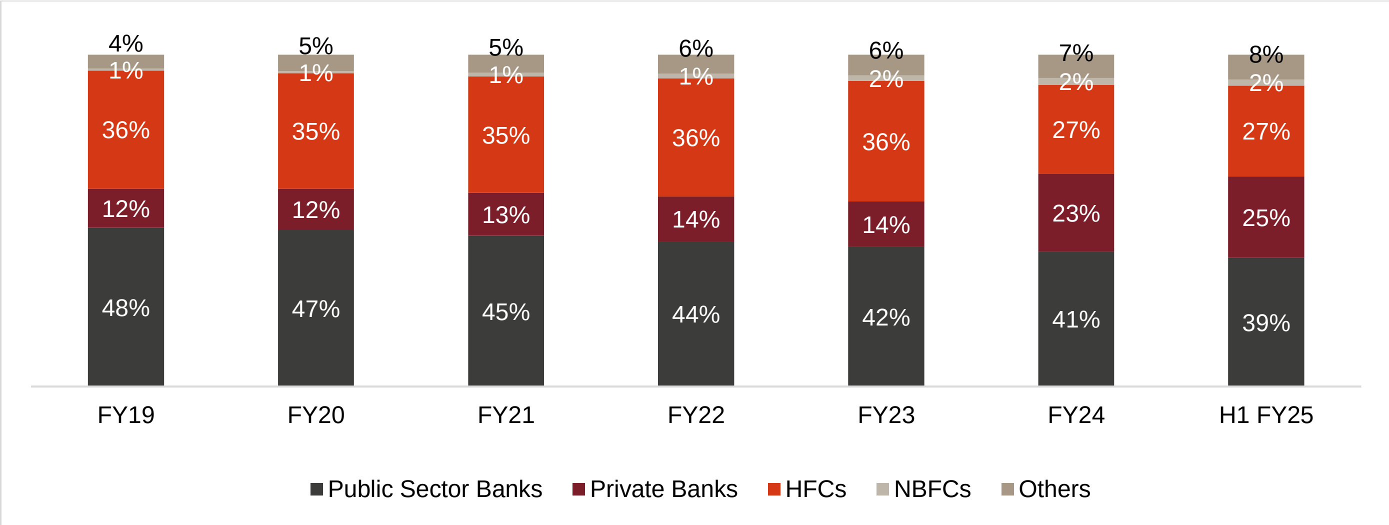
Public Sector Banks accounted for highest share among lenders in the affordable housing segment as of H1 Financial Year 2025

NBFCs and HFCs have certain advantages over traditional banks in the housing loan segment. They are able to create niches in catering to particular categories of customers, offering a strong understanding of their target segment, excellent customer service, and diverse channels of business sourcing. They are also skilled at assessing and underwriting non-salaried individuals, who may not have traditional income documentation. Furthermore, NBFCs and HFCs often have a strong focus and presence in smaller cities, allowing them to tap into markets that may be underserved by traditional banks.

These factors are expected to help NBFCs and HFCs maintain market share in the future as banks have become risk averse and are focusing on high ticket customers with good credit profiles. By virtue of being largely focused on metros and urban areas, ticket sizes of banks and large HFCs have followed rising property prices. A focus on the urban salaried segment by banks and large HFCs has left non-salaried as well as Tier III, and rural market open to anyone with the capability to operate in that segment.

Among lenders, as of H1 Financial Year 2025, Public sector banks accounted for the highest share (39%), which was followed by HFCs accounting for ~27% share and Private Banks which accounted for 25% share.

Public Sector Banks accounted for highest share among lenders in the affordable housing credit outstanding at 39% in H1 Financial Year 2025



Note: On account of merger of HDFC Bank with HDFC Limited, share of private banks has shown a sudden increase in Financial Year 2024.

Source: CRIF Highmark, CRISIL MI&A

Private Banks players had the best asset quality among lenders as of H1 Financial Year 2025

Lender	Financial Year 2019	Financial Year 2020	Financial Year 2021	Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025
Public Sector Banks	2.2%	2.9%	2.5%	2.7%	2.6%	2.2%	2.3%
Private Banks	1.4%	1.4%	2.3%	2.0%	2.1%	1.7%	1.8%
HFCs	1.7%	2.5%	3.0%	3.2%	3.6%	5.9%	3.9%
NBFCs	4.7%	4.9%	3.3%	4.0%	3.5%	2.5%	4.7%
Others	8.1%	9.5%	10.7%	9.2%	8.2%	8.8%	12.3%
Industry	**2.2%**	**2.9%**	**3.1%**	**3.2%**	**3.3%**	**3.6%**	**3.4%**

Source: CRIF Highmark, CRISIL MI&A

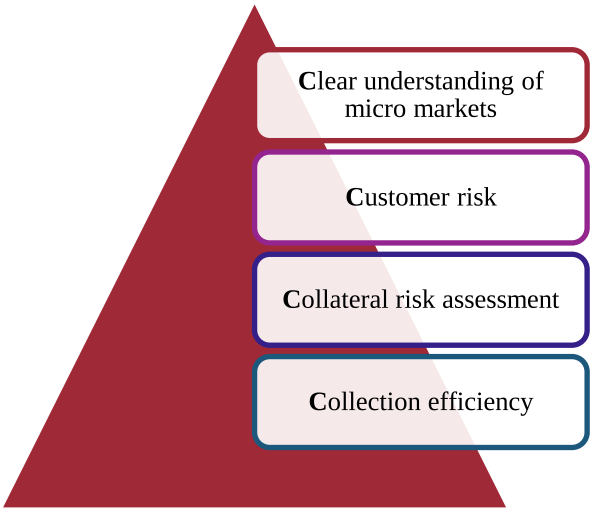
Profitability comparison of Housing and Affordable Housing

The Affordable Housing Finance Segment exhibits stronger financial performance metrics, with higher Net Interest Margins (NIMs) ranging from 6-8% compared to the Housing Finance Segment's 2.5-3%, along with a significantly higher Return on Assets (ROA) of 3-4% versus 1-2%.

Parameter	Housing Finance Segment	Affordable Housing Finance Segment
Average Ticket Size (in ₹ million)	2.8	1.1
LTV	~70%	~55%
NIMs	2.5-3%	6-8%
Opex	0.7-0.9%	3-4%
Credit Cost	0.5-0.7%	0.3-0.5%
ROA	1-2%	3-4%

Source: CRIF Highmark, Company reports, CRISIL MI&A

4C's to succeed in affordable housing finance segment



Source: CRISIL MI&A

Key Risks in the Housing Finance Industry

Economic Scenario

Any trends or events that have a significant impact on India's economy, including a rise in interest rates, could impact the financial standing and growth plans of HFCs. A decline in the interest rate with strong growth in the economy will boost the purchasing power of people, thus boosting demand for houses and housing loans. When the government introduces rules and regulations such as the Benami Transactions Act, establishes bodies such as the Real Estate Regulatory Authority, or takes decisions such as demonetisation, all to control illegal activities and curb black money, demand for housing and housing loans takes a hit.

Insufficiency of data for credit appraisal

Credit-score availability in India is still at a nascent stage despite the presence of credit bureaus. In several cases, borrowers lack a formal proof of income documents. This makes it difficult to judge the ability of the borrower to repay.

Liquidity Risk

The apartment culture has still not developed in many of the semi-urban and rural areas, leading to financing of individual properties. This makes it harder to sell a property that is built according to the needs of the borrower. Also, in rural areas, it may become difficult to find a buyer for a repossessed property due to cultural issues. All this leads to liquidity risk.

Collateral Fraud

The rising number of collateral frauds in the sector is becoming a serious issue. As a result, lending institutions are being forced to implement additional control measures, which increase their underwriting expenses.

Delay in project approvals and construction:

The cash flows of HFCs are largely dependent on the timely completion of projects in which their customers have bought housing. If the project gets delayed, the borrower may start defaulting on loans. Additionally, project delays also tend to impact growth in the loan book.

Thin spreads in Housing Finance

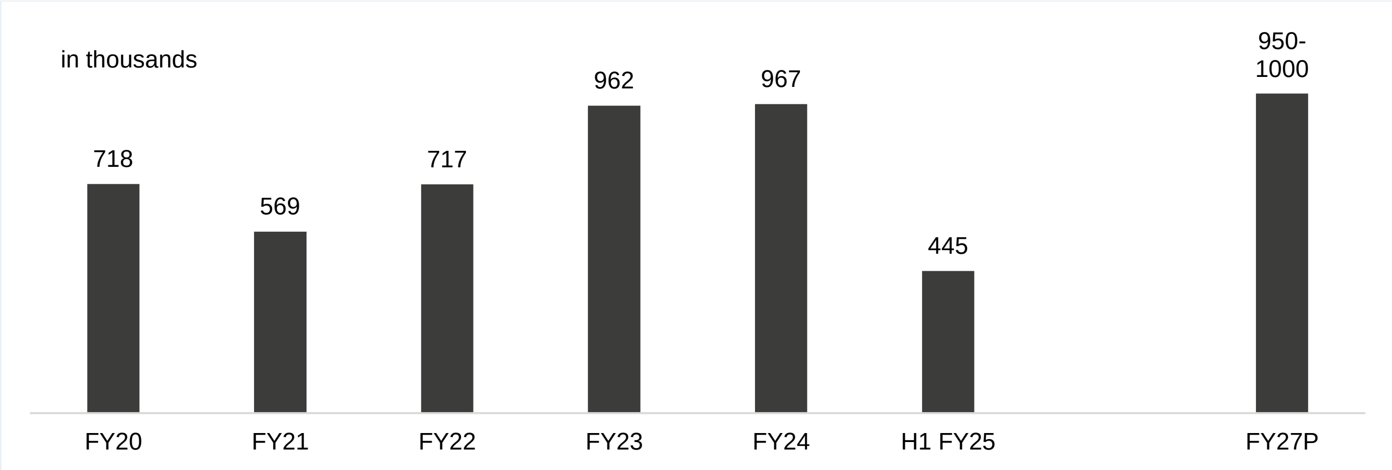
HFCs face a risk of thin net interest margins due to lower interest rates in the segment as compared to other asset classes like MSME loans, vehicle financing etc. This is further aggravated due to intense competition in the segment among HFCs, banks and NBFCs.

Asset Liability Mismatch

Housing finance faces significant ALM challenges, arising due to inherent mismatch between the long-term nature of housing loans and the shorter-term funding sources used by housing finance companies (HFCs). This creates a maturity mismatch, where assets have longer durations than liabilities.

Commercial Vehicle Financing in India

New commercial vehicle sales to experience flat volumes but healthy rise in tonnage going forward

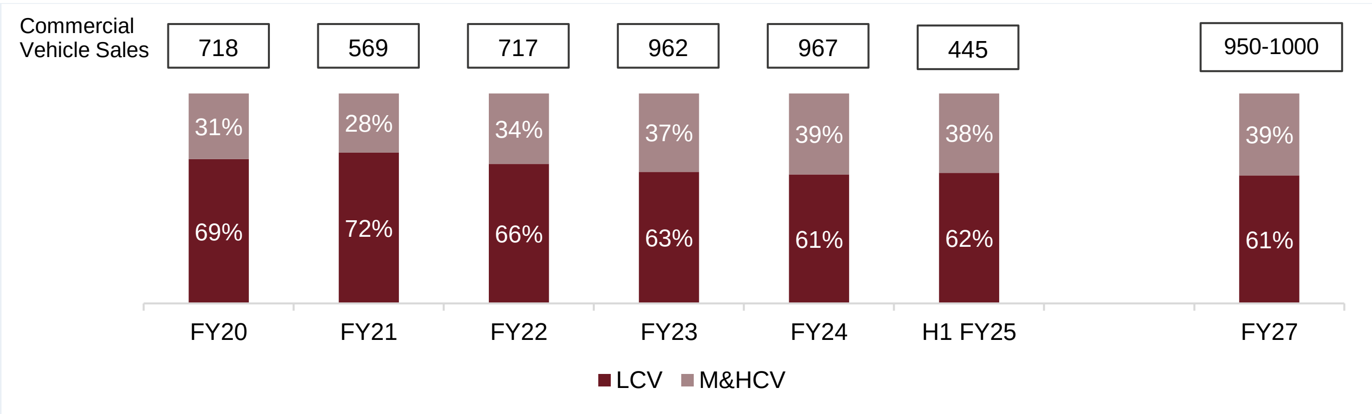


Note: CV sales include LCV & MHCV goods carrying vehicles.

Source: SIAM, CRISIL MI&A

The new commercial vehicle (CV) industry exhibited noteworthy recovery in Financial Year 2023, achieving a remarkable growth rate of ~34% year-on-year, albeit on a low base. This resurgence can be attributed to pent-up replacement demand, improved transporter profitability, pick up in capex which was hampered during the preceding 2-3 years due to economic stagnation and the disruptive impact of the pandemic. Commercial vehicle sales witnessed muted growth in Financial Year 2024, LCV sales in Financial Year 2024 witnessed a degrowth of 3% while M&HCV sales witnessed minimal growth rate of 4% primarily due to high base of Financial Year 2023. While as of H1 Financial Year 2025, LCV and M&HCV sales stood at ~277,000 and ~168,000 respectively.

Light commercial vehicles account for ~59% of total commercial vehicle sales as of Financial Year 2024



Note: CV sales include LCV & MHCV goods carrying vehicles, Source: SIAM, CRISIL MI&A

Light commercial vehicle (LCV) sales stood at ~594,000 as of Financial Year 2024, while medium & heavy commercial vehicle (M&HCV) sales stood at ~373,000. In Financial Year 2023, LCV sales recorded a growth of 26%, rebounding to pre-COVID heights. The surge in sales was attributed to robust replacement demand, particularly in the sub-one-ton category, which was deferred due to economic challenges and the pandemic. In Financial Year 2024, LCV sales witnessed a 3% degrowth in sales after an all-time high sale in the previous Financial Year. The lower utilization of vehicles coupled with the increase in asset costs led to the degrowth in sales. LCV segment is also considered to be less cyclical than the M&HCV segment due to its usage in e-commerce delivery fleets and other essential economic activities, providing better last mile connectivity.

Key Growth drivers of Commercial Vehicle Sales in India

Healthy industrial growth in Financial Year 2024

The Indian industry's gross value added (GVA) had been growing rapidly, in line with the GDP averaging ~7% between Financial Year 2018 and Financial Year 2023. After consecutive weak Financial Years of 2020 and 2021 due to the COVID-19 outbreak, industrial GVA is estimated to have grown by ~7% on-year in Financial Year 2023 and ~7.4 % in Financial Year 2024.

Over the next five-year period (Financial Years 2024-2029), industry GVA is expected to be robust driven by the government's focus on 'Make in India' with the stated aim of the government to push up the share of Manufacturing in India's GDP from 17% to 25%. Moreover, improvement in infrastructure and higher expected corporate expenditure is likely to support the capex cycle going forward post- Financial Year 2024.

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).

Increasing freight rates to aid in materialization of deferred demand

In Financial Year 2024, 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 favourable 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.

Capacity utilisation and profitability of transporters

Utilisation of transporters depends on:

Availability of freight, driven by growth in industrial and agricultural production and port traffic;

Regulations on vehicle age, weight, permit and tax norms;

Improvements in road infrastructure, which improves the turnaround time.

Some of the factors influencing transporter profitability are

Freight rates and capacity utilisation;

Bargaining power;

Fuel cost and efficiency;

Capital cost;

Agency commission along with wage cost and operating and maintenance costs, such as tyre prices and toll rates.

Rise in Private Final Consumption Expenditure (PFCE)

LCVs 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 LCV 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 FMCG products fuels demand for LCVs.

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 LCVs, such as sub-one-tonne CVs and pick-ups, with rising adoption of the network, sales for LCVs is expected to rise.

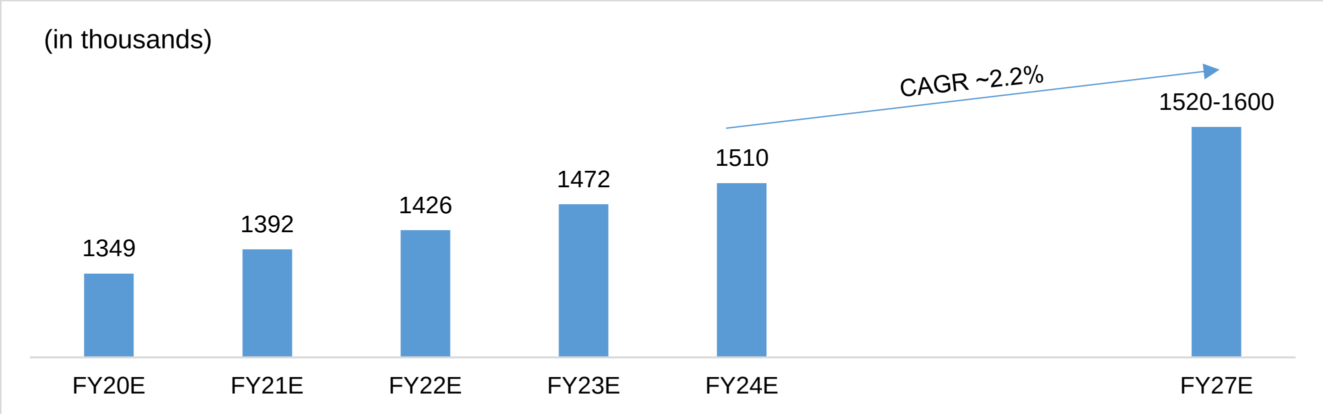
Substitution of three wheelers

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 LCV sales.

Used commercial vehicles on road are estimated at ~1.51 million as of Financial Year 2024

As per CRISIL MI&A estimates, there are approximately 1.51 million used commercial vehicles on road currently with the ratio of used to new commercial vehicles at 1.6 times. Sales of used commercial vehicles in India has witnessed a CAGR of ~3% from Financial Year 2020 to Financial Year 2024. Sale of used commercial vehicles has witnessed continuous growth due to the rising prices of new commercial vehicles, making purchasing of used commercial vehicles a viable choice for Small and Medium sized fleet operators due to their lower acquisition costs.

Number of Used Commercial Vehicles



Source: SIAM, CRISIL MI&A estimates

Key Growth drivers of Used Commercial Vehicle Sales in India

Higher affordability as compared to new vehicles

Used commercial vehicles are generally more affordable as compared to new vehicles, making them accessible to small and medium sized businesses. The lower upfront cost of used vehicles makes them accessible to a wider range of customers who may not have the financial capacity to invest in a brand-new commercial vehicle.

Cost effectiveness

Depreciation rate of new commercial vehicles is usually higher, resulting in a more significant loss in value over time. Used commercial vehicles on the other hand, have already undergone their initial depreciation making them a more cost-effective solution to businesses.

Improved quality and reliability

Advancement in technology and manufacturing processes has led to improvement in quality and reliability of used commercial vehicles, customers now have a higher confidence in the performance and durability of used commercial vehicles.

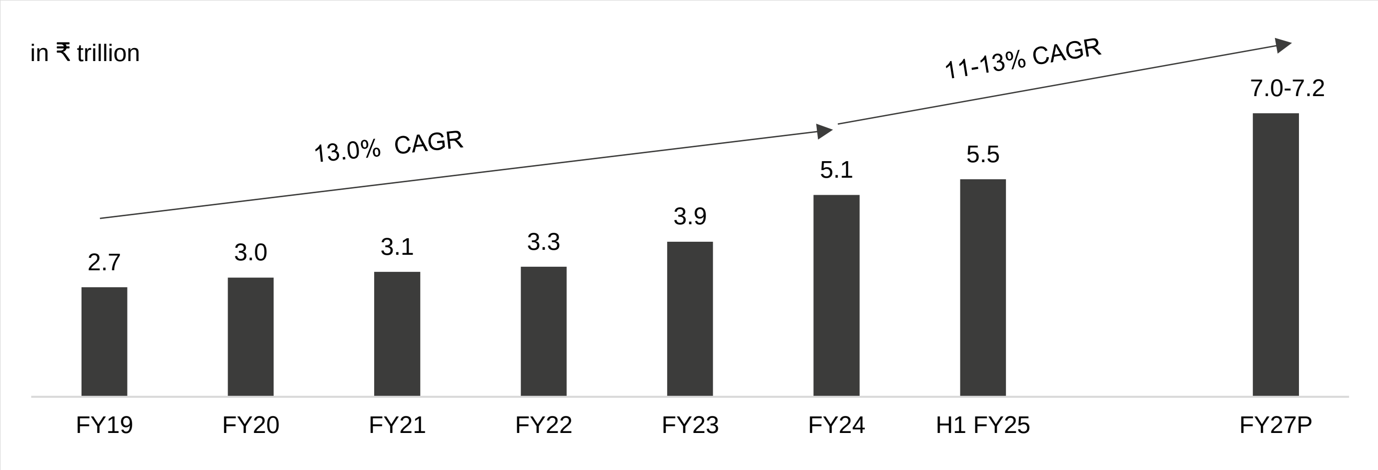
Rise in micro, small and medium enterprises in India

There has been a significant rise in micro, small and medium enterprises in India due to favourable government policies and economic scenario, used commercial vehicles act as a sustainable option to fulfil their logistics and transportation needs due to their lower cost of acquisition.

Commercial Vehicle Financing is expected to witness a CAGR of 11-13% from Financial Year 24 to Financial Year 2027

Commercial vehicle financing witnessed a growth of ~13% CAGR from Financial Year 2019 to Financial Year 2024. The segment witnessed a very slow growth during Financial Year 2021 and Financial Year 2022, primarily due to Covid-19 pandemic and nation-wide lockdowns. Post that, the growth has been higher at ~19% in Financial Year 2023 and ~30% in Financial Year 2024. The growth was primarily due to increase in private consumption and freight demand. Going forward, growth in the segment is expected to be supported by rising demand for LCVs due to increased private consumption, greater availability of redistribution freight and improved finance while demand for M&HCVs is expected to grow due to improvement in economic activity across the country, along with steady agricultural output and government's focus on infrastructural development. Commercial vehicle financing segment is expected to grow at a CAGR of 11-13% from Financial Year 2024 to Financial Year 2027 and to reach approximately ₹7.0 to ₹7.2 trillion by Financial Year 2027.

Commercial Vehicle Financing Portfolio



Source: CRIF Highmark, CRISIL MI&A

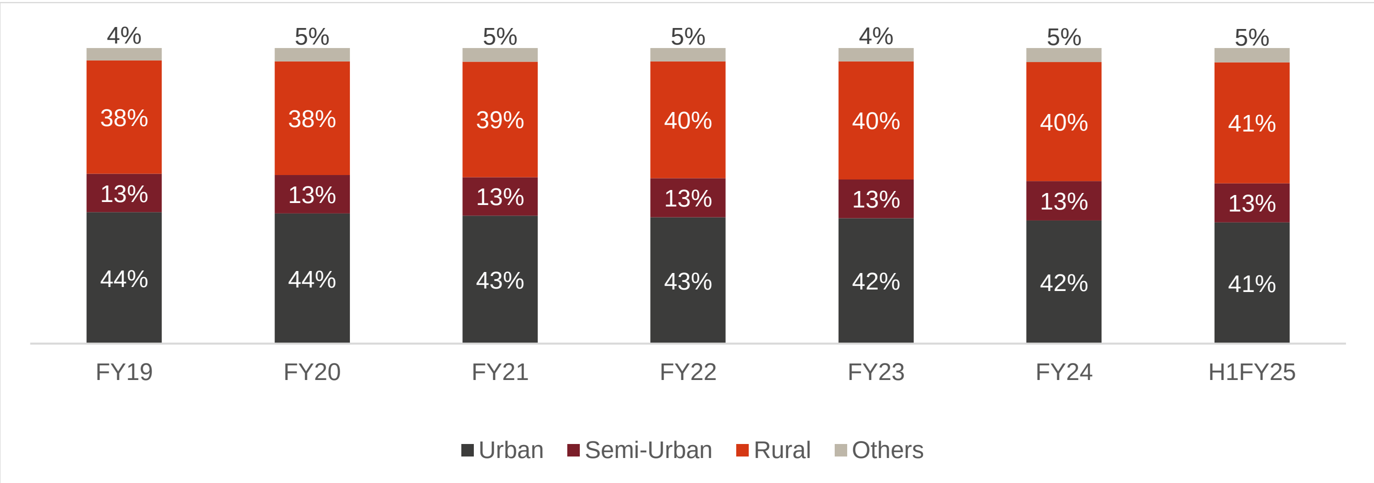
Potential market for used Commercial Vehicles excluding Medium and Heavy Commercial Vehicles ("CVs (excl. M&HCVs)")

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 Financial Year 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 Financial Year 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 Financial Year 2027 and LTV for these vehicles would vary from 55% to 65%.

Urban areas account for the highest share among tiers across Financial Year 2019 to H1 Financial Year 2025

Urban regions account for the highest share as of H1 Financial Year 2025, accounting for ~41% share in overall commercial vehicle financing, this was followed by rural regions accounting for ~41% share and semi-urban regions accounting for ~13% market share, from Financial Year 2019 to H1 Financial Year 2025, rural regions witnessed a growth in market share of 3%, witnessing a growth of ~15% CAGR from Financial Year 2019 to H1 Financial Year 2025, while urban regions grew at 12% CAGR from Financial Year 2019 to H1 Financial Year 2025, witnessed an ~3% fall in market share.

Share of rural and semi-urban areas is increasing in commercial vehicle financing

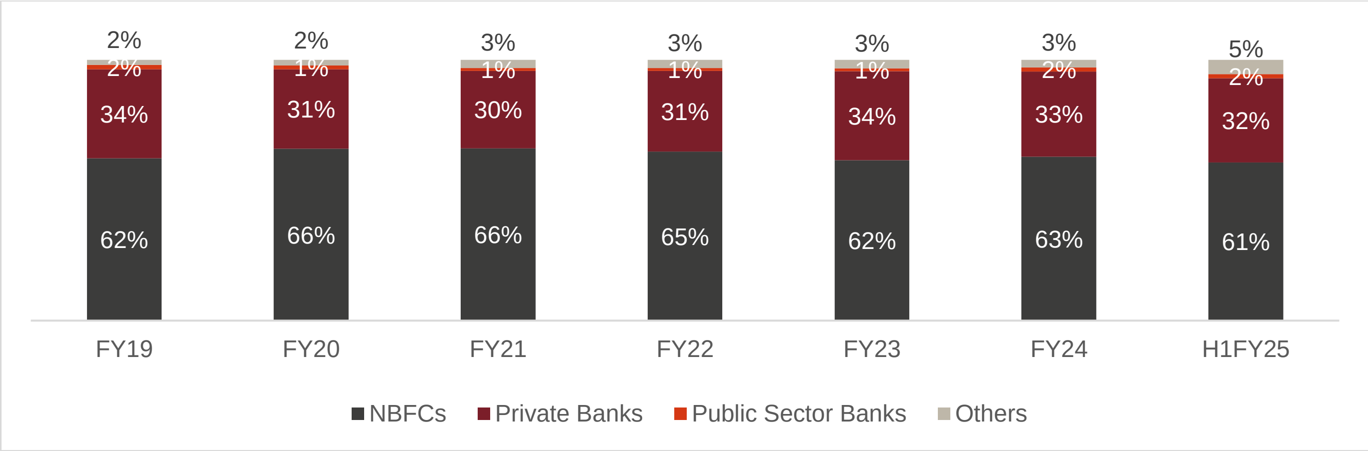


Note: Others include non-classified areas. Source: CRIF Highmark, CRISIL MI&A

NBFCs account for majority share in Commercial Vehicle Finance Outstanding across years

Among lenders, NBFCs accounted for the highest share in commercial vehicle finance outstanding (~61%) as of H1 Financial Year 2025, followed by private banks with ~32% market share and public sector banks accounting for 2% market share. From Financial Year 2021 to H1 Financial Year 2025, NBFCs have lost ~5% market share which has gone to private banks with them witnessing a growth of 3% in their share.

Share of lenders in commercial vehicle finance



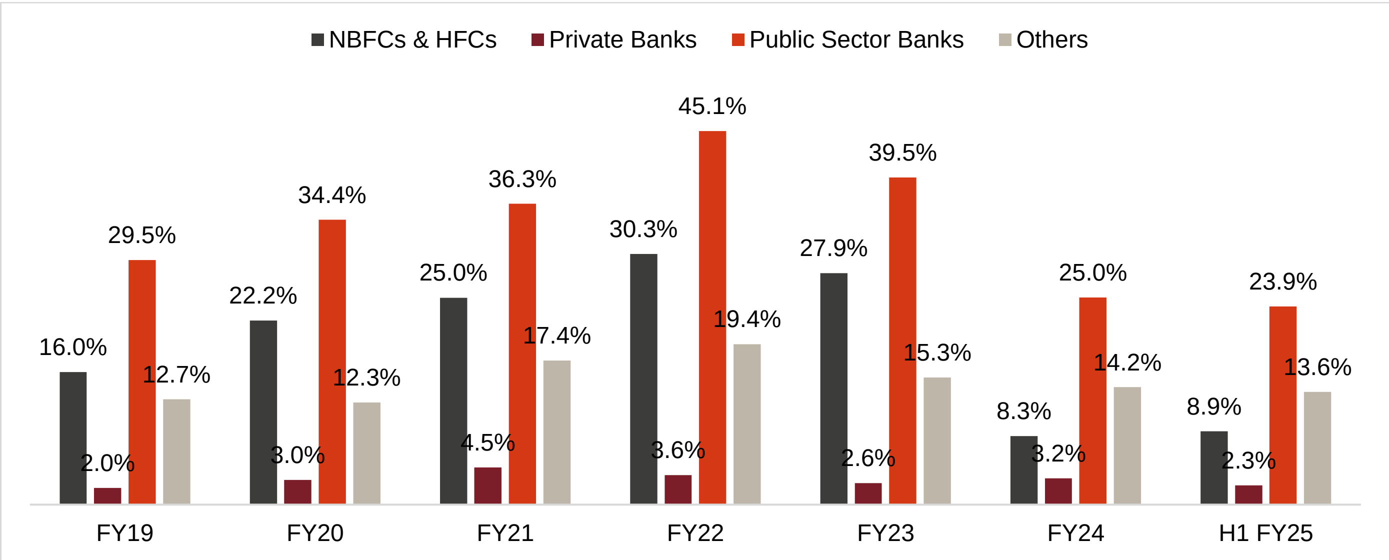
Note: Others includes other financial institutions, Small Finance Banks and foreign banks, Source: CRIF Highmark, CRISIL MI&A

Right to win for NBFCs

NBFCs held lion's share in overall commercial vehicle financing on account of relatively superior customer connect in small fleet operators ("SFOs") and first-time buyers customer segment, strong and deep understanding of local economy, ease of loan processing, relatively higher loan-to-value ("LTV"), and higher risk-taking ability of NBFCs. Banks have sharper focus on financing LFOs based on their superior credit profiles. They also prefer big ticket financing, like that for MHCVs. While the sector has been under stress and delinquencies over past two years, the quality of the portfolio improved in Financial Year 2023 as economic activity picked up thus increasing repayment capabilities. This has enabled banks to capture market share in both LFOs and SFOs as they can offer better loan rates and higher ticket size than NBFCs. However, as banks are more cautious in lending to riskier CV asset classes, NBFCs can maintain their strong hold and build better customer profiles. NBFCs can cater to LFOs that are more volatile and riskier than SFOs during adversities. As some NBFCs are mainly focused on CV financing, they have built a strong customer base that will support them going forward.

Among lenders, Private Banks had the lowest GNPAs across years with 90+ DPD for H1 Financial Year 2025 at 2.3% followed by NBFCs & HFCs with 8.9% and Public Sector Banks with ~24%. From Financial Year 2022 to Financial Year 2024, NBFCs and HFCs have witnessed a significant improvement in their NPA levels falling from 30.3% in Financial Year 2022 to 8.3%, followed by Public Sector banks witnessing an improvement in NPA levels from 45.1% in Financial Year 2022 to 25% in Financial Year 2024.

Lender-wise asset quality trend in Commercial Vehicle Financing



Note: Others includes other financial institutions, Small Finance Banks and foreign banks, Source: CRIF Highmark, CRISIL MI&A

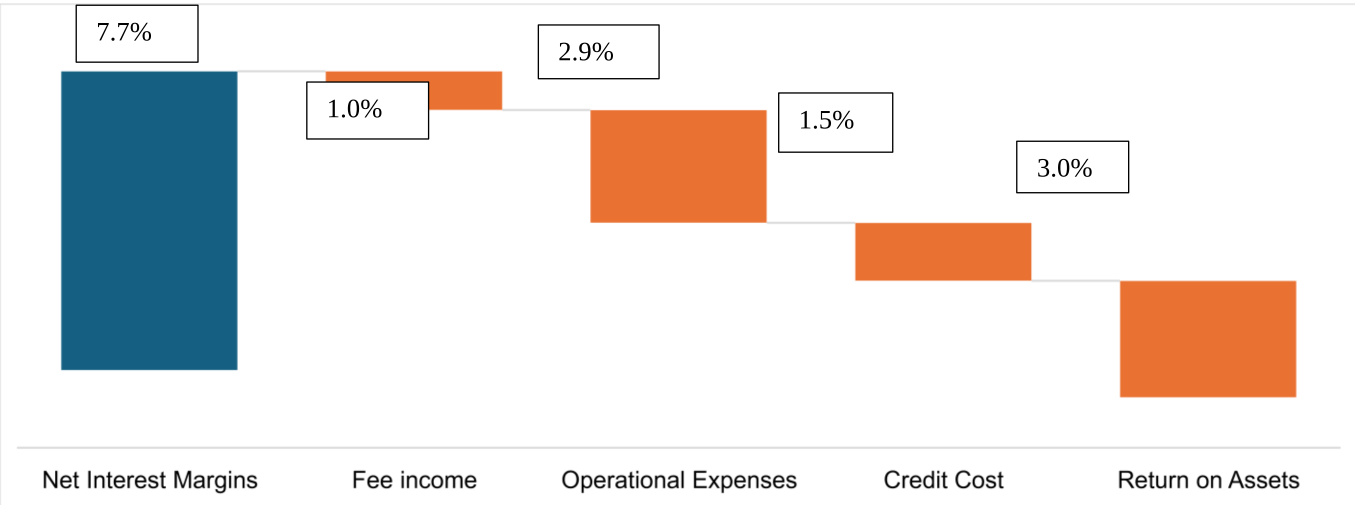
With respect of asset quality, for most NBFCs, it is observed that the used CV segment tends to perform better than the new CV segment over a cycle due to lower purchase cost and consequently lower monthly repayment burden on the borrower. Furthermore, the depreciation rate of a used CV is also lower relative to a new CV, which provides enhanced downside protection to financiers.

NBFCs operating in commercial vehicle financing had return on assets at 3.0%

NBFCs have a strong presence in the commercial vehicle financing space with a dominant share in used commercial vehicle financing. Primarily, small fleet operators and drivers turned owners, and first-time buyers are the core customer segment for majority of the NBFCs in this segment. As this customer segment is comparatively riskier than those catered by banks (Large & medium sized fleet operators), NBFCs which are operating in both used and new commercial vehicle financing are able to charge higher yields (~16%), which in-turn translates to higher net interest margins for the players which usually range between 7-8%. Operational expenses are approximately ~3% for NBFCs due to their extensive on-ground presence and underwriting mechanisms, while credit costs usually range between 1.5-2% with return on assets estimates at ~3%.

Among NBFCs in the commercial vehicle financing space, NBFCs which cater to customers in the used commercial vehicle space usually have a loan tenure of 3-5 years while NBFCs focused on new commercial vehicles have an average loan tenure of 4-7 years. Used commercial vehicle NBFC financiers are also able to attract 3-5% higher yields as compared to new commercial vehicle financiers.

RoA tree for NBFCs operating in commercial vehicle loan segment



Source: Company reports, CRISIL MI&A

Key Risks in the vehicle financing industry

Economic Scenario

The financial performance of auto-finance companies depends on the offtake of vehicles, which depends on the overall macroeconomic factors, such as GDP growth and the economic cycle. The commercial vehicles (CV) industry transports over half of the total freight handled in the country. As transportation is linked to all sectors, demand for CVs is closely linked to overall economic growth. CV demand is also driven by growth in industrial and agricultural production, freight movement, rising share of roadways in freight movement, and changes in freight rates. Any economic slowdown directly impacts CV sales.

Regulatory Environment

Changing regulatory framework for auto-finance companies has been crucial in determining growth path of NBFCs. Over years, regulations of NBFCs have been converging with those of banks; this could lead to keener competition in the future. Also, higher provisioning requirements will impact the profitability of these companies.

Insufficiency of data for credit appraisal

Credit-score availability in India is still at a nascent stage, despite the presence of credit bureaus. In several cases, borrowers lack formal income-proof documents. This makes it difficult to judge the ability of borrowers to repay.

Asset Quality and Recovery Risk

The absence of an established and transparent secondary market makes it difficult to recover the value in many cases.

Peer Comparison

Veritas Finance is a provider of retail credit to borrowers lacking access to formal financing channels and formal documentation. In this section, CRISIL MI&A has benchmarked Veritas Finance with the financial and operating performance of NBFCs operating in MSME and small business financing market, affordable housing finance business, vehicle finance business and diversified segments in India based on the latest available data for Financial Year 2022, Financial Year 2023, Financial Year 2024 and half year ended Financial Year 2025.

Within the MSME and small business financing market, competitors include Five-Star Business Finance Limited and SBFC Finance

Limited. Affordable home loans and used vehicle finance businesses for Veritas are of a relatively newer vintage, and competitors include estabilished players such as Aavas Financiers Limited and Aptus Value Housing Finance India Limited for affordable home loans and SK Finance Limited and Kogta Financial for used vehicle finance.

For analysis, CRISIL has considered the following peers: Cholamandalam Investment and Finance Company Limited (Chola), Sundaram Finance Limited (Sundaram), Five-Star Business Finance Limited (Five-Star), SBFC Finance Limited (SBFC), Veritas Finance (Veritas), Aavas Financiers Limited (Aavas), Aptus Value Housing Finance (Aptus), SK Finance Limited (SK) and Kogta Financial (Kogta).

Consolidated financials of the companies have been taken into consideration wherever applicable, except Aptus Value Housing Finance for which standalone figures are considered. Players have been arranged in order of decreasing AUM in each category.

Veritas Finance's AUM has grown the fastest from Financial Year 2022 to Financial Year 2024 amongst the peer set

Veritas Finance is the fastest-growing NBFC in terms of AUM growth among compared peers for the period between Financial Year 2022 to Financial Year 2024, with a compounded annual growth rate ("CAGR") of 62%.

Assets under management

Assets under Management (in ₹ million)		**Financial Year 2022**	**Financial Year 2023**	**Financial Year 2024**	**H1 Financial Year 2024**	**H1 Financial Year 2025**	**CAGR (Financial Year 2022-Financial Year 2024)**
Diversified NBFCs	Chola	769,070	1,064,980	1,455,720	1,242,460	1,646,420	38%
	Sundaram	390,270	457,330	577,990	524,380	634,630	22%
MSME focussed NBFCs	Five-Star	50,671	69,148	96,406	82,644	109,272	38%
	SBFC	31,922	49,428	68,219	58,030	77,150	46%
	Veritas	**21,874**	**35,337**	**57,238**	**44,833**	**65,172**	**62%**
Affordable Housing focussed HFCs	Aavas	113,502	141,667	173,126	153,195	183,956	24%
	Aptus	44,920	57,610	67,590	60,920	73,090	23%
Used Commercial Vehicle focussed NBFCs	SK	47,143	73,783	104,760	86,810	118,500	49%
	Kogta	21,833	33,956	47,933	40,090	52,411	48%

Note: 1) For Sundaram Finance consolidated AUM includes individual AUM of Sundaram Finance and Sundaram Home Finance.

Source: Company reports, CRISIL MI&A

Veritas Finance has the highest disbursement CAGR of 77% from Financial Year 2022 to Financial Year 2024 amongst the peer set

Veritas Finance has the highest disbursement growth rate of 77% from Financial Year 2022 to Financial Year 2024 amongst the peer set. Five-Star Business Finance has the second highest growth rate at 67% during the same time period.

Disbursements

Disbursements (in Rs. million)		**FY22**	**FY23**	**FY24**	**H1FY24**	**H1FY25**	**CAGR (FY22-24)**	**Y-o-Y growth H1FY24-H1FY25**
Diversified NBFCs	Chola	354,900	665,320	887,250	415,570	486,460	58%	17%
	Sundaram	155,860	248,670	311,920	157,370	166,640	41%	6%
MSME focussed NBFCs	Five-Star	17,562	33,914	48,814	23,361	25,689	67%	10%
	SBFC**	13,328	22,768	27,930	13,560	12,060	45%	-11%
	Veritas	**11,883**	**22,447**	**37,024**	**16,086**	**18,379**	**77%**	**14%**
Affordable Housing focussed HFCs	Aavas	36,022	50,245	55,822	23,267	25,046	24%	8%
	Aptus	16,410	23,950	31,270	13,910	16,100	38%	16%

Disbursements (in Rs. million)		FY22	FY23	FY24	H1FY24	H1FY25	CAGR (FY22-24)	Y-o-Y growth H1FY24-H1FY25
Used Commercial Vehicle focussed NBFCs	SK	32,260	56,229	72,360	NA	NA	50%	NA
	Kogta	13,893	23,815	31,706	NA	NA	51%	NA

Note: 1) NA: Not Available, 2) (**) For secured MSME product, 3) For Sundaram Finance consolidated disbursements includes disbursements of Sundaram Finance and Sundaram Home Finance.

Source: Company reports, CRISIL MI&A

Veritas Finance portfolio is more diversified than MSME focussed NBFCs in the peer set

Veritas has the most diversified portfolio among MSME focussed peers, supporting diversification and expertise in the regions of their operation.

AUM Mix (H1 Financial Year 2025)

AUM Mix as of Financial Year 2024		Mortgage backed			MSME Unsecured	Vehicle Financing	Others
		Loan against property	Secured MSME	Housing Loan			
Diversified NBFCs	Chola	20%	-	10%	4%	56%	10% (Consumer & Small Enterprise loans, Secured Business & Personal Loan)
	Sundaram	9%	-	15%	-	66%	10% (Commercial Lending & Others)
MSME focussed NBFCs	Five-Star	-	100%	-	-	-	-
	SBFC	-	83%	-	-	-	17% (Others)
	Veritas	**-**	**72%**	**18%**	**9%**	**1%**	**-**
Affordable Housing focussed HFCs	Aavas	31%^^		69%	-	-	-
	Aptus	-	-	92%	-	-	8% (Insurance Loans & Top up loans)
Used Commercial Vehicle focussed NBFCs	SK*	-	21%	-	-	78%	
	Kogta*	-	20%	-	-	80%	0.1%

Note: 1) (^^) LAP and other mortgage loan, 2) (*) As of March 2024, 3) For Sundaram Finance consolidated AUM includes individual AUM of Sundaram Finance and Sundaram Home Finance.

Source: Company reports, CRISIL MI&A

Veritas Finance has the highest growth in number of employees and second highest growth rate in number of branches opened between Financial Year 2022 and H1 Financial Year 2025

Five-Star Business Finance has the highest growth rate in terms of number of branches at 37% from Financial Year 2022 to H1

Financial Year 2025 amongst the peer set followed by Veritas Finance at 28%.

Number of branches and number of employees

Players		Branches					Employees				
		Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025	CAGR (Financial Year 2022 - H1 Financial Year 2025)	Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025	CAGR (Financial Year 2022 -H1 Financial Year 2025)
Diversified NBFCs	Chola	1,145	1,191	1,387	1,508	12%	33,077	44,922	54,098	61,291	28%
	Sundaram	723	788	848	855	7%	5,085	8,498	9,007	9,152	26%
MSME focussed NBFCs	Five-Star	300	373	520	660	37%	5,675	7,347	9,327	10,366	27%
	SBFC	135	152	183	192	15%	2,048	2,822	3,758	4,062	32%
	Veritas	**229**	**287**	**382**	**424**	**28%**	**2,727**	**4,432**	**6,299**	**7,704**	**51%**
Affordable Housing focussed HFCs	Aavas	314	346	367	372	7%	5,222	6,034	6,075	NA	8%*
	Aptus	208	231	262	291	14%	2,271	2,405	2,883	3,046	12%
Used Commercial Vehicle focussed NBFCs	SK	423	447	579	NA	17%*	6,703	8,469	11,401	NA	30%*
	Kogta	179	202	216	NA	10%*	3,181	3,989	4,729	NA	22%*

Note: 1) (*) CAGR calculated from Financial Year 2022 to Financial Year 2024, 2) For Sundaram Finance consolidated branches and employees includes branches and employees of Sundaram Finance and Sundaram Home Finance. Source: Company reports, CRISIL MI&A

Cost to Income for players

Players		Cost to Income (%)			
		Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025
Diversified NBFCs	Chola	21.1%	22.2%	22.1%	NA
	Sundaram	21.7%	22.6%	21.5%	NA
MSME focused NBFCs	Five-Star	24.5%	28.8%	25.4%	NA
	SBFC	33.6%	31.3%	30.1%	27.5%
	Veritas	**35.4%**	**34.7%**	**35.2%**	**35.5%**
Affordable Housing focused HFCs	Aavas	27.3%	28.7%	27.2%	NA
	Aptus	14.0%	14.8%	14.4%	NA
Used Commercial Vehicle focused NBFCs	SK	34.8%	29.7%	30.0%	NA
	Kogta	35.3%	35.6%	31.4%	35.2%

Note: 1) Cost to Income ratio calculated as operating expenses for the relevant Financial Year divided by total income. Operating expenses represent the aggregate of Employee benefit expense, Fee and commission expense, Depreciation and amortization, Interest expense on lease liabilities and Other expenses for the relevant Financial Year. 2) NA: Not Available
Source: Company reports, CRISIL MI&A

AUM per branch and AUM per employee

Players		AUM per branch (in ₹ million)					AUM per employee (in ₹ million)				
		Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025	CAGR Financial Year 2022 - H1 Financial Year 2025	Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025	CAGR Financial Year 2022 - H1 Financial Year 2025
Diversified NBFCs	Chola	672	894	1,050	1,092	21%	23	24	27	27	6%
	Sundaram	540	580	682	742	14%	77	54	64	69	-4%
MSME focussed NBFCs	Five-Star	169	185	185	166	-1%	9	9	10	11	7%
	SBFC	236	325	373	402	24%	16	18	18	19	8%
	Veritas	**96**	**123**	**150**	**154**	**21%**	**8**	**8**	**9**	**8**	**2%**
Affordable Housing focussed HFCs	Aavas	361	409	472	495	13%	22	23	28	NA	15%*
	Aptus	216	249	258	251	6%	20	24	23	24	8%
Used Commercial Vehicle focussed NBFCs	SK	111	165	181	193	27%	7	9	9	NA	14%*
	Kogta	122	168	222	208	24%	7	9	10	NA	22%*

Note: 1) (*) CAGR calculated from Financial Year 2022 to Financial Year 2024, 2) AUM per branch calculated as AUM for the relevant Financial Year divided by numbers of branches for the relevant Financial Year, 3) AUM per employee calculated as AUM for the relevant Financial Year divided by numbers of employees for the relevant Financial Year, 4) For Sundaram Finance consolidated AUM, branches and employees includes those of Sundaram Finance and Sundaram Home Finance.
Source: Company reports, CRISIL MI&A

Disbursement per branch and Disbursement per employee

Players		Disbursement per branch (in ₹ million)					Disbursement per employee (in ₹ million)				
		Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025	CAGR Financial Year 2022 – Financial Year 2024	Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025	CAGR Financial Year 2022 – Financial Year 2024
Diversified NBFCs	Chola	310	559	640	323	44%	11	15	16	8	24%
	Sundaram	216	316	368	195	31%	31	29	35	18	6%
MSME focussed NBFCs	Five-Star	59	91	94	39	27%	3	5	5	2	30%
	SBFC**	99	150	153	63	24%	7	8	7	3	7%
	Veritas	**52**	**78**	**97**	**43**	**37%**	**4**	**5**	**6**	**2**	**16%**
Affordable Housing focussed HFCs	Aavas	115	145	152	67	15%	7	8	9	NA	15%
	Aptus	79	104	119	55	23%	7	10	11	5	23%
Used Commercial Vehicle focussed	SK	76	126	125	NA	28%	5	7	6	NA	15%
	Kogta	78	118	147	NA	38%	4	6	7	NA	24%

NBFCs											

Note: 1) NA: Not Available, 2) (**) Disbursements for secured MSME product, 3) Disbursements per branch calculated as Disbursement for the relevant Financial Year divided by numbers of branches for the relevant Financial Year, 4) Disbursement per employee calculated as Disbursements for the relevant Financial Year divided by numbers of employees for the relevant Financial Year, 5) For Sundaram Finance consolidated numbers includes that of Sundaram Finance and Sundaram Home Finance.

Source: Company reports, CRISIL MI&A

Average Ticket Size and State wise share in AUM

Players		Average Ticket Size (in ₹ million)	Top 3 states (AUM)
Diversified NBFCs	Chola	NA	South (29%), North (23%), West (23%), East (25%)
	Sundaram	NA	South (55%), North (28%), West (13%), East (4%)
MSME focussed NBFCs	Five-Star	0.35	Andhra Pradesh (38%), Tamil Nadu (30%), Telangana (19%)
	SBFC	0.94*	South (38%), East (12%), North (33%), West (16%)
	Veritas	**0.4**	**Tamil Nadu (42%), Andhra Pradesh (18%), Telangana (11%)**
Affordable Housing focussed HFCs	Aavas	0.80	Rajasthan (34%) **
	Aptus	~ 1.0	Andhra Pradesh (42%), Tamil Nadu (34%), Telangana (16%)
Used Commercial Vehicle focussed NBFCs	SK	0.42^^	Rajasthan (52%), Madhya Pradesh (14%), Gujarat (10%) ^
	Kogta	NA	Rajasthan (42%), Maharashtra (18%), Gujarat (16%) ^

Note:1) (*) For Secured MSME Portfolio 2) (^^) Average ticket size for vehicles (excluding two-wheelers) 3) (^) As of March 2024
Source: Company reports, CRISIL MI&A

Veritas Finance' yield on advances stood at 22.7% as of Financial Year 2024

Five-Star Business Finance's yield on advances was highest amongst MSME focussed NBFCs at 25.0%, followed by Veritas Finance's yield on advances at 22.7% as of Financial Year 2024.

As of H1 Financial Year 2025, Veritas annualized yield on advances was around 22.0%, second only to Five-Star at 24.2%.

Key Financial Ratios (Annualized figures for H1 Financial Year 2025)

H1FY25		Yield on Average AUM	Average Cost of Borrowing	Net Interest Margin	Operating expenses % of Average AUM	Credit Cost % of Average AUM	Return on Average AUM	Return on Average Equity
Diversified NBFCs	Chola	14.4%*	NA	NA	NA	1.6%	1.2%	NA
	Sundaram	11.1%*	NA	NA	NA	0.3%	1.3%	NA
MSME focussed NBFCs	Five-Star	24.2%	NA	NA	NA	0.8%	5.0%	9.5%
	SBFC	15.0%	9.4%	9.7%	4.7%	0.9%	2.3%	5.7%
	Veritas	**22.0%**	**10.0%**	**14.7%**	**8.4%**	**2.1%**	**2.2%**	**5.4%**
Affordable Housing focussed HFCs	Aavas	NA	NA	NA	NA	NA	NA	NA
	Aptus	16.8%*	NA	NA	NA	0.3%	3.8%	7.6%
Used Commercial Vehicle focussed NBFCs	SK	18.3%*	NA	NA	NA	2.9%	1.3%	4.7%
	Kogta	NA	9.1%	NA	NA	NA	NA	3.1%

Note: 1) Average quarterly AUM is calculated based on quarterly average i.e. 3 point average for H1 Fiscal 2025.
2) Average quarterly borrowings is calculated based on quarterly average i.e. 3 point average for H1 Fiscal 2025.
3) Average quarterly equity is calculated based on quarterly average i.e. 3 point average for H1 Fiscal 2025.
4) Yield on Average AUM calculated as Interest earned on loans and advances divided by average quarterly AUM (1)
5) Average cost of borrowing calculated as finance costs excluding interest on lease liability divided by average quarterly borrowings (2). Borrowings include debt

securities, borrowings other than debt securities, subordinated liabilities and deposits.
6) Net Interest Margin calculated as net interest income divided by average quarterly AUM [(1)]. Net Interest Income represents Interest income on loans reduced by Finance cost excluding interest expense on lease liabilities for the relevant period/year.
7) Operating expenses as % of Average AUM calculated as Operating expenses divided by average quarterly AUM [(1)] Operating Expenses include the aggregate of Employee benefit expense, Fee and commission expense, Depreciation and amortization, Interest expense on lease liabilities and Other expenses for the relevant period/year.
8) Credit Cost % of Average AUM calculated as credit cost for the relevant period/year divided by average quarterly AUM [(1)].
9) Return on Average AUM calculated as profit after tax divided by average quarterly AUM [(1)]
10) Return on Average Equity calculated as profit after tax divided by average quarterly equity [(3)].
11) (*) Yield calculated on total interest income
12) The ratios are annualized, except Return on Average AUM and Return on Average Equity
Source: Company reports, CRISIL MI&A

Key Financial Ratios (Financial Year 2024)

Financial Year 2024		Yield on Average AUM	Average Cost of Borrowing	Net Interest Margin	Operating expenses % of Average AUM	Credit Cost % of Average AUM	Return on Average AUM	Return on Average Equity
Diversified NBFCs	Chola	13.7%	NA	6.4%	3.4%	1.1%	2.7%	NA
	Sundaram	10.8%	NA	4.3%	3.0%	0.6%	2.7%	NA
MSME focussed NBFCs	Five-Star	25.0%	9.1%	19.4%	6.8%	0.7%	10.1%	17.6%
	SBFC	14.8%	9.2%	8.9%	5.3%	0.8%	4.1%	10.1%
	Veritas	**22.7%**	**9.9%**	**15.8%**	**8.7%**	**2.0%**	**5.4%**	**12.3%**
Affordable Housing focussed HFCs	Aavas	10.3%	NA	5.0%	3.5%	0.2%	3.2%	14.0%
	Aptus	16.7%	NA	11.5%	2.6%	0.4%	7.8%	14.8%
Used Commercial Vehicle focussed NBFCs	SK	17.0%	9.5%	8.6%	6.1%	1.4%	3.5%	12.8%
	Kogta	NA	9.3%	NA	NA	NA	NA	11.8%

Note: 1) Average quarterly AUM is calculated based on quarterly average i.e. 5 point average for Fiscal 2024
2) Average quarterly borrowings is calculated based on quarterly average i.e. 5 point average for Fiscal 2024
3) Average quarterly equity is calculated based on quarterly average i.e. 5 point average for Fiscal 2024
4) Yield on Average AUM calculated as Interest earned on loans and advances divided by average quarterly AUM [(1)]
5) Average cost of borrowing calculated as finance costs excluding interest on lease liability divided by average quarterly borrowings [(2)]. Borrowings include debt securities, borrowings other than debt securities, subordinated liabilities and deposits.
6) Net Interest Margin calculated as net interest income divided by average quarterly AUM [(1)]. Net Interest Income represents Interest income on loans reduced by Finance cost excluding interest expense on lease liabilities for the relevant period/year.
7) Opex % of Average AUM calculated as Operating expenses divided by average quarterly AUM [(1)] Operating Expenses include the aggregate of Employee benefit expense, Fee and commission expense, Depreciation & amortization, Interest expense on lease liabilities & Other expenses for the relevant period/year.
8) Credit Cost % of Average AUM calculated as credit cost for the relevant period/year divided by average quarterly AUM [(1)].
9) Return on Average AUM calculated as profit after tax divided by average quarterly AUM [(1)]
10) Return on Average Equity calculated as profit after tax divided by average quarterly equity [(3)].
Source: Company reports, CRISIL MI&A

Veritas Finance return on assets is the third highest amongst the peer set as of Financial Year 2024

Five-Star Business Finance has the highest return on assets at 8.2% in Financial Year 2024 amongst the peer set, followed by Aptus Value Housing (6.8%) and Veritas Finance (4.7%).

As of H1 FY2025, Five-Star had the highest return on assets at 4.2%, followed by Aptus Value Housing (3.6%) and SBFC Finance (2.2%).

Return on assets and return on equity

Players		RoA (%)				RoE (%)			
		FY22	FY23	FY24	H1 FY25	FY22	FY23	FY24	H1 FY25
Diversified NBFCs	Chola	2.7%	2.7%	2.5%	1.1%	20.2%	20.5%	20.1%	9.3%
	Sundaram	2.3%	2.5%	2.4%	1.2%	10.4%	10.8%	12.0%	6.9%
MSME focussed NBFCs	Five-Star	7.5%	8.0%	8.2%	4.2%	15.0%	15.0%	17.5%	9.5%
	SBFC	1.5%	2.9%	3.7%	2.2%	5.2%	9.9%	10.5%	5.7%
	Veritas	**3.1%**	**5.2%**	**4.7%**	**1.9%**	**6.6%**	**11.8%**	**12.5%**	**5.4%**
Affordable Housing focussed HFCs	Aavas	3.6%	3.5%	3.3%	NA	13.6%	14.1%	13.9%	NA
	Aptus	6.7%	7.2%	6.8%	3.6%	13.2%	14.5%	14.7%	7.6%
Used Commercial Vehicle focussed	SK	2.7%	2.9%	2.9%	1.2%	11.1%	13.0%	12.6%	4.7%
	Kogta	2.4%	2.7%	3.1%	0.9%	8.4%	9.6%	11.7%	3.3%

Players		RoA (%)				RoE (%)			
		FY22	FY23	FY24	H1 FY25	FY22	FY23	FY24	H1 FY25
NBFCs									

Note: 1) RoA calculated as profit after tax divided average of total assets on book of the company, 2) RoE calculated as profit after tax divided average of shareholder equity of the company.
Source: Company reports, CRISIL MI&A

Asset quality

Players		GNPA				NNPA			
		Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025	Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025
Diversified NBFCs	Chola	6.8%	4.6%	3.5%	3.8%	4.7%	3.1%	2.3%	2.5%
	Sundaram	2.2%	1.7%	1.3%	1.6%	1.1%	0.9%	0.6%	0.9%
MSME focussed NBFCs	Five-Star	1.1%	1.4%	1.4%	1.5%	0.7%	0.7%	0.6%	0.7%
	SBFC	2.7%	2.6%	2.4%	2.7%	1.6%	1.6%	1.4%	1.6%
	Veritas	**3.9%**	**2.2%**	**1.8%**	**2.0%**	**2.3%**	**1.3%**	**0.9%**	**1.0%**
Affordable Housing focussed HFCs	Aavas	1.0%	0.9%	0.9%	1.1%	0.8%	0.7%	0.7%	0.8%
	Aptus	1.2%	1.2%	1.1%	1.3%	0.9%	0.9%	0.8%	0.9%
Used Commercial Vehicle focussed NBFCs	SK **	2.8%	3.1%	3.5%	NA	2.0%	2.4%	2.5%	NA
	Kogta	3.6%	3.3%	2.6%	NA	2.5%	1.8%	1.7%	NA

Note: 1) (**) After impact of RBI circular.
Source: Company reports, CRISIL MI&A

Asset quality

Players		1 DPD Portfolio (%)				30 DPD Portfolio (%)			
		FY22	FY23	FY24	H1 FY25	FY22	FY23	FY24	H1 FY25
Diversified NBFCs	Chola	NA	NA	NA	NA	12.0%	6.7%	4.7%	5.5%
	Sundaram	NA	NA	NA	NA	NA	NA	NA	NA
MSME focussed NBFCs	Five-Star	28.1%	16.5%	12.6%	14.0%	16.8%	10.5%	7.9%	8.4%
	SBFC	NA	5.1%*	5.6%*	6.3%*	8.5%	6.1%	6.8%	5.9%
	Veritas	**9.1%**	**4.5%**	**3.6%**	**4.9%**	**6.7%**	**3.7%**	**3.1%**	**3.5%**
Affordable Housing focussed HFCs	Aavas	4.5%	3.3%	3.1%	4.0%	4.0%	2.7%	2.4%	2.7%
	Aptus	NA	NA	NA	NA	9.5%	5.4%	6.1%	NA
Used Commercial Vehicle focussed NBFCs	SK	19.8%	13.9%	13.8%	NA	10.0%	5.8%	6.4%	8.0%
	Kogta	NA	NA	NA	NA	11.6%	6.5%	6.2%	NA

Note: 1) Ratios calculated on gross book, 2) (*) Only for secured MSME product
Source: Company reports, CRISIL MI&A

Provisioning Coverage Ratio

Players		Provision Coverage Ratio			
		Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025
Diversified NBFCs	Chola	39.7%	46.0%	46.5%	44.5%
	Sundaram	51.1%*	48.2%*	50.0%*	45.1%*
MSME focussed NBFCs	Five-Star	34.9%	49.3%	54.3%	51.7%*
	SBFC	40.5%	39.3%	44.7%	39.4%*
	Veritas	**41.5%**	**42.8%**	**53.1%**	**50.8%**
Affordable Housing focussed HFCs	Aavas	71.2%	67.1%	64.3%	59.1%
	Aptus	26.1%*	25.2%*	25.2%*	24.8%*
Used Commercial Vehicle focussed NBFCs	SK	28.6%	24.7%	30.2%	41.0%
	Kogta	30.2%*	45.5%*	35.0%*	33.9%*

Note: 1) (*) Provisioning Coverage Ratio calculated as GNPA subtracted by NNPA and divided by GNPA for the relevant Financial Year

Source: Company reports, CRISIL MI&A

Veritas Finance' profit after tax has grown the second fastest amongst the peer set

Veritas Finance's profit after tax has grown at 80% between Financial Year 2022 and Financial Year 2024 which is the second highest amongst the peer set. SBFC Finance has the highest profit after tax growth rate at 92% during the same time period.

Profit after tax

Profit After Tax (in ₹ million)		Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025	CAGR (Financial Year 2022 – Financial Year 2024)
Diversified NBFCs	Chola	21,589	26,767	34,107	19,150	26%
	Sundaram	10,666	12,817	14,224	8,081	15%
MSME focussed NBFCs	Five-Star	4,535	6,035	8,359	5,195	36%
	SBFC	645	1,497	2,371	1,631	92%
	Veritas	**754**	**1,764**	**2,451**	**1,331**	**80%**
Affordable Housing focussed HFCs	Aavas	3,552	4,296	4,907	NA	18%
	Aptus	3,082	4,246	4,806	2,641	25%
Used Commercial Vehicle focussed NBFCs	SK	1,429	2,228	3,119	1,482	48%
	Kogta	521	855	1,409	533	64%

Source: Company reports, CRISIL MI&A

Net worth

Net worth (in ₹ million)		Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025
Diversified NBFCs	Chola	117,690	143,461	195,932	214,109
	Sundaram	110,889	126,484	110,782	125,101
MSME focussed NBFCs	Five-Star	37,104	43,395	51,962	57,233
	SBFC	12,872	17,273	27,781	29,680

Net worth (in ₹ million)		Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025
	Veritas	**14,080**	**15,913**	**23,296**	**26,107**
Affordable Housing focussed HFCs	Aavas	28,064	32,697	37,733	NA
	Aptus	27,659	31,106	34,080	35,645
Used Commercial Vehicle focussed NBFCs	SK	15,964	18,337	31,086	32,644
	Kogta	6,510	11,348	12,803	19,427

Note: 1) Net worth includes capital and reserves and surplus

Source: Company reports, CRISIL MI&A

MSME Finance NBFCs have low debt to equity ratio as compared to other categories

Five-Star Business Finance has debt to equity ratio at 1.2x followed by SBFC Finance at 1.5x followed by Veritas Finance at 1.9x as of H1 Financial Year 2025.

Debt to equity and total assets to equity ratio

Players		Debt to Equity				Total Assets to Equity			
		Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025	Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025
Diversified NBFCs	Chola	5.9x	6.8x	6.9x	7.4x	7.0x	7.9x	8.0x	8.5x
	Sundaram	2.7x	2.8x	4.0x	3.8x	4.3x	4.4x	5.8x	5.6x
MSME focussed NBFCs	Five-Star	0.7x	1.0x	1.2x	1.2x	1.7x	2.0x	2.2x	2.2x
	SBFC	2.3x	2.2x	1.4x	1.5x	3.5x	3.3x	2.5x	2.5x
	Veritas	**0.8x**	**1.5x**	**1.7x**	**1.9x**	**1.9x**	**2.6x**	**2.8x**	**2.9x**
Affordable Housing focussed HFCs	Aavas	2.8x	3.0x	3.3x	NA	3.9x	4.1x	4.4x	NA
	Aptus	0.8x	1.1x	1.2x	NA	1.9x	2.1x	2.2x	NA
Used Commercial Vehicle focussed NBFCs	SK	2.8x	3.8x	2.9x	3.0x	3.9x	4.9x	4.0x	4.1x
	Kogta	2.9x	2.3x	3.0x	2.0x	4.0x	3.4x	4.1x	3.1x

Note: 1) Debt to Equity ratio calculated as total borrowings divided by total shareholder equity of the company, 2) Total Assets to Equity ratio calculated as total assets divided by total shareholder equity of the company, 3) NA: Not Available

Source: Company reports, CRISIL MI&A

Veritas Finance had the third highest CAR ratio amongst the peer set as of Financial Year 2024

Veritas Finance' capital adequacy ratio stood at 41.5% as of Financial Year 2024 which was the fourth highest amongst the peer set.

Capital Adequacy ratio and Tier 1 ratio for players

Players	Capital Adequacy Ratio				Tier 1 Ratio			
	Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025	Financial Year 2022	Financial Year 2023	Financial Year 2024	H1 Financial Year 2025

Diversified NBFCs	Chola	19.6%	17.1%	18.6%	19.5%	16.5%	14.8%	15.1%	15.0%
	Sundaram	24.4%	22.8%	20.5%	20.0%	17.5%	17.7%	16.8%	NA
MSME focussed NBFCs	Five-Star	75.2%	67.2%	50.5%	48.7%	75.2%	67.2%	50.5%	NA
	SBFC	26.2%	31.9%	40.5%	38.6%	25.9%	31.7%	40.5%	NA
	Veritas	**64.4%**	**45.0%**	**41.5%**	**40.9%**	**64.0%**	**44.7%**	**41.5%**	**40.9%**
Affordable Housing focussed HFCs	Aavas	51.4%	47.0%	44.0%	46.5%	50.7%	46.7%	43.8%	46.2%
	Aptus	85.6%	77.4%	73.0%	70.2%	85.6%	76.6%	72.4%	NA
Used Commercial Vehicle focussed NBFCs	SK	30.4%	26.1%	33.9%	NA	29.8%	25.5%	33.9%	NA
	Kogta	28.5%	34.1%	27.1%	NA	28.5%	33.9%	26.7%	NA

Note: NA: Not Available. Source: Company reports, CRISIL MI&A

Veritas Finance has the highest share of term loans from banks amongst the peers in the borrowing mix

Veritas Finance' borrowing mix constitute of term loans from banks (72%), securitisation (17%), NCD (8%) and term loan from others (3%) as of H1 Financial Year 2025.

Borrowing mix for companies (H1 Financial Year 2025)

Players		NCD	Term loans from banks	Term Loans from others	Securitisation	Subordinated Liabilities	Short Term Borrowings	ECB	CP	Deposits	Others
Diversified NBFCs	Chola	17%	45%	5%	18%	5%	4%	6%	-	-	-
	Sundaram	32%	39%	-	10%	-	-	-	4%	14%	-
MSME focussed NBFCs	Five-Star	12%	60%	10%	18%	-	-	1%	-	-	-
	SBFC	11%	42%	8%	4%	-	-	15%	-	-	19%**
	Veritas*	**8%**	**72%**	**3%**	**17%**	-	-	-	-	-	-
Affordable Housing focussed HFCs	Aavas	6%	69%		25%^	-	-	-	-	-	-
	Aptus	11%	78%		11%	-	-	-	-	-	-
Used Commercial Vehicle focussed NBFCs	SK*	18%	60%	-	20%	-	-	3%	-	-	-
	Kogta^^	12%	66%	11%	3%	-	9%	-	-	-	-

Note: 1) (**) Co-origination, 2) NCD: Non-convertible debentures, ECB: Exchange commercial borrowings, CP: Commercial Papers, 3) Short term borrowings include cash credit and overdraft facilities, 4) (^) Assignment and co-lending, 5) (*) As of June 2024, 6) (^^) As of March 2024

Source: Company reports, CRISIL MI&A

Credit rating of companies (Latest Available Ratings)

Players		Long Term Credit Rating
Diversified NBFCs	Chola	IND AA/IND AA+, ICRA AA/ICRA AA+, CARE AA+/CARE AA
	Sundaram	ICRA AAA, CRISIL AAA
MSME focussed NBFCs	Five-Star	ICRA AA-, IND AA-, CARE AA-
	SBFC	ICRA AA-, CARE AA-, IND AA-
	Veritas	**CARE A+**
Affordable Housing focussed HFCs	Aavas	CARE AA, ICRA AA

	Aptus	ICRA AA-, CARE AA-
Used Commercial Vehicle focussed NBFCs	SK	CRISIL AA-/CRISIL PPMLD AA-, ACUITE AA-, ICRA AA-, CARE AA-, IND AA-
	Kogta	ICRA A+, CARE A+

Source: Company reports, CRISIL MI&A

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 21 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" on page 32 for a discussion of the risks that may affect our business, financial condition, or results of operations, and "Restated Summary Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 305 and 420, respectively, 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.

We have included several operational and financial performance indicators in this Draft Red Herring Prospectus, many of which may not be derived from our Restated Summary Statements. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Also see "Risk Factors – We have included in this Draft Red Herring Prospectus certain non-generally accepted accounting principle financial measures and certain other selected statistical information related to our operations and financial condition. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the industry in which we operate and therefore may not be comparable with financial and statistical information of similar nomenclature that may be computed and presented by other peer group companies" on page 58.

*Unless otherwise indicated, the industry and market-related information contained in this Draft Red Herring Prospectus is derived from the report titled "Report on Loans and Financial Services in India" dated January 2025 (the "**CRISIL MI&A Report**"), which has been commissioned and paid for by our Company for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CRISIL Market Intelligence & Analytics, a division of CRISIL Limited ("**CRISIL MI&A**"), in connection with the preparation of the CRISIL MI&A Report pursuant to an engagement letter dated June 14, 2024. The CRISIL MI&A Report is available on the website of our Company at https://www.veritasfin.in/drhp.php and has also been included in "Material Contracts and Documents for Inspection – Material Documents" on page 533. The information included in this section includes excerpts from the CRISIL MI&A Report and may have been reordered by us for the purposes of presentation. There are no material parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner. For more information, see "Risk Factors — Certain sections of this Draft Red Herring Prospectus contain industry and market-related information from an industry report prepared by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited, which has been commissioned and paid for by us in connection with the Offer, and any reliance on such information in making an investment decision in the Offer is subject to inherent risks" on page 58.*

Our Company's Financial Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information as of and for the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022 included herein is derived from the Restated Summary Statements included in this Draft Red Herring Prospectus.

OVERVIEW

Established in 2015, we are a non-deposit taking non-banking financial company ("**NBFC**") registered with the Reserve Bank of India ("**RBI**"), and under the scale-based regulations of the RBI, are classified as an 'NBFC-Middle Layer'. As a diversified, retail-focused NBFC, we primarily provide small business loans to micro, small and medium enterprises ("**MSMEs**") and self-employed individuals, and over the years, have expanded our business to include home loans and used commercial vehicle loans. As of September 30, 2024, our Loans (AUM) aggregated to ₹65,172.17 million.

According to CRISIL MI&A, we are the fastest-growing NBFC in terms of Loans (AUM) growth among compared peers for the period between the Financial Years 2022 to 2024, with a compounded annual growth rate ("**CAGR**") of 61.76%. As of Financial Year 2024, the estimated MSME credit demand in India was approximately ₹138 trillion, with only 25% of this demand being met through formal financing channels (Source: *CRISIL MI&A Report*). Moreover, according to the CRISIL MI&A Report, during Financial Year 2024, the total addressable credit demand was ₹67.5 trillion, while current formal financing amounted to ₹35 trillion, leaving a potentially addressable MSME credit gap of ₹32.5 trillion to be fulfilled by financial institutions. The MSME credit market has demonstrated strong growth, with credit outstanding rising at a CAGR of 15.8% from Financial Year 2019 to Financial Year 2024 and is expected to grow at a CAGR of 17-19% from Financial Years 2024 to 2027 (Source: *CRISIL MI&A Report*). The housing finance market has also demonstrated strong growth, with credit outstanding rising at a CAGR of 13.6% from Financial Year 2019 to Financial Year 2024 and is expected to grow at a CAGR of 13-15% from Financial Years 2024 to 2027 (Source: *CRISIL MI&A Report*).

We focus on addressing the financial needs of underserved and underbanked MSMEs and individuals by providing access to credit. To address the significant credit gap in these sectors, we offer a range of products, including small business loans, housing loans, used commercial vehicle loans, and working capital loans. The table below sets out details of our Loans (AUM) and disbursements as of and for the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022:

Metric	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
Loans (AUM) *(₹ in millions)*[(1)]	65,172.17	57,237.87	35,337.31	21,873.53
Loans (AUM) Growth (%)[(2)]	45.37%	61.98%	61.55%	39.97%
Disbursements *(₹ in millions)* [(3)]	18,378.85	37,024.30	22,446.55	11,882.77
Disbursements Growth (%)[(4)]	14.26%	64.94%	88.90%	93.35%

(1) Loans (AUM) is the aggregate of Loans and Impairment loss allowance – loans.
(2) Loans (AUM) Growth represents percentage growth in Loans (AUM) for the relevant period/year over Loans (AUM) of the previous period/year.
(3) Disbursements represent the aggregate of all loan amounts extended to customers in the relevant period/year.
(4) Disbursements Growth represents percentage growth in Disbursements for the relevant period/year over Disbursements of the previous period/year.

As a leading provider of retail credit to borrowers lacking access to formal financing channels and formal documentation (Source: *CRISIL MI&A Report*), our growth is supported by our diverse businesses and geographically diverse loan book, which includes the following businesses:

- *Rural Business Loans:* Our Rural Business Loans comprise small business loans and home construction loans, which have an average yield based on disbursements of 22.83% for the six months ended September 30, 2024, and are aimed at supporting businesses with their business expansion and income generation needs and self-employed or salaried individuals with constructing or completing the construction of their existing homes. We offer these loans as secured loans, with self-occupied residential property generally as collateral, and to borrowers in rural and semi-urban regions having little to no bank penetration. As of September 30, 2024, loans offered under this business had an average ticket size of ₹0.47 million. Our primary customer base for this business comprises borrowers with a monthly income ranging between ₹25,000-₹80,000 and limited or no prior formal credit history.

- *Affordable Home Loans:* Since October 2022, we offer secured housing loans to borrowers primarily located in Tier-1 and Tier-2 cities, with loan tenures ranging from five to fifteen years for affordable housing purchases or construction. As compared to home construction loans within our rural business loans business, these loans are tailored towards customers demonstrating a higher earning capacity, with an average ticket size of ₹1.13 million and an average yield based on disbursements of 16.63% for the six months ended September 30, 2024. As such, our primary customers in our home loans business comprises of low income self-employed and salaried borrowers, and non-resident Indians. Self-occupied residential property of the borrower is generally provided as collateral for such loans.

- *Used Commercial Vehicle Loans:* Since March 2024, we offer secured used commercial vehicle loans to borrowers in semi-urban and rural regions in India. These loans usually have tenures of three years and are secured by a hypothecation charge over the vehicle. Our used commercial vehicle loans generally have small and light commercial vehicles of the borrower as collateral. The average ticket size is ₹0.45 million and an average yield based on disbursements of 19.25% for the six months ended September 30, 2024. The borrowers of such loans are primarily small transportation operators (who are first time borrowers) as well as agriculture and construction businesses, which purchase used commercial vehicles for goods and agricultural transport as part of independent trucking operations.

- *Working Capital Loans (Unsecured)*: We offer unsecured short-term working capital loans to MSMEs in urban and semi-urban areas. These loans have an average ticket size of ₹0.18 million and an average yield based on disbursements of 27.03% for the six months ended September 30, 2024, and loan tenures ranging from one to three years (with weekly or biweekly repayment instalment schedules). Our primary customer base for this business comprises shopkeepers, restaurant owners, hardware store owners, and other business owners with daily cash flows and prior credit history. Through these loans, we offer access to credit without collateral, with repayment options through cash or digital modes on a weekly collection basis. As part of our commitment to promoting gender equity, we have also introduced loans specifically targeted at women entrepreneurs for augmenting their business and livelihoods.

The table below sets forth details of our Loans (AUM) attributable to each business as of the dates indicated:

Loans (AUM) of the business[(1)]	As of September 30, 2024		As of March 31,					
			2024		2023		2022	
	Loans (AUM)	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*
	(₹ in millions, except for %)							
Rural Business Loans	47,101.73	72.27%	42,892.64	74.94%	30,954.90	87.60%	20,639.92	94.36%
Affordable Home Loans	11,481.24	17.62%	8,242.97	14.40%	944.32	2.67%	-	-
Used commercial vehicle loans	831.83	1.28%	2.17	0.00%	-	-	-	-
Working Capital Loans (Unsecured)	5,757.37	8.83%	6,100.09	10.66%	3,438.09	9.73%	1,233.61	5.64%

Loans (AUM) of the business[(1)]	As of September 30, 2024		As of March 31,					
			2024		2023		2022	
	Loans (AUM)	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*
	(₹ in millions, except for %)							
Total	**65,172.17**	**100.00%**	**57,237.87**	**100.00%**	**35,337.31**	**100.00%**	**21,873.53**	**100.00%**

(1) Loans (AUM) is the aggregate of Loans and Impairment loss allowance – loans.

We have invested in building a wide distribution network across rural and semi-urban areas with a branch network (excluding service centres) of 424 branches across 10 states and one union territory in India, as of September 30, 2024. We have a well-established presence in Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and West Bengal, which contributed in the aggregate to ₹57,726.68 million or 88.58% of our Loans (AUM) as of September 30, 2024. We have implemented a strategy of calibrated expansion by targeting unserved and under-served areas in rural and semi-urban markets in India and have increased our presence from eight states and union territories as of March 31, 2022 to ten states and union territories as of September 30, 2024. We exclusively leverage our in-house capabilities to source leads for our Rural Business Loans and Working Capital Loans businesses, while also engaging direct selling agents for our Affordable Home Loans and Used Commercial Vehicle Loans businesses. Further, more than 88.67% of our Loans (AUM) as of September 30, 2024 was sourced in-house. Our 424 branches across rural and semi-urban areas, facilitated by our distribution network, allows us to provide last-mile coverage and extend our financial services to our customers. Our rural focus has also equipped us with domain knowledge regarding the characteristics of local markets and prospective borrowers, enhancing our ability to tailor our products and services accordingly. Also see "—*Description of our Business – Branch Network*" on page 237. Based on the strength of our distribution network, we have been able to disburse loans to 195,243 borrowers, as of September 30, 2024, and our borrower base has grown at a CAGR of 56.68% over Financial Years 2022 to 2024.

We have also developed customized credit evaluation procedures and operational workflows. Our operations comprise a tailored loan initiation system that is supported by monitoring frameworks and mechanisms, designed to facilitate smooth on-boarding while maintaining strong credit quality and portfolio performance. Through our proprietary scorecard model-based underwriting system for Rural Business Loans, we assess a borrower's income-earning capacity by evaluating asset documentation, cash flows, and income and non-income-related documents. Additionally, we conduct reference checks within the borrower's local community, including their trading ecosystem, friends, family, and neighbors. This approach goes beyond traditional metrics such as documentation and credit scores typically used by banks and financial institutions, enabling a more holistic and tailored assessment of creditworthiness (Source: *CRISIL MI&A Report*).

Our credit scorecard model presently provides for data points to be digitally recorded as part of the credit assessment process, with different businesses relying on different data points with varying weights. We offer loans at a fixed risk-adjusted interest rate or a variable interest rate linked to our in-house "Veritas Prime Lending Rate", based on our cost of funds, overhead costs, and risk premium. As a result of these capabilities, we were able to introduce an in-house risk model based on credit scores, which enabled us to launch our proprietary credit and risk scorecard in the Financial Year 2022, and maintain our asset quality.

We monitor risk through a defined risk management framework and have adopted risk management policies, systems and processes that seek to maintain an appropriate balance between risk and returns. Through this framework, we aim to maintain oversight of our risk exposure and monitor loan portfolios at an individual branch level. We also regularly review branch-level performance, focusing on overall bounce rates and overdue loans. We also have monitoring systems in place for our portfolio and individual loans, with regular follow-ups at borrowers' places of business and residence to verify the use of loan proceeds and the overall status of their household income. Our monitoring systems also track CIBIL scores, business fraud, changing regulations and policies, and borrower demographics. We have a "digital-first" and customer-centric approach to collections and focus on ensuring ease of repayment for our borrowers. As of September 30, 2024, we have 1,352 full-time personnel in our collections team. Sales managers are also responsible for collections and credit monitoring during the initial period of the loan tenure, with all collection functions being managed in-house. Our sourcing and collections systems are also mobility-enabled. Our digital collections as a percentage of our overall collections have grown from 52.60% during the Financial Year 2022 to 70.68% during the Financial Year 2023 and further to 89.84% during the Financial Year 2024, and 89.61% during the six month period ended September 30, 2024.

We leverage technology and our data analytics capabilities to streamline our lending process across sourcing, onboarding, credit assessment, portfolio monitoring and collections. We handle both sourcing and collections in-house, conduct digital KYC checks prior to onboarding, and use a proprietary credit scorecard for underwriting and credit assessment. Data analytics is also an integral component of our operational processes, spanning from lead generation and sales to risk assessment and collections. Our proprietary scorecard model analyses over 12 parameters collected digitally, complemented by photographic evidence. This data feeds into a rule engine-based credit approval process serving as a tool to determine the decision authority and determine interest rates for a loan, enhancing accuracy and speed. We also leverage technology-driven early warning systems to identify potential risks and have implemented dashboards to provide branch management with real-time insights into key performance metrics, enabling proactive decision-making.

We aim to maintain a diversified funding profile characterized by a disciplined approach to asset liability and liquidity management. We have established a broad network of borrowing relationships, securing financing from diversified sources including term loans, working capital and cash credit facilities, securitizations and the issuance of non-convertible debentures, and commercial paper. As of September 30, 2024, we maintain active relationships with 36 lenders and 11 debt security holders that include alternate investment funds, private sector banks, public sector banks, foreign portfolio investors, NBFCs, private wealth investors and mutual funds. Private and public sector banks constituted ₹35,201.64 million or 72.00% of our borrowings as of September 30, 2024, the highest proportion amongst our peers (Source: *CRISIL MI&A Report*). As of September 30, 2024, our credit rating is CARE A+ with a "positive" outlook for long-term instruments, and CARE A1+ for short-term instruments. See also "—*Credit Ratings*" on page 243.

As of September 30, 2024, we had a total of 7,704 employees. We have an experienced and dedicated management team with significant industry experience and who have demonstrated their ability to deliver growth and profitability, across business cycles. We believe the significant business expertise of our management team positions us well to capitalize on future growth opportunities. Our Managing Director and CEO, D. Arulmany has significant experience in the finance sector, having been associated with Cholamandalam Investment and Finance Company and Aptus Value Housing Finance in key roles. We benefit from the capital sponsorship and professional experience brought by our Shareholders, which include Norwest Venture Partners and British International Investment plc, and affiliates of Kedaara Capital, Multiples and Lok Capital.

Key Financial and Operational Information

The following table sets forth certain key financial and operational information, as of the dates and for the period / years indicated:

Metric	Unit	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
			2024	2023	2022
Number of states(1)	*Number*	10	10	8	8
Number of branches(2)	*Number*	424	382	287	229
Number of employees(3)	*Number*	7,704	6,299	4,432	2,727
Loans (AUM)(4)	*₹ in millions*	65,172.17	57,237.87	35,337.31	21,873.53
Loans (AUM) Growth(5)	*%*	45.37%	61.98%	61.55%	39.97%
Disbursements(6)	*₹ in millions*	18,378.85	37,024.30	22,446.55	11,882.77
Disbursements Growth(7)	*%*	14.26%	64.94%	88.90%	93.35%
Average ticket size(8)	*₹ in millions*	0.42	0.40	0.38	0.37
Business-wise Loans (AUM)					
Rural Business Loans	*% of total AUM*	72.27%	74.94%	87.60%	94.36%
Affordable Home Loans		17.62%	14.40%	2.67%	-
Used Commercial Vehicle Loans		1.28%	0.00%	-	-
Working Capital Loans (Unsecured)		8.83%	10.66%	9.73%	5.64%
Business-wise Disbursements					
Rural Business Loans	*% of total disbursements*	57.15%	59.28%	76.73%	86.12%
Affordable Home Loans		20.16%	20.26%	4.28%	-
Used Commercial Vehicle Loans		4.62%	0.01%	-	-
Working Capital Loans (Unsecured)		18.07%	20.46%	18.98%	13.88%
Loans (AUM) per branch(9)	*₹ in millions*	153.71	149.84	123.13	95.52
Loans (AUM) per sales manager(10)		17.43	18.11	15.01	14.22
Net worth(11)		26,106.51	23,295.54	15,912.57	14,080.47
Total income		7,201.12	11,174.93	6,807.97	4,422.27
Total expenses		5,429.12	7,945.29	4,479.47	3,408.64
Profit for the period/year		1,331.08	2,450.52	1,764.04	754.04
Earnings per share, par value of ₹10 each – Basic (in INR)# (12)	₹	10.10	19.04	14.85	6.75
Yield on Average Loans (Average AUM)(13)(26)	*%*	22.03%	22.70%	22.77%	22.77%
Average Cost of Borrowings(14)		9.98%	9.90%	9.52%	10.54%
Spread(15)		12.05%	12.80%	13.25%	12.23%
Net interest margin(16)		14.74%	15.83%	16.80%	15.73%
Cost to income ratio(17)		35.49%	35.18%	34.71%	35.37%
Operational expenses as a percentage of Average Loans (Average AUM)(18)(26)		8.37%	8.67%	8.49%	8.70%
Credit cost as a percentage of Average AUM(19)(26)		2.11%	1.99%	1.63%	3.22%
Return on Loans (AUM)(20)(26)		2.18%^	5.40%	6.34%	4.19%
Return on Equity(21)		5.44%^	12.27%	11.81%	6.91%
Gross Carrying Amount – Loans – Stage 3		1.95%	1.79%	2.19%	3.94%
Net Carrying Amount - Loans - Stage 3(22)		0.97%	0.85%	1.26%	2.34%
Provision Coverage Ratio(23)		50.84%	53.14%	42.82%	41.47%
CRAR(24)		40.87%	41.49%	45.00%	64.43%
Debt to Equity ratio(25)	*times*	1.87	1.72	1.52	0.85

#Not annualised for for the six months period ended September 30, 2024.

(1) Number of states represents the presence of our Company in number of states as of the last day of the relevant period/year.

(2) Number of branches represents the number of branches as of the last day of the relevant period/year, excluding service centres.

(3) Number of employees represents the number of employees as of the last day of the relevant period/year.

(4) Loans (AUM) is the aggregate of Loans and Impairment loss allowance – loans.
(5) Loans (AUM) Growth represents percentage growth in Loans (AUM) for the relevant period/year over Loans AUM) of the previous period/year.
(6) Disbursements represent the aggregate of all loan amounts extended to customers in the relevant period/year.
(7) Disbursements Growth represents percentage growth in Disbursements for the relevant period/year over Disbursements of the previous period/year.
(8) Average ticket size represents the average sanctioned amount per loan that is active as on the last day of the relevant period / year.
(9) Loans (AUM) per branch is calculated as Loans (AUM) as of the last day of the relevant period/year divided by the number of branches as of the last day of the relevant period/year.
(10) Loans (AUM) per Sales manager is calculated as Loans (AUM) as of the last day of the relevant period/year divided by the number of sales managers as of the last day of the relevant period/year.
(11) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net worth is calculated as equity share capital plus Instrument entirely equity in nature plus other equity.
(12) Basic and Diluted EPS are computed in accordance with Indian Accounting Standard (Ind AS) 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Basic earnings per equity share is computed by dividing net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed and disclosed by dividing the net profit after tax attributable to the equity shareholders for the year after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.
(13) Yield on Average Loans (Average AUM) represents the Interest income on loans for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year.
(14) Average Cost of Borrowings represents finance costs for the relevant period/year as a percentage of Average Total Borrowings in such period/year. Finance costs excludes interest expenses on lease liabilities for the relevant period/year. Average Total Borrowings is the simple average of Total Borrowings outstanding as of the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding year.
(15) Spread represents the Yield on Average Loans (Average AUM) reduced by Average Cost of Borrowings in such period/year.
(16) Net interest margin represents the Net interest income for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year. Net interest income represents interest income on loans reduced by adjusted finance cost. Adjusted finance cost represents Finance costs reduced by interest expenses on lease liabilities for the relevant period/year.
(17) Cost to income ratio (%) represents Operating Expenses, which include Employee Benefits Expenses, Fees and Commission Expense, Depreciation and Amortization, Interest Expenses on lease liabilities and Other Expenses for the relevant period/year to the Total Income for such relevant period/year.
(18) Operational expenses as a percentage of Average Loans (Average AUM) represents the Operating Expenses for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year. Operating Expenses represent the aggregate of Employee Benefit Expenses, Fees and Commission Expense, Depreciation and Amortization, interest expenses on lease liabilities and Other Expenses for the relevant period/year.
(19) Credit cost as a percentage of Average Loans (Average AUM) represents the credit cost for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year.
(20) Return on Loans (AUM) represents the profit for period/ year as a percentage of Average Loans (Average AUM) in such year.
(21) Return on Equity represents the profit for the period/ year as a percentage of Average Equity in such year. Average Equity is the simple average of Equity as of the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding year.
(22) Net Carrying Amount – Loans – Stage 3 represents Stage 3 Loans (or Stage 3 AUM) reduced by Impairment loss allowance – Loans – Stage 3 as a percentage of total Loans (AUM) reduced by Impairment loss allowance – Loans – Stage 3 as of the last day of the relevant period/year.
(23) Provision Coverage Ratio (%) represents the Impairment loss allowance – Loans – Stage 3 as a percentage of Gross Carrying Amount – Loans – Stage 3.
(24) CRAR (%) represents Capital Adequacy Ratio computed as per the relevant RBI guidelines.
(25) Debt to Equity ratio (times) represents the Total Borrowings as of the last day of the relevant period/year as a percentage of Equity as of the last day of the relevant period/year.
(26) Average Loans (Average AUM) represents the simple average of Loans (AUM) as of the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding year.
 # Annualized for the six month period ended September 30, 2024.
^ Not annualized for the six month period ended September 30, 2024

Also see "*Selected Statistical Information*" on page 291.

OUR STRENGTHS

We believe our competitive strengths are:

- Diversified, granular and largely secured portfolio with the fastest growth in terms of Loans (AUM) among compared peers;
- Widespread, deep and largely in-house distribution network serving borrowers in rural and semi-urban markets with multiple new businesses using our existing distribution footprint;
- Data-driven credit assessment and robust risk management framework with a multilayered collection ecosystem;
- Technology-enabled scalable and resilient operating model resulting in short turnaround times and control over operational metrics;
- Access to diversified and cost-effective sources of funding backed by a broad lender base; and
- Professional and experienced management team with deep domain expertise, backed by marquee investors and guided and supported by a distinguished Board.

These competitive strengths are discussed further below:

Diversified, granular and largely secured portfolio with the fastest growth in terms of Loans (AUM) among compared peers

We offer a diversified portfolio of loans with small ticket sizes to our target borrowers, which primarily comprise MSMEs and self-employed individuals in the MSME sector in rural and semi-urban markets. Over the years, we have expanded our loan portfolio to include home loans and vehicle finance, among others, with over 90% of our Loans (AUM) comprising secured loans and an average ticket size across our Loans (AUM) of less than ₹0.5 million as of September 30, 2024. Through our focus on this fast-growing, under-served and under-banked borrower category, we have been able to grow our Loans (AUM) at a CAGR of 61.76% to ₹57,237.87 million as of March 31, 2024, from ₹21,873.53 million as of March 31, 2022. Details of our business-wise ATS, Loans

(AUM), overall Loans (AUM) and Loans (AUM) growth as of the dates indicated are set out below:

Business-wise ATS[(1)]	
Business	**As of September 30, 2024**
	(₹ in millions)
Rural Business Loans	0.47
Affordable Home Loans	1.13
Used Commercial Vehicle Loans	0.45
Working Capital Loans (Unsecured)	0.18
Overall	**0.42**

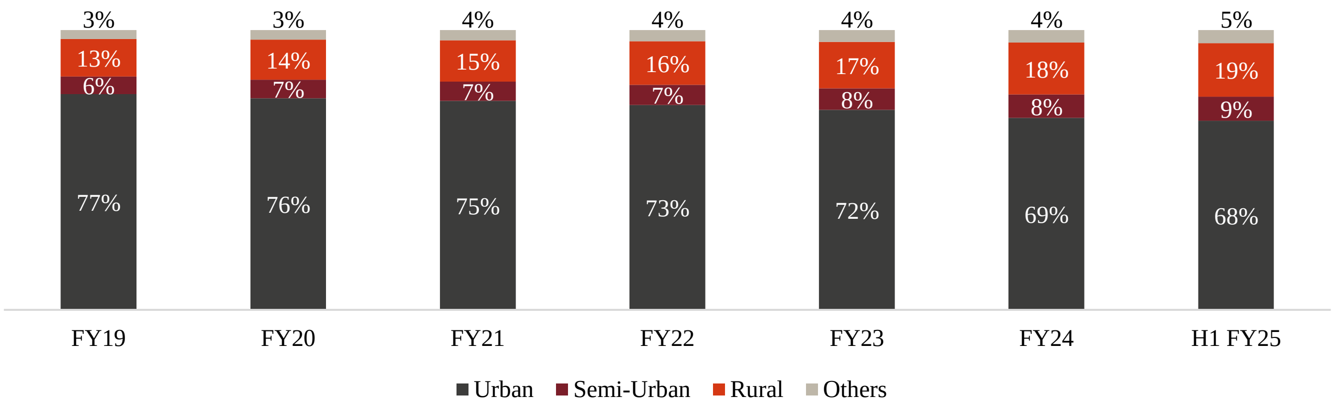
(1) Average ticket size represents the average sanctioned amount per loan that is active as on the last day of the relevant period / year.

Business-wise Loans (AUM)								
Business	**As of September 30, 2024**		**As of March 31, 2024**		**As of March 31, 2023**		**As of March 31, 2022**	
	Loans (AUM)	***% of total Loans (AUM)***	***Loans (AUM)***	***% of total Loans (AUM)***	***Loans (AUM)***	***% of total Loans (AUM)***	***Loans (AUM)***	***% of total Loans (AUM)***
	(₹ in millions, except for %)							
Rural Business Loans	47,101.73	72.27%	42,892.64	74.94%	30,954.90	87.60%	20,639.92	94.36%
Affordable Home Loans	11,481.24	17.62%	8,242.97	14.40%	944.32	2.67%	-	-
Used Commercial Vehicle Loans	831.83	1.28%	2.17	0.00%	-	-	-	-
Working Capital Loans (Unsecured)	5,757.37	8.83%	6,100.09	10.66%	3,438.09	9.73%	1,233.61	5.64%
Total	**65,172.17**	**100.00%**	**57,237.87**	**100.00%**	**35,337.31**	**100.00%**	**21,873.53**	**100.00%**

Metric	**As of September 30, 2024**	**As of March 31,**		
		2024	**2023**	**2022**
Loans (AUM) *(₹ in millions)*[(1)]	65,172.17	57,237.87	35,337.31	21,873.53
Loans (AUM) growth (%)[(2)]	45.37%	61.98%	61.55%	39.97%

(1) Loans (AUM) is the aggregate of Loans and Impairment loss allowance – loans.
(2) Loans (AUM) Growth represents percentage growth in Loans (AUM) for the relevant period/year over Loans AUM) of the previous period/year.

We are the fastest-growing NBFC in terms of Loans (AUM) growth among our compared peers for the period between the Financial Years 2022 to 2024 (Source: *CRISIL MI&A Report*). Furthermore, our MSME loan book, encompassing both rural and urban finance, has expanded significantly in the last three financial years, outpacing overall market growth (Source: *CRISIL MI&A Report*). Additionally, we have the most diversified portfolio among MSME focused NBFCs, supporting diversification and expertise in the regions of our operation (Source: *CRISIL MI&A Report*). We have a strong employee workforce and an extensive branch network, allowing us to provide last-mile coverage to our borrowers and focus on in-house lead generation to acquire new borrowers. Further, according to the CRISIL MI&A Report, the share of rural and semi-urban areas in the overall secured MSME portfolio has increased to 19% and 9%, respectively, as of September 30, 2024, and we are well-placed to take advantage of this growing regional focus.



Note: Others comprises unclassified areas.
Source: CRISIL MI&A Report

As of March 31, 2022, there are approximately 70 million MSMEs in India contributing to a substantial portion of the national GDP and total workforce (Source: CRISIL MI&A Report). This constitutes a sizeable addressable market aggregating to ₹35 trillion for our businesses, given such MSMEs' ongoing liquidity and funding requirements to facilitate growth of their respective businesses. As a diversified retail-focused NBFC, this presents a significant opportunity for us, given our established presence in unserved and underserved markets and our commitment to financial inclusion. Demand for home loans has remained resilient despite a sudden rise in repo rates (Source: *CRISIL MI&A Report*). Additionally, the salaried class experienced minimal income disruption during the economic slowdown caused by the COVID-19 pandemic and rising inflation, addressing lenders' concerns about potential asset quality deterioration (Source: *CRISIL MI&A Report*).

Widespread, deep and largely in-house distribution network serving borrowers in rural and semi-urban markets with multiple new businesses using our existing distribution footprint

Since the commencement of our operations in Tamil Nadu in 2015, we have strategically expanded our geographical footprint to 424 branches in 10 states and one union territory across India (as of September 30, 2024). We operate a 'hub and spoke' model, with both hubs and spokes functioning as integrated branches. While our hubs service all our business and are located in larger semi-urban agglomerations, our spokes are situated in smaller towns and remote areas and offer certain business services only. Through this model, we are able to efficiently address the credit requirements of self-employed and new-to-credit borrowers who have traditionally relied on unorganized lenders and private financiers. Moreover, this model enables us to not only efficiently replicate our business model across the country but also provides the flexibility to expand our product offerings within existing branches, depending on the addressable market surrounding such branches. Also see "— *Description of our Business – Branch Network*" for a breakdown of our branch organization structure.

Our presence in rural and semi-urban areas, facilitated by the strength of our in-house distribution network, allows us to provide last-mile coverage and extend our financial services to our customers. Our rural focus has also equipped us with domain knowledge regarding the characteristics of local markets and prospective borrowers, enhancing our ability to tailor our products and services accordingly.

In addition, we aim to co-locate our newer businesses at our existing branches to gain a deeper understanding of the catchment area and customer characteristics and are able to leverage our experience, infrastructure and domain knowledge in our established sectors and regions to grow our loan book across businesses. For instance, as of September 30, 2024, 41 of our branches where we provided Rural Business Loans and Working Capital Loans (Unsecured) have also expanded to offer Affordable Home Loans and Used Commercial Vehicle Loans. Accordingly, our sales and credit managers at such branches are able to leverage their insights into credit assessment, customer category information and their grassroots approach to sales in the region to also grow these newer businesses.

We have invested in building a wide distribution network across rural and semi-urban areas with a branch network (excluding service centres) of 424 branches across 10 states and one union territory in India, as of September 30, 2024. We have a well-established presence in Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and West Bengal, which contributed in the aggregate to ₹57,726.68 million or 88.58% of our Loans (AUM) as of September 30, 2024. We have implemented a strategy of calibrated expansion across India by targeting unserved and under-served areas in rural and semi-urban markets in India. Our branch network has increased to 424 branches as of September 30, 2024, from 382 as of March 31, 2024, 287 as of March 31, 2023 and 229 as of March 31, 2022.

We have made significant investments in terms of infrastructure and personnel for setting up our branch network in our existing geographies. We have adopted a contiguous expansion strategy, wherein we expand across regions in India where we have a presence and expand to adjacent geographies, benefiting from our operating leverage in these geographies, as well as in any future expansion plans in these regions and adjunct areas. We have witnessed an increase in productivity (in terms of both Loans (AUM) and disbursements for Financial Years from 2022 to 2024) across our branches as they grow in vintage, as set out below:

Particulars[(1)]	**As of and for the six month period ended September 30, 2024**	**As of and for the Financial Year**		
		2024	**2023**	**2022**
	(₹ in millions)			
Branch Productivity (Loans (AUM) /Branch)[(2)]	**153.71**	**149.84**	**123.13**	**95.52**
Vintage up to 1 Year	37.26	45.87	27.58	19.88
Vintage 1-2 Years	88.88	106.71	85.89	62.34
Vintage 2-3 Years	155.74	160.33	129.17	85.84
Vintage 3-5 Years	203.74	181.28	142.41	107.83
Vintage >5 Years	222.18	224.97	186.75	134.90
Branch Productivity (Disbursement / Branch) [(3)]	**43.35**	**96.92**	**77.94**	**52.12**
Vintage up to 1 Year	17.91	37.30	28.92	20.10
Vintage 1-2 Years	31.71	87.79	71.13	59.84
Vintage 2-3 Years	45.69	106.84	86.91	53.65
Vintage 3-5 Years	44.60	101.00	79.71	47.29
Vintage >5 Years	58.32	139.85	120.69	78.21

(1) These numbers exclude service centres operated by us. Service centres are centres at which we primarily carry out loan servicing, collections and customer service and feedback functions and do not have a full-fledged branch set-up.

(2) Loans (AUM) per branch is calculated as Loans (AUM) as of the last day of the relevant period/year divided by the number of branches as of the last day of the relevant period/year.

(3) Disbursement per branch represents disbursements in the relevant period/year divided by simple average of number of branches as of the last day of the relevant period/year and as of the last day of the preceding period/year.

Sourcing

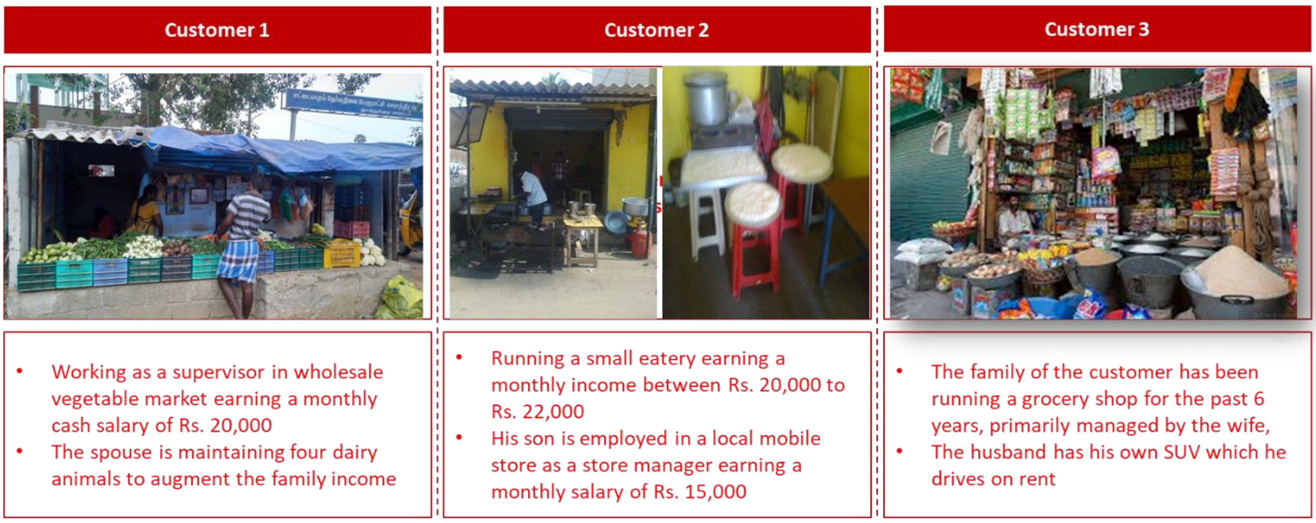
High risk perception and prohibitive cost of delivering services physically have constrained formal lending to MSMEs. The emerging self-employed individuals and micro, small and medium enterprise sector is largely unaddressed by lending institutions in India (Source: *CRISIL MI&A Report*). We leverage our in-house capabilities to source leads for our Rural Business Loans and Working Capital Loans business, while also engaging direct selling agents for our Affordable Home Loans and Used Commercial Vehicle Loans businesses, which are relatively newer businesses. Further, more than 88.67% of our Loans (AUM) as of September 30, 2024 was sourced in-house. This approach, coupled with our extensive distribution network, enables us to effectively reach underserved borrowers in rural and semi-urban markets, a demographic often overlooked by traditional financial institutions, across each of our businesses. The table below sets forth a breakdown of our Loans (AUM) by sourcing channels for the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022:

Sourcing channel	**As of September 30, 2024**		**As of March 31, 2024**		**As of March 31, 2023**		**As of March 31, 2022**	
	Loans (AUM)	***% of total Loans (AUM)***	***Loans (AUM)***	***% of total Loans (AUM)***	***Loans (AUM)***	***% of total Loans (AUM)***	***Loans (AUM)***	***% of total Loans (AUM)***
	(₹ in millions, except for %)							
In-house sourcing	57,788.02	88.67%	52,260.27	91.30%	34,882.59	98.71%	21,873.53	100.00%
DSA sourcing	7,384.15	11.33%	4,977.60	8.70%	454.72	1.29%	-	-
Total	**65,172.17**	**100.00%**	**57,237.87**	**100.00%**	**35,337.31**	**100.00%**	**21,873.53**	**100.00%**

Sales approach

The key aspect of our sales approach is our close physical presence to borrowers, coupled with a deep understanding of their business ecosystems and cultural ethos. Our branch network is strategically designed to support viable microbusiness activities within the geographies it serves. As many such microbusinesses operate without formal business or income documentation, we utilize personal observations and inquiries with borrowers and their counterparties to assess creditworthiness. Our branch teams are trained in conducting these informal assessments, which are further supported by credit history reviews and internal credit scoring mechanisms. This approach enables us to serve a diverse range of microenterprises across our operational regions while maintaining a high-quality loan portfolio.

The borrowers and business profiles that we cater to are varied and our loan offerings are customized to address the needs of each individual borrower. Illustrative examples of our borrower profiles are set out below:



We prioritize hiring local talent to staff our branches, and provide extensive training in customer selection and service. By focusing on lead generation through our own sourcing channels, we maintain direct borrower interactions through personal meetings, which also facilitate referrals. Our credit staff are carefully selected based on their understanding of financial metrics and logical reasoning, and undergo comprehensive training to make informed judgments about borrowers through a holistic assessment approach.

We also provide our borrowers with transparent pricing, which is communicated upfront at the time of onboarding. As part of the process, all borrowers involved in a loan transaction are required to visit the relevant branch to complete documentation and receive information regarding the key terms and conditions of the loan being disbursed. Processing fees are payable by borrowers only upon the sanctioning of the loan. Additionally, we encourage borrowers to obtain life insurance to provide financial protection for their families in the event of unforeseen circumstances affecting the borrower.

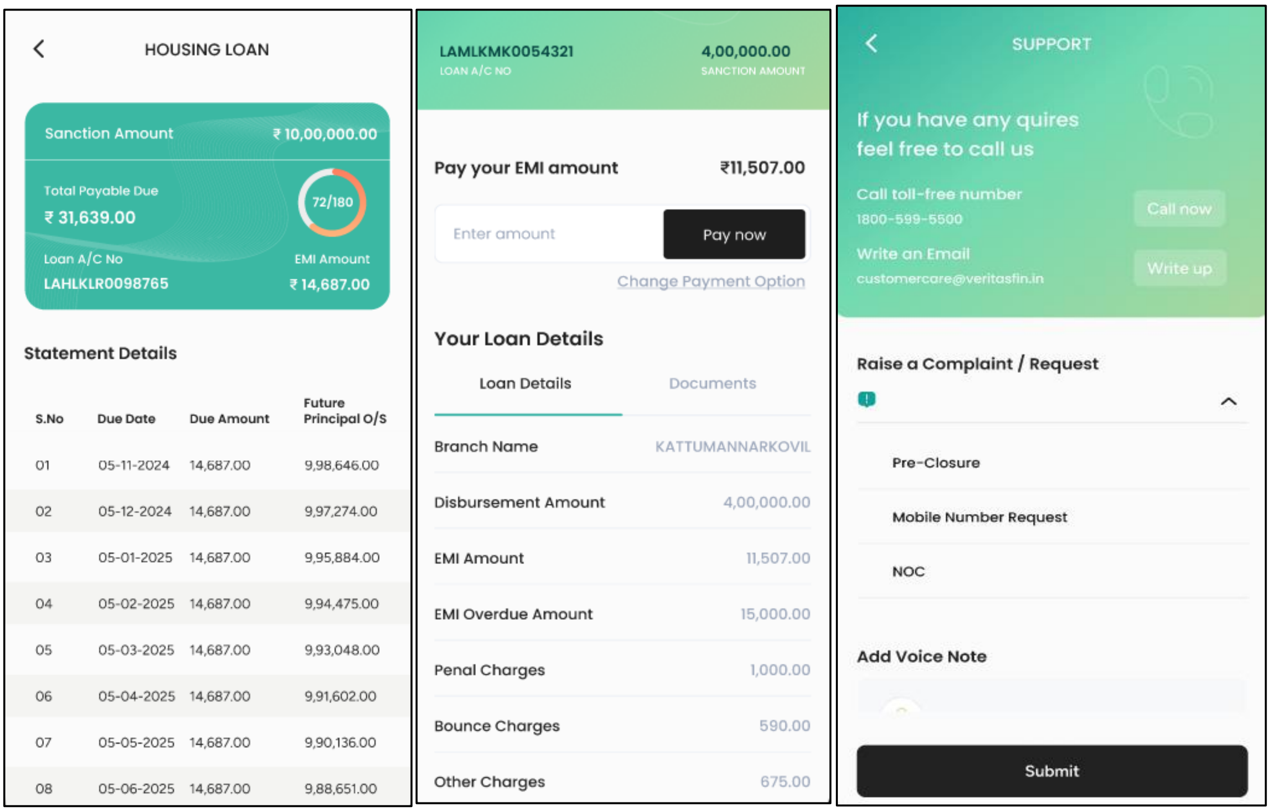
Borrower-first commitment through transparency and technology

One of the guiding principles that has fuelled our success and growth is our borrower-centric business model. Through our practices and policies, we are able to address issues specifically faced by MSMEs and self-employed individuals and leverage our local presence to develop in-depth and relevant local-level knowledge of the factors affecting microbusinesses in our catchment areas. Our field staff are also trained to assess borrowers' income and advise on the appropriate loan for a given borrower's needs. Our loan journey is tailored to address borrowers' needs, where we ensure transparency in our dealings and aim to make the loan journey as convenient as possible for borrowers, with minimal intrusion.

Our borrower first commitment is reflected in our core policies, which prioritize transparency and inclusivity. We ensure there are no hidden charges by maintaining an upfront and simplified fee structure, with all charges and fees clearly detailed in the key fact statement provided to borrowers. Additionally, the insurance policies we facilitate for our borrowers are designed to provide financial protection for their families in the event of unforeseen risks to the borrower. Moreover, we obtain digital consent through SMS at the sourcing stage, and provide digital receipts for all collections from borrowers. We also provide advance notifications for any upcoming repayment installments. Additionally, our borrowers have access to the "Veritas Self-service" mobile application, which enables them to digitally view their loan schedules in their native vernacular language, raise service requests, make installment payments, and receive digital receipts. The application also allows borrowers to voice-record service requests or queries, which are shared with our dedicated customer relationship management team for resolution.

Our self-service application acts as a link between us and our borrowers by providing financial information to borrowers and access to our products, particularly for our Working Capital Loans (Unsecured) business.

Set out below are screenshots of our self-service application:



Note: Images are for representational purposes only

Data-driven credit assessment and robust risk management framework with a multilayered collection ecosystem

<u>*Credit assessment*</u>

While we aim to automate each aspect of our borrowers' loan journeys, the core of our credit assessment methodology is a continued focus on retaining the "touch and feel" model of assessment, driven by our proprietary "triple AAA" filter and supported by our artificial intelligence and machine learning-enabled credit scoring model. We believe that this combination of human assessment backed by advanced technology has been the key driver in upholding our portfolio quality. Based on this model, we have historically managed to maintain loan-to-value ratios of less than 40% and had a 0 DPD loan book of ₹61,994.27 million as of September 30, 2024.

Our proprietary "AAA" filter is used to assess a borrowers' willingness and capability to repay and achieve financial inclusion. This filter focuses on (i) asset creation; (ii) attitude; and (iii) assessed income. We analyze factors such as cash flow patterns, business stability, and social standing of the borrowers within their respective communities. In addition, our credit assessment framework also mandates analysis and documentation of all income sources, providing us with a broad overview of a borrower's financial health and creditworthiness. We implement our triple AAA filter through three stages of checks by our branch credit managers:

(i) *residence checks*, where KYC documents are verified and qualitative feedback is obtained regarding a prospective borrower's lifestyle and dependents;

(ii) *business place checks*, where credit managers are able to confirm the nature of a borrower's business and visually verify metrics such as customer footfall and availability of stock-in-trade, along with neighbor reference checks and geotagging of the borrower's business through photographs; and

(iii) *property checks*, where the provided collateral is technically and legally assessed by our credit managers and our in-house legal and technical teams to verify ownership and confirm the technical parameters of the collateral being provided, along with market value estimations.

Developed through years of operational experience and in-depth knowledge of our target base, our proprietary scorecard model further complements our credit assessment framework. We operate two different artificial intelligence and machine learning-based underwriting scorecard models for our secured and unsecured borrowers. The key features of these models are set out below:

- As part of our loan assessment, we collect 409 data points about our borrowers from a range of sources, such as through borrower interactions, bank statements, credit bureau data, government databases and industry databases, among others;

- We also use statistical methods to arrive at the 15 most crucial variables that we expect to affect a borrower's behaviour, and have modelled these variables into a scorecard with different weights across different businesses;

- Through our scorecard model, despite the absence of traditional financing documentation such as audited financial statements, income tax or goods and service tax returns, and in the context of the informal and unorganized nature of our target borrower base, we assign a risk score to each borrower to estimate their repayment capability;

- This risk score then forms the basis of our underwriting approach by driving an automated credit underwriting workflow and arriving at risk-based pricing for our loans.

During our credit assessment process, we also assess the duration for which our borrowers have been employed or operating their businesses, and are focused on borrowers with businesses providing essential services which have significant business vintage, which also bolsters our asset quality. Set out below are our borrowers' average business vintage (as of the date of approval of the loan) in terms of years, for loans granted during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022:

Business	**For the six month period ended September 30, 2024**	**For the Financial Year**		
		2024	**2023**	**2022**
	(in years)			
Rural Business Loans	11.93	11.21	10.72	10.40
Working Capital Loans (Unsecured)	8.54	8.30	9.47	9.53

<u>*Risk Management*</u>

We monitor risk through a defined risk management framework and have adopted risk management policies, systems and processes that seek to strike an appropriate balance between risk and returns. Through this framework, we aim to maintain oversight of our risk exposure and monitor loan portfolios, overall bounce rates and overdue loans at an individual branch level. In addition to our risk management framework, we have a structured management framework which we refer to as our internal capital adequacy assessment process to identify, assess, and manage all risks that could potentially have a significant negative impact on our business, financial position, or capital adequacy. We also have monitoring systems in place for our individual loans, with regular follow-ups at borrowers' places of business and residence to verify the use of loan proceeds and the overall status of their household income.

Our internal audit department is responsible for assessing the adequacy and efficiency of all internal controls, risk management practices, governance systems, policies and processes, and provides an additional layer of oversight to our risk management framework. To create a culture of checks and balances and eliminate potential conflicts of interest, we have separated all risk, audit, and compliance functions from business functions. Further, sales incentives payable to sales representatives are also linked to the quality of the loan portfolio sourced by such representatives, which encourages robust credit assessment and reduces overdue loans and bounce rates across our portfolio. Our consistent track record in managing risk is reflected in our Stage 3 Assets maintained at low levels of 1.95% as of September 30, 2024, 1.79% as of March 31, 2024, 2.19% as of March 31, 2023 and 3.94% as of March 31, 2022.

<u>*Collections*</u>

We are focused on differentiating between a borrower's inability to repay versus their lack of wiliness or intent to repay their loans. In this regard, we train our collections staff to approach collections from a humane perspective. Accordingly, we have adopted a "digital-first" and customer-centric approach to collections, ensuring ease of repayment for borrowers while maintaining robust asset quality.

For each of our secured loans, we require that borrowers register an e-NACH mandate at the time of sanction, and have ensured that 92.80% of our borrowers (as of September 30, 2024), have successfully registered such mandates, leading to improved digital collections. We also provide borrowers with the ability to make repayment instalments through UPI, debit card or online transfers through NEFT/RTGS, by way of our self-service application, BBPS and through our website. In situations where our staff is required to visit borrowers, we aim to limit cash collections by providing collection staff with access to our self-service application that enables them to generate dynamic QR codes, enables WhatsApp-based UPI collections, and provides digital receipts through SMS in the limited situations where cash collections need to be undertaken. Through our focus on "digital-first" collections, we have been able to increase digital collections, which has grown from 52.60% during the Financial Year 2022 to 89.61% during the six month period ended September 30, 2024.

In cases where repayments fail, we take proactive steps to address the issue promptly. For instance, in our secured loan businesses with equated monthly installments, our collections team physically visits borrowers to understand the reasons for delayed payments and support repayment efforts. Similarly, for our Working Capital Loans (Unsecured), which have equated weekly installments, relationship managers conduct weekly visits to borrowers, fostering strong relationships, assessing early warning signals, and mitigating risks of future defaults.

We have also developed a proprietary collection scoring algorithm that utilises statistical tools and empirical data to predict the probability of a borrower default. Through this algorithm, we are able to extract and combine data from credit bureaus, leverage borrower performance data from our internal system, and borrower segment performance data from industry databases. This data can further be utilised to predict the probability of borrower defaults, and can be shared with our collections team to appropriately plan their collections approach. Our collections teams' efforts then range from calling the borrower to ensure that they are aware of the impending dues, educating borrowers to keep their bank accounts sufficiently funded and planning visits to complete collections.

Our borrowers are relatively more susceptible to credit risks and accordingly, we believe in an empathetic, borrower-centric approach to collections and delinquencies. This has enabled us to maintain a healthy asset quality over the years. We maintain a strong focus on controlling delinquencies at the earliest stage (0+ DPD) to minimize non-performing assets. Our three-tier collections infrastructure comprising tele-calling, field collection, and legal recovery ensures a tailored and effective strategy based on the loan stage. With consistently low loan-to-value ratios and a structured monitoring mechanism that involves timely intervention from various levels of our business, we have built a robust framework to maintain strong asset quality. Additionally, our in-house legal team amplifies collections efforts, supporting early delinquency management and minimizing credit costs. As a result, as of September 30, 2024, we had the lowest 0+ DPD (%) among our compared peers, at 4.88% (Source: *CRISIL MI&A Report*).

As of September 30, 2024, we have 1,352 full-time personnel in our collections team. Sales managers are also responsible for collections and credit monitoring during the initial period of the loan tenure, with all collection functions being carried out in-house. Set out below are our collection efficiency metrics for each of our businesses, during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022:

Collection Efficiency[(1)]	**For the six month period ended September 30, 2024**	**For the Financial Year**		
		2024	**2023**	**2022**
	(%)			
Rural Business Loans	96.38%	96.67%	95.94%	91.15%
Affordable Home Loans	99.83%	99.97%	99.41%	N/A
Used Commercial Vehicle Loans	100.00%	N/A	N/A	N/A
Working Capital Loans (Unsecured)	94.42%	97.19%	98.64%	92.38%
Overall	**96.04%**	**96.93%**	**96.48%**	**91.33%**

(1) Collection efficiency is computed by dividing total amount collected (excluding foreclosures and restricting collections to 1 EMI per loan) by total amount due during the relevant year/ period.

Given our focus on data-driven sourcing, underwriting and collections, we have also built out a complete data analytics suite for use in our operations. Data from our core lending, financial, collections and human resources systems are collated into a "data lake", which helps us analyze our data from multiple perspectives and drives our decision making processes. In addition to providing data for our business decisions, we have built out a business metrics monitoring system to monitor sourcing, collections and other operational metrics of individual staff members. These metrics are collated at the branch, area, region and state levels and made available to key decision makers at each level. We provide this data to employees on a daily basis, enabling them to leverage these metrics in addressing their routine tasks.

Technology-enabled scalable and resilient operating model resulting in short turnaround times and control over operational metrics

Technology acts as an "enabler" for our business and we have adopted a "technology-led" approach with our aim to automate the overall loan journey, from sourcing to collections. This has enabled us to build a horizontally and vertically scalable and resilient operating model. Our investments in technology have enabled us to grow our businesses across geographies and borrower bases with low friction, leading to us being able to launch new businesses within a relatively short period of time.

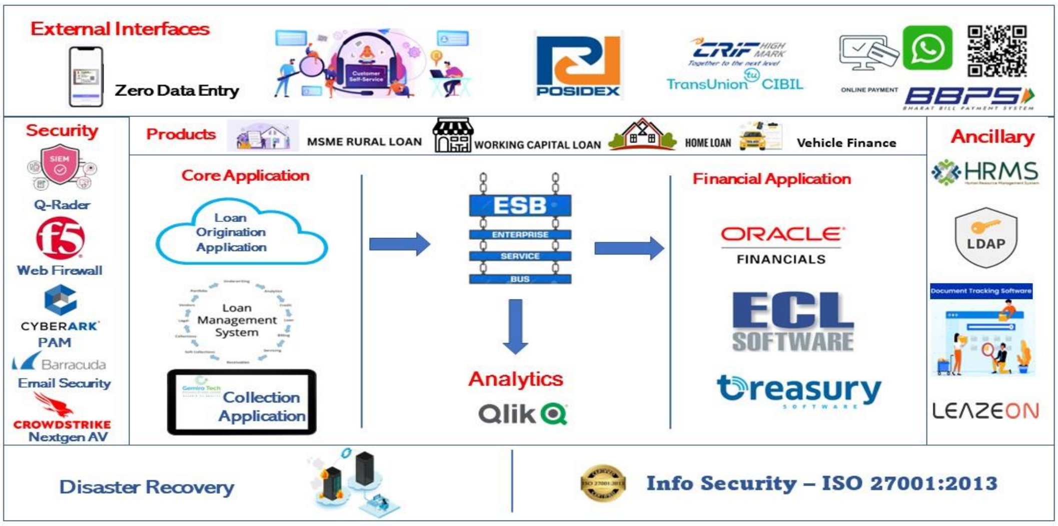
The table below sets out the technology-enabled processes implemented by us to automate a range of our functions across the specified lending areas:

Lending areas	Automation
Sourcing	Automated bureau reports, with negative profile checks
KYC validation	Use of zero-data-entry concept with OCR technology to fetch data from multiple government and private databases and prefill customer applications based on KYC photos from customers
Underwriting	• Artificial intelligence and machine learning-based underwriting scorecards • Risk-based pricing and credit approval workflows
Legal	Digital fetching of legal documents
Document signing	E-signing of documents including customer agreements
Document tracking	Digital tracking of customer documents from collection to vaulting to return to customers
Collections	• e-NACH and UPI mandates; • Collection through Dynamic QR codes; • UPI collection through WhatsApp-based reminders; and • Artificial intelligence and machine learning-based predictive algorithm to predict customer default probability

As a result of the above automations, we have been able to achieve the following efficiency metrics, each as of and for the six months ended September 30, 2024:

- 100.00% digital paperless sourcing and underwriting across our loan businesses;
- 100.00% digital disbursements;
- 92.80% of our secured loan borrowers have registered an e-NACH or UPI mandate for repayment;
- 89.61% of our secured loan collections are through digital collections; and
- 100.00% of our collections are accompanied with a digital SMS-based receipt.

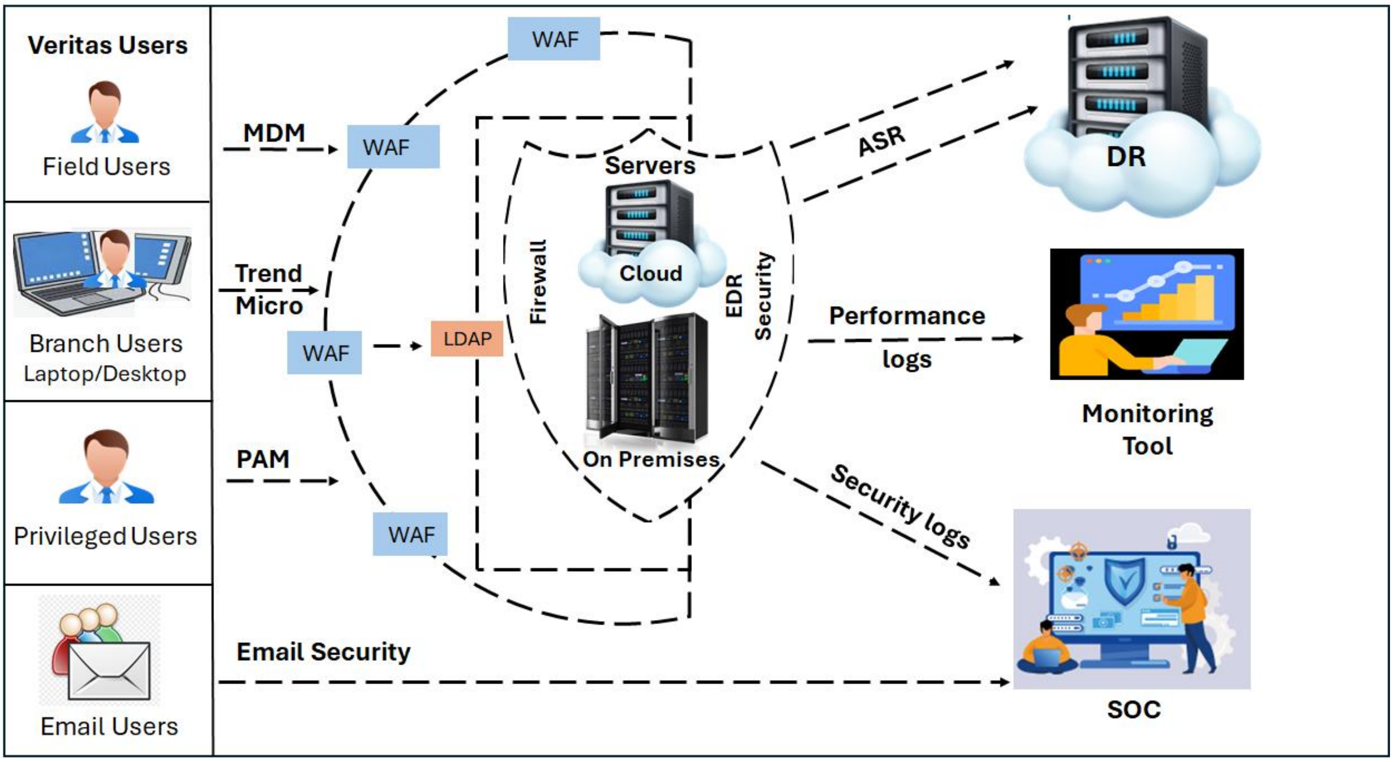
We have also built out an integrated suite of systems that includes our loan origination systems, loan management systems, core financial systems, treasury systems and human resource systems, as set out in the chart below:



Our technological investments are aimed at evaluating asset quality, reducing operational expenses, optimising acquisition costs, and credit costs and enhancing recoveries, over time. See also "—*Information Technology*" on page 245.

In addition, we are focused on ensuring robust data security with our security tools. We conduct monthly security audits with assistance from a data security firm, in addition to annual internal audits. We are also ISO 27001:2013-certified, and have recently received the ISO 27001:2022 certification for our data security processes.

A snapshot of our data security infrastructure is below:



Note: Images are for representational purposes only

Furthermore, our disaster recovery systems are designed to ensure business continuity in the face of unforeseen events. Our system data is also backed up to a cloud based disaster recovery site on a real-time basis that helps us to recover from any systems failure in addition to providing us with protection from malware and encryption attacks.

Access to diversified and cost-effective sources of funding backed by a broad lender base

We aim to maintain a diversified funding profile characterized by a disciplined approach to asset-liability and liquidity management. This approach, combined with our ability to access capital at competitive rates, has facilitated our growth without relying on any single funding source. We have established a broad network of borrowing relationships, securing financing through term loans, working capital and cash credit facilities, securitizations, non-convertible debentures and commercial paper. As of September 30, 2024, we maintain active relationships with 36 lenders and 11 debt security holders that include alternate investment funds, private sector banks, public sector banks, foreign portfolio investors, NBFCs, private wealth investors and mutual funds. These include leading bank lenders such as State Bank of India, HDFC Bank Limited, IDFC First Bank Limited and IndusInd Bank Limited. Also see "— *Description of our Business – Funding Profile and Treasury Operations*" on page 242.

Private and public sector banks constituted ₹35,201.64 million or 72.00% of our borrowings as of September 30, 2024, the highest proportion amongst our peers (Source: *CRISIL MI&A Report*). This enables us to progressively optimize our incremental borrowing costs. We have also secured investments from mutual funds in our securitization offerings. Our commitment to prudent financial management is reflected in our consistent credit rating upgrades, to CARE A+ with a "positive" outlook for long-term instruments and reaffirmed as CARE A1+ for short-term instruments.

The table below sets out details of our average cost of borrowings, average incremental cost of borrowings and debt-to-equity ratio as of and for the six month period ended September 30, 2024 and Financial Years 2024, 2023 and 2022:

Metric	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
Average Cost of Borrowings(1) (%)	9.98%	9.90%	9.52%	10.54%

Metric	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
Average Incremental Cost of Borrowings[2] (*%*)	9.74%	9.78%	9.51%	9.54%
Debt to equity ratio (*times*)	1.87	1.72	1.52	0.85

(1) Average Cost of Borrowings represents Adjusted Finance cost for the relevant period/year as a percentage of Average Total Borrowings in such period/year. Adjusted Finance cost represents finance costs reduced by interest expenses on lease liabilities for the relevant period/year. Average Total Borrowings is the simple average of Total Borrowings outstanding as at the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding year

(2) Average Incremental Cost of Borrowings represents the weighted average cost of borrowings in the relevant period/ year, weights being availed amount of each borrowing during the period/ year.

The stabilization of our average cost of borrowings and average incremental cost of borrowings allows us to offer competitively priced products while maintaining healthy net interest margins. While our average incremental cost of borrowings has remained within a range of 9.51% to 9.78% over the Financial Years 2022, 2023 and 2024 and the six months ended September 30, 2024, our average cost of borrowings has increased between the Financial Year 2023 and the six month period ended September 30, 2024 on account of interest rates on our existing MCLR-linked borrowings being reset during this period. Further, given that 74.97% of our loans as of September 30, 2024 were variable interest rate borrowings, we expect to benefit from the repricing of such loans upon potential cuts to repo rates. Our capitalization, as evidenced by a strong capital adequacy ratio of 40.87% as of September 30, 2024, positions us for continued growth and provides assurance to our stakeholders, including investors, lenders, and rating agencies.

Professional and experienced management team with deep domain expertise, backed by marquee investors and guided and supported by a distinguished Board

We do not have an identifiable promoter and our operations are led by a professional and experienced management team consisting of qualified Key Managerial Personnel and Senior Management personnel, backed by marquee investors and guided and supported by a distinguished Board. Our Managing Director and CEO, Mr. D. Arulmany has over 25 years of experience in the financial services industry, having previously been associated with Cholamandalam Investment and Finance Company and Aptus Value Housing Finance. At Cholamandalam Investment and Finance Company, D. Arulmany was responsible for managing their marketing function and in his most recent role at Aptus Value Housing Finance as President and CEO, he played a key role in setting up the Affordable Home Loans business. This experience has positioned him well to enable us to grow our business and to develop and implement new business lines.

Our Key Managerial Personnel and Senior Management Personnel have diverse experience in a range of financial services and we rely on the knowledge and experience of our Key Managerial Personnel and Senior Management for the growth of our business and expansion into new geographies. We have specialized business heads with an experience of over 15 years, who are focused on each of our businesses.

- Mr. Prakash Rayen J, our Executive Director and Chief People Officer, has previously been associated with Aptus Value Housing Finance as Chief Technology Officer;

- Mr. K. Kannan, our Senior Executive Vice President and the business head of our Rural Business Loans business, has previously been associated with Cholamandalam Investment and Finance Company as an Associate Vice President and Head of Agricultural and Rural Finance;

- Mr. Sekhar Vikas, our Executive Vice President and the business head of our Working Capital Loans (Unsecured) business, has previously been associated with Cholamandalam Investment and Finance Company, Shriram City Union and HSBC;

- Mr. Sankar Annamalai, our Executive Vice President and the business head of our Affordable Home Loans business, has previously been associated with Cholamandalam Investment and Finance Company as a Senior Associate Vice President and national business manager for their SME vertical; and

- Mr. R. Sathish, our Senior Vice President and the business head of our Used Commercial Vehicle Loans business, has previously been associated with IndoStar Capital Finance as their Southern Zonal Business Head for their vehicle finance business.

To foster employee retention and recognition, we have implemented a retention and reward system, primarily through the provision of employee stock options. For details about our employee stock option schemes, see "*Capital Structure – Employee stock option schemes*" on page 106.

We are also backed by marquee investors, including Norwest Venture Partners, British International Investment plc and affiliates of Kedaara Capital, Multiples and Lok Capital. We benefit from the capital sponsorship and professional experience brought by our Shareholders. Their support has been instrumental in establishing corporate governance standards within our organisation.

Our Board has been duly constituted in compliance with the Companies Act, the Listing Regulations and guidelines issued by the RBI from time to time. With the support of a distinguished Board of Directors, comprising of 9 members, including 5 independent members, who have a range of experience across multiple sectors, our management team is ably equipped to steer diverse challenges and seize on opportunities for growth. With independent directors forming a majority, our Board has also established various sub-committees such as the asset and liability management committee, risk management committee and IT strategy committee, which provide focused oversight and strategic direction in key operational areas.

Further, we believe that our focus on strong corporate governance standards and the combined experience of our management team helps us implement our business strategies in an efficient manner.

OUR STRATEGIES

Continue to grow our Rural Business Loans business

We continue to focus on small business owners and self-employed individuals primarily in the semi-urban and urban markets of India, as well as in rural markets where we expect faster growth in credit activity as financial awareness and penetration increases. Our growth strategy is anchored in a micro-market approach, emphasizing deeper market penetration and continued service to borrowers overlooked by traditional financing channels.

According to the CRISIL MI&A Report, as of March 31, 2024, the estimated MSME credit demand in India was approximately ₹138 trillion, with only 25% of this demand being met through formal financing channels. 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 ₹103 trillion as of March 31, 2024. Further, as of March 31, 2024, the total addressable credit demand was ₹67.5 trillion, while current formal financing amounted to ₹35 trillion, leaving a potentially addressable MSME credit gap of ₹32.5 trillion to be fulfilled by financial institutions. This increase in total addressable credit demand is attributed to factors such as greater support from banks, favorable government policies, and increased lender focus on tailored products and technological advancements (Source: *CRISIL MI&A Report*). Leveraging our proprietary credit assessment model for new-to-credit borrowers and a technology-driven lending process that enhances efficiency and productivity from sourcing to collections, we remain focused on expanding our Rural Business Loans business.

Leveraging our understanding of the MSME and self-employed borrowers, and the unique challenges presented by such borrower base, we intend to continue to offer products tailored to their financial needs. We are focused on improving the implementation of our 'hub and spoke' model by increasing the number of our service centres in order to meet the growing demand for MSME credit in India, as well as expanding our staff. Through our use of technology and our proprietary scorecard model, we are also focused on improving productivity at our branches and service centres in order to efficiently cater to the requirements of the growing MSME credit market.

Further diversify our loan portfolio by growing new lines of businesses catering to our large MSME borrower base

Recognizing the substantial growth potential in the retail credit market, we aim to further diversify our loan portfolio by introducing and growing our new business lines. For instance, in October 2022, we introduced our home loans business, which has grown significantly since its launch. Our target customer for this business ranges from the lower-end of the economically weaker section to the upper end of the middle income group, primarily low and middle income salaried individuals. Moreover, we intend to leverage our existing branch network to expand our presence in South India. According to the CRISIL MI&A Report, the housing finance market has demonstrated strong growth, with credit outstanding rising at a CAGR of 13.6% from the Financial Year 2019 to the Financial Year 2024, reaching approximately ₹35.0 trillion as of the Financial Year 2024. The growth has been fuelled by increased demand in Tier 2 and Tier 3 cities. A growing young population with rising disposable income migrating to metro cities are some of other structural factors leading to the growth in the sector. Demand for home loans has remained resilient despite a sudden rise in repo rates. Additionally, the salaried class experienced minimal income disruption during the economic slowdown caused by the COVID-19 pandemic and rising inflation, addressing lenders' concerns about asset quality deterioration. Going forward, CRISIL MI&A expects the overall housing sector to grow at a CAGR of 13-15% from the Financial Year 2024 to 2027.

Similarly, in March 2024, we launched our vehicle finance business. Our strategic focus for this business is to maintain a low average ticket size that helps mitigate risk and ensure an optimal yield. Through this business, we aim to complement our existing businesses, particularly as the used commercial vehicle financing market is currently dominated by unorganized lenders and private financiers, displaying similarities with our MSME micro-markets and target borrowers. According to the CRISIL MI&A Report, commercial vehicle financing witnessed a growth of approximately 13% CAGR from the Financial Year 2019 to the Financial Year 2024. The growth was primarily due to increase in private consumption and freight demand. Going forward, growth in the sector is expected to be supported by rising demand for light commercial vehicles due to increased private consumption, greater availability of redistribution freight and improved finance while demand for medium and heavy commercial vehicles is expected to grow due to improvement in economic activity across the country, along with steady agricultural output and government's focus on infrastructural development. Commercial vehicle financing sector is expected to grow at a CAGR of 11-13% from the Financial Year 2024 to the Financial Year 2027 and to reach approximately ₹7.0- 7.2 trillion by the Financial Year 2027.

We are also focused on growing our new lines of business by leveraging our existing capabilities at branches and co-locating such new businesses within our existing distribution network. Through this, we aim to utilize our existing insights into borrower behaviour and credit assessment to grow adjacent lines of business.

Deepening our presence in existing markets and balanced growth into newer geographies

As part of our growth strategy, we aim to increase our presence in existing markets by selectively expanding our business portfolio and leveraging our established branch network and brand presence in areas in which we operate. As we grow, we are committed to maintaining a balanced distribution of our loans across all operating regions, and achieving sustainable growth while ensuring a geographically diversified portfolio. Accordingly, we intend to offer home loans and used commercial vehicle loans at our other existing branches.

We also aim to expand our branch network in existing geographies through our 'hub and spoke' model, particularly in rural and semi-urban markets. Our branch network (excluding service centres) has grown to 424 branches as of September 30, 2024, from 382 branches as of March 31, 2024, 287 branches as of March 31, 2023 and 229 branches as of March 31, 2022. In addition, given our approach to expansion through branches and service centres, we also see an opportunity for "organic" expansion through the upgrading of our service centres into full-fledged branches. When a service centre begins to grow in size, whether in terms of loans disbursed, employees or in terms of the potential market in the catchment area that the service centre addresses, we may "upgrade" such service centres to branches. This enables us to serve a wider borrower base in a given geography, with sufficient headroom for growth.

We aim to leverage our experience and knowledge in serving underserved populations to enhance our market reach and strengthen our position as a trusted financial provider for low- and middle-income individuals across the country. Through this, we believe that we will be able to leverage our grassroots approach to sales and collections to expand our business lines across the geographies that we are present in.

We also aim to set up new branches and diversify our presence into new geographies. Over the last three Financial Years, we have been able to establish our business in Bihar and Chhattisgarh in Financial Year 2024. We seek to adopt a balanced approach towards our geographic expansion strategies, by expanding into contiguous regions where we have a limited or no operating presence, with a specific focus on states with a higher share of rural population, such as Bihar and Chhattisgarh. We are also able to leverage our existing workforce, who have been trained and are familiar with our credit assessment processes and policies, when expanding into contiguous regions. This also enables us to learn about the credit culture and borrower attitudes gradually and to tailor our sales and credit assessment strategies in an efficient manner, while maintaining our approach to prudent risk management.

Our average Loans (AUM) per branch has steadily increased, indicating growth potential as our branches mature. Our micro-market approach to expansion, which focuses on serving borrowers neglected by traditional finance, allows us to benefit from economies of scale as we increase average loan sizes, expand product offerings, and enter new markets. We expect this to strengthen our brand recognition and lead to improved branch productivity and reduced costs.

Further diversify our sources of funds and widen our financing base

We are committed to maintaining a diversified borrowing profile, further optimizing borrowing costs, and upholding a positive asset-liability management position. We aim to achieve this by maintaining robust financial risk management measures. We expect these efforts to further enhance our credit rating and help secure stable funding sources, and ultimately supporting our sustained growth and expansion.

We also aim to diversify our funding mix and liability profile to ensure that we maintain low borrowing costs and are able to competitively price our loan products, thereby driving business growth and increasing our margins. We are also committed to expanding our lender relationships to ensure our debt capital requirements are met at optimal costs. Aligned with our conservative asset liability management approach, we prioritize long-term borrowing to ensure financial stability and mitigate liquidity risks. This strategic focus enables us to maintain a favorable balance between assets and liabilities. We also aim to further improve our credit ratings to gain access to additional funding sources and further reduce our cost of borrowing.

While we are focused on reducing our average cost of borrowings, we intend to continue to price our existing rural business loans and working capital loans based on our assessment of credit risk for borrowers in these businesses. As part of our business diversification, we have also begun offering loans with relatively lower interest yields, such as affordable home loans and used commercial vehicle loans. We are focused on expanding our reach among MSME borrowers and implementing conscious, risk-based pricing for each of our loan businesses.

Continue to invest in technology and data analytics to improve productivity, operational efficiencies and enhance the borrower experience

We aim to leverage technology to drive operational efficiency and enhance customer experience. Our IT architecture plays an important role in driving operational efficiency, reducing costs and increasing productivity thereby improving customer satisfaction and promoting business growth. We intend to continue to invest in upgrading our systems, storage and backup infrastructure and security apparatus, to further improve our operational efficiency, customer service and decision-making process while assuring our business continuity and reducing the impact of internal and external risks. Recognizing the needs of our MSME and self-employed customers, we strive to maintain a ten-to-fifteen-day turnaround time for Affordable House Loans business, and a four-to-eight-day turnaround time for Rural Business Loans, Working Capital Loans (Unsecured) and Used Commercial Vehicle Loans businesses. We aim to continually improve these service levels through ongoing technology initiatives, including seamless mobile sourcing, rule-based underwriting, maintaining secure, multi-backup management systems, and proactive cybersecurity measures.

In addition to the digital capabilities of our core accounting and lending systems, mobile sourcing and collections, and rule-engine-based credit approval, we plan to deploy decision support systems and artificial intelligence, to automate tedious manual processes. We have recently transitioned towards a zero-data entry model, wherein all customer data is automatically populated from digitized know-your-customer documentation and industry databases, and will continue to invest in similar measures that significantly reduce data capture and increase the accuracy of the captured data. Furthermore, we seek to implement a customer-centric self-onboarding process to streamline loan applications, with fully digitized document execution across all business lines. We have also collaborated with external service providers to develop AI-based scorecard and tiering system to automate credit underwriting.

Risk management remains paramount as we continue to refine our risk models and utilize our proprietary underwriting scorecard. We aim to further strengthen customer relationships through technology and leverage technology to detect fraud and gain insights for business improvement. This includes using data and technology to closely monitor our offices and branches, by automated daily tracking of key metrics such as collection efficiency, loan rejections, non-performing assets, bounced payments, and turnaround times. We have also deployed our critical applications across multiple cloud platforms to minimise the risks of a single point of technical failure.

We also intend to further extend our proprietary credit and risk score-card model, which we have implemented in our Rural Business Loans, to our Working Capital Loans, Affordable Home Loans and Used Commercial Vehicle Loans businesses. We expect that the use of this model will enable us to improve our credit assessment decision-making process in this business and further drive efficiencies.

DESCRIPTION OF OUR BUSINESS

We are a non-deposit taking, 'middle-layer' NBFC, headquartered in Chennai, India, with a significant presence in the rural and semi-urban regions of southern India. As a diversified retail-focused NBFC, we primarily provide loans to MSMEs and self-employed individuals, including small businesses, as well as salaried individuals in the unorganized sector. Over the years, we have expanded our product portfolio to include home loans and vehicle finance, among others. We provide a diverse range of secured and unsecured loan products and are focused on meeting the financial needs of small business entrepreneurs.

Our Loan Portfolio

We provide loans to our target borrowers for business purposes, asset creation and personal requirements through our four businesses: (i) Rural Business Loans; (ii) Affordable Home Loans; (iii) Used Commercial Vehicle Loans; and (iv) Working Capital Loans (Unsecured). An overview of our loan portfolio is set out below:

Business	Target borrower	Average ticket size of disbursements (as of September 30, 2024)	Interest rate charged	Nature of interest	Average tenure of loan	Nature of collateral
Rural Business Loans	Self-employed individuals, traders, wholesalers and retailers, skilled and semi-skilled professionals, salaried individuals in the unorganized sector and micro and small enterprises located in rural regions	₹0.47 million	16% – 26% per annum	Fixed rate	Five to ten years	Mortgage over self-occupied residential property
Affordable Home Loans	Self-employed individuals, micro and small business owners, low- and middle-income salaried borrowers and salaried non-resident Indians	₹ 1.13 million	12.5% – 19% per annum	Variable rate	Five to 15 years	Mortgage over purchased or constructed self-occupied residential property
Used Commercial Vehicle Loans	Small transport operators and first-time buyers or users of commercial vehicles	₹0.45 million	15% – 24% per annum	Fixed rate	Three years	Hypothecation of purchased vehicle

Business	Target borrower	Average ticket size of disbursements (as of September 30, 2024)	Interest rate charged	Nature of interest	Average tenure of loan	Nature of collateral
Working Capital Loans (Unsecured)	Micro and small enterprises and individual business owners with daily or weekly cash flows, located in semi-urban and urban regions	₹ 0.18 million	27% – 28% per annum	Fixed rate	One to three years	Unsecured

Details in relation to our loan portfolio as of and for the period / years specified are set out below:

Particulars	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
Number of borrowers	195,243	176,082	116,403	71,726
Loans (AUM) *(₹ in millions)*	65,172.17	57,237.87	35,337.31	21,873.53
Disbursements[(1)] *(₹ in millions)*	18,378.85	37,024.30	22,446.55	11,882.77
Gross Carrying Amount - Loans - Stage 3 (%)	1.95%	1.79%	2.19%	3.94%
Net Carrying Amount - Loans - Stage 3 (%)[(2)]	0.97%	0.85%	1.26%	2.34%

(1) Disbursements represents the aggregate of all loan amounts extended to our customers in the relevant period/year.

(2) Net Carrying Amount - Loans - Stage 3 (%) represents Gross Carrying Amount - Loans – Stage 3 reduced by Impairment Loss Allowance - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total reduced by Impairment Loss Allowance - Loans - Stage 3 as of the last day of the relevant period/year.

The table below sets forth a breakdown of our Loans (AUM) by each of our businesses, as of the dates indicated:

Business	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Loans (AUM)	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*
	(₹ in millions, except for %)							
Rural Business Loans	47,101.73	72.27%	42,892.64	74.94%	30,954.90	87.60%	20,639.92	94.36%
Affordable Home Loans	11,481.24	17.62%	8,242.97	14.40%	944.32	2.67%	—	—
Used Commercial Vehicle Loans	831.83	1.28%	2.17	0.00%	—	—	—	—
Working Capital Loans (Unsecured)	5,757.37	8.83%	6,100.09	10.66%	3,438.09	9.73%	1,233.61	5.64%
Total	**65,172.17**	**100.00%**	**57,237.87**	**100.00%**	**35,337.31**	**100.00%**	**21,873.53**	**100.00%**

Rural Business Loans

We commenced offering Rural Business Loans in Financial Year 2016, and as of September 30, 2024, this is our largest business in terms of Loans (AUM) and number of borrowers. As part of our Rural Business Loans, we offer (i) small business loans; and (ii) rural construction loans to our target borrowers, which are self-employed individuals, traders, wholesalers and retailers, skilled and semi-skilled professionals, salaried individuals in the unorganized sector and micro and small enterprises located in rural regions. Borrowers in this business do not typically have access to formal financing sources and have little to no past credit exposure. We see that these borrowers typically borrow from unorganized financiers and local moneylenders to fund their short- and medium-term financing requirements, including in part due to their lack of organized documentation related to their income, savings and assets.

Through our Rural Business Loans, we are able to provide credit access to these under-served and under-banked communities while maintaining competitively viable margins through our proprietary credit and risk score-card model and credit assessment processes. All loans provided through our Rural Business Loans are secured and backed by property, which is typically self-occupied by the borrower. Eligibility for our Rural Business Loans depends on a combination of assessment factors, such as income, credit health, years in business, property type and value.

During the six months ended September 30, 2024, our average yield and loan-to-value ratio based on disbursements for loans in this business were 22.83% and 36.41%, respectively.

Metrics across our Rural Business Loans has grown considerably in the last three Financial Years, and we have been able to maintain a low ratio of Gross Carrying Amount - Loans - Stage 3 and Net Carrying Amount - Loans - Stage 3. As of September 30, 2024, we offer Rural Business Loans across 10 states and 1 union territory (comprising 163 districts) in India. Certain details in relation to our Rural Business Loans as of and for the period / years specified are set out below:

Particulars	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
Number of borrowers	126,596	115,430	87,902	61,660
Number of branches and service centres	409	372	278	220
Loans (AUM) *(₹ in millions)*	47,101.73	42,892.64	30,954.90	20,639.92
% of total Loans (AUM)	72.27%	74.94%	87.60%	94.36%
Disbursements[(1)] *(₹ in millions)*	10,503.42	21,946.78	17,224.28	10,233.92
% of total disbursements	57.15%	59.28%	76.73%	86.12%
Gross Carrying Amount - Loans - Stage 3 (%)	2.30%	2.09%	2.42%	4.08%
Net Carrying Amount - Loans - Stage 3 (%)[(2)]	1.24%	1.02%	1.41%	2.44%

(1) Disbursements represents the aggregate of all loan amounts extended to our customers in the relevant period / year.
(2) Net Carrying Amount - Loans - Stage 3 (%) represents Gross Carrying Amount - Loans – Stage 3 reduced by Impairment Loss Allowance - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total reduced by Impairment Loss Allowance - Loans - Stage 3 as of the last day of the relevant period/year.

Affordable Home Loans

Building on our strengths of being unable to underwrite loans for informally employed borrowers and our deep market penetration through our extensive branch network, we began offering secured home loans in October 2022. We offer loans for self-construction of homes, purchases from builders (which includes apartments and commercial or mixed-use properties), resale purchases, flat purchases, commercial constructions and for home renovations through this business. Through this business, we focus on self-employed individuals, small business owners, low- and middle-income salaried borrowers and salaried non-resident Indians in this business, compared to under-served and under-banked rural borrowers who are addressed through our Rural Business Loans. Our Affordable Home Loans business uses both in-house marketing and channel sales to source borrowers. Our reliance on channel sales partners is limited to lead generation, with our internal teams converting such leads to loan sanctions through our internal credit assessment processes. We are able to leverage our existing branch infrastructure to offer these loans and optimize branch operating expenses, with our "hub and spoke" model. In this model, the "hub" forms the key node for all "spokes" that are linked to it, which can improve our turnaround time for lead generation and credit decisioning.

During the six months ended September 30, 2024, our average yield and loan-to-value ratio based on disbursements for loans in this business were 16.63% and 39.67%, respectively. While our Affordable Home Loans business is of relatively newer vintage, we have been able to leverage our grassroots network and widespread reach of our distribution network to grow this business relatively quickly, as evidenced from the table below.

As of September 30, 2024, we offer loans in our home loans business across four states and one union territory (comprising 77 districts) in India. Certain details in relation to our home loans business as of and for the period / years specified are set out below:

Particulars	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
Number of borrowers	10,869	7,869	986	N/A
Number of branches and service centres	188	153	66	N/A
Loans (AUM) *(₹ in millions)*	11,481.24	8,242.97	944.32	N/A
% of total Loans (AUM)	17.62%	14.40%	2.67%	N/A
Disbursements[(1)] *(₹ in millions)*	3,705.44	7,500.68	961.72	N/A
% of total disbursements	20.16%	20.26%	4.28%	N/A
Gross Carrying Amount - Loans - Stage 3 (%)	0.06%	-	-	N/A
Net Carrying Amount - Loans - Stage 3 (%)[(2)]	0.02%	-	-	N/A

(1) Disbursements represents the aggregate of all loan amounts extended to our customers in the relevant period / year.
(2) Net Carrying Amount - Loans - Stage 3 (%) represents Gross Carrying Amount - Loans – Stage 3 reduced by Impairment Loss Allowance - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total reduced by Impairment Loss Allowance - Loans - Stage 3 as of the last day of the relevant period/year.

Used Commercial Vehicle Loans

We launched our vehicle finance business in March 2024. Our primary customer base includes drivers transitioning into ownership roles (first-time buyers) and small captive operators who own a limited fleet of vehicles for specific business purposes. This loan business is designed to meet the needs of this borrower base, with a focus on small commercial vehicles (SCVs) and light commercial vehicles (LCVs). These vehicles are integral to the logistics and transportation needs of rural markets. We offer low-ticket loans with an average ticket size of ₹0.45 million, balancing accessibility for customers with a diversified risk spread, sustainability and growth.

We are able to leverage our extensive branch network to grow this business, which enables us to reduce our individual branch operating expenses and enables us to offer diversified loans in our target markets. A majority of our leads are generated directly through our internal sales team, who carry out a range of marketing activities, such as participating in rural vehicle fairs to engage with local transport operators, leverage referrals from existing borrowers and organizing targeted marketing campaigns to raise awareness about our offerings. We also work with direct selling agents who are empanelled with our branches after the completion of internal reviews to ensure that their objectives align with our business focus and compliance standards. External vehicle valuation is conducted by certified professionals to determine the accurate market value of the vehicle while the viability of the vehicle for the intended business use is assessed by the credit team. Pricing is determined based on the borrower's profile and the vintage of the asset.

Under this business, we offer loans for our borrowers to purchase or refinance used commercial vehicles of varying sizes (excluding medium and heavy commercial vehicles), as well as used private cars and construction equipment. Similar to our Rural Business Loans, we focus on providing loans to under-served and under-banked borrowers, who traditionally rely on unorganized financiers or local moneylenders to meet financing requirements for vehicle purchases.

According to the CRISIL MI&A Report, there are approximately 1.51 million used commercial vehicles on road currently with the ratio of used to new commercial vehicles at 1.6 times. Sales of used commercial vehicles in India has witnessed a CAGR of approximately 3% from the Financial Year 2020 to the Financial Year 2024. Sale of used commercial vehicles has witnessed continuous growth due to the rising prices of new commercial vehicles, making purchasing of used commercial vehicles a viable choice for small and medium sized fleet operators due to their lower acquisition costs. Used commercial vehicle sales in India are being driven by factors such as higher affordability as compared to new vehicles, cost effectiveness, improved quality and reliability and rise in micro, small and medium enterprises in India. Further, commercial vehicle financing witnessed a growth of approximately 13% CAGR from the Financial Year 2019 to the Financial Year 2024. The growth was primarily due to increase in private consumption and freight demand. Going forward, growth in the sector is expected to be supported by rising demand for light commercial vehicles due to increased private consumption, greater availability of redistribution freight and improved finance. Commercial vehicle financing sector is expected to grow at a CAGR of 11-13% from the Financial Year 2024 to the Financial Year 2027 and to reach approximately ₹7.0- 7.2 trillion by the Financial Year 2027.

During the six months ended September 30, 2024, our average yield and loan-to-value ratio based on disbursements for loans in this business were 19.25% and 76.71%, respectively.

As of September 30, 2024, we offer loans in our used commercial vehicle finance business across four states and one union territory (comprising 58 districts) in India. Certain details in relation to our used commercial vehicle finance business as of and for the period / years specified are set out below:

Particulars	**As of and for the six months ended September 30, 2024**	**As of and for the Financial Year**		
		2024	**2023**	**2022**
Number of borrowers	1,864	6	N/A	N/A
Number of branches and service centres	89	22	N/A	N/A
Loans (AUM) *(₹ in millions)*	831.83	2.17	N/A	N/A
% of total Loans (AUM)	1.28%	0.00%	N/A	N/A
Disbursements[(1)] *(₹ in millions)*	849.49	2.20	N/A	N/A
% of total disbursements	4.62%	0.01%	N/A	N/A
Gross Carrying Amount - Loans - Stage 3 (%)	-	-	N/A	N/A
Net Carrying Amount - Loans - Stage 3 (%)[(2)]	-	-	N/A	N/A

(1) Disbursements represents the aggregate of all loan amounts extended to our customers in the relevant period / year.
(2) Net Carrying Amount - Loans - Stage 3 (%) represents Gross Carrying Amount - Loans – Stage 3 reduced by Impairment Loss Allowance - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total reduced by Impairment Loss Allowance - Loans - Stage 3 as of the last day of the relevant period/year.

Working Capital Loans (Unsecured)

As part of our unsecured Working Capital Loans (Unsecured) business, we offer unsecured Working Capital Loans to borrowers in urban regions. These loans are typically availed to cover payroll, marketing costs, and other similar operations that are required for the business to operate and grow. We typically target micro and small enterprises and individual business owners with daily or weekly cash flows. Through this business, we aim to provide working capital to businesses that may ordinarily not be able to access such capital due to a lack of formal records, such as GST returns, income tax returns and business plans or projections. We are able to address this market through our proprietary credit score-card model, whereby we assess other documentation available with the borrower and arrive at a credit decision using our triple-AAA filter. As part of our commitment to promoting gender equity, we have also introduced loans specifically targeted at woman entrepreneurs for augmenting their business and livelihoods. Our average yields in this business are typically 27% to 28% per annum, which is the highest among our businesses. During the six months ended September 30, 2024, our average yield based on disbursements for loans in this business was 27.03%. According to CRISIL MI&A, the target borrowers for such unsecured business loans are vulnerable to economic vagaries. Accordingly, given that the associated credit risk with lending to such borrowers is relatively higher compared to other borrower categories, we aim to limit our Loans (AUM) exposure in such business to 10% or lower of our overall Loans (AUM).

As of September 30, 2024, we offer loans in our Working Capital Loans (Unsecured) business across eight states and one union territory (comprising 93 districts) in India. Certain details in relation to our Working Capital Loans (Unsecured) business as of and for the period / years specified are set out below:

Particulars	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
Number of borrowers	55,914	52,777	27,515	10,066
Number of branches and service centres	139	119	79	34
Loans (AUM) *(₹ in millions)*	5,757.37	6,100.09	3,438.09	1,233.61
% of total Loans (AUM)	8.83%	10.66%	9.73%	5.64%
Disbursements[(1)] *(₹ in millions)*	3,320.50	7,574.64	4,260.55	1,648.85
% of total disbursements	18.07%	20.46%	18.98%	13.88%
Gross Carrying Amount - Loans - Stage 3 (%)	3.11%	2.10%	0.65%	1.49%
Net Carrying Amount - Loans - Stage 3 (%)[(2)]	0.79%	0.81%	0.31%	0.73%

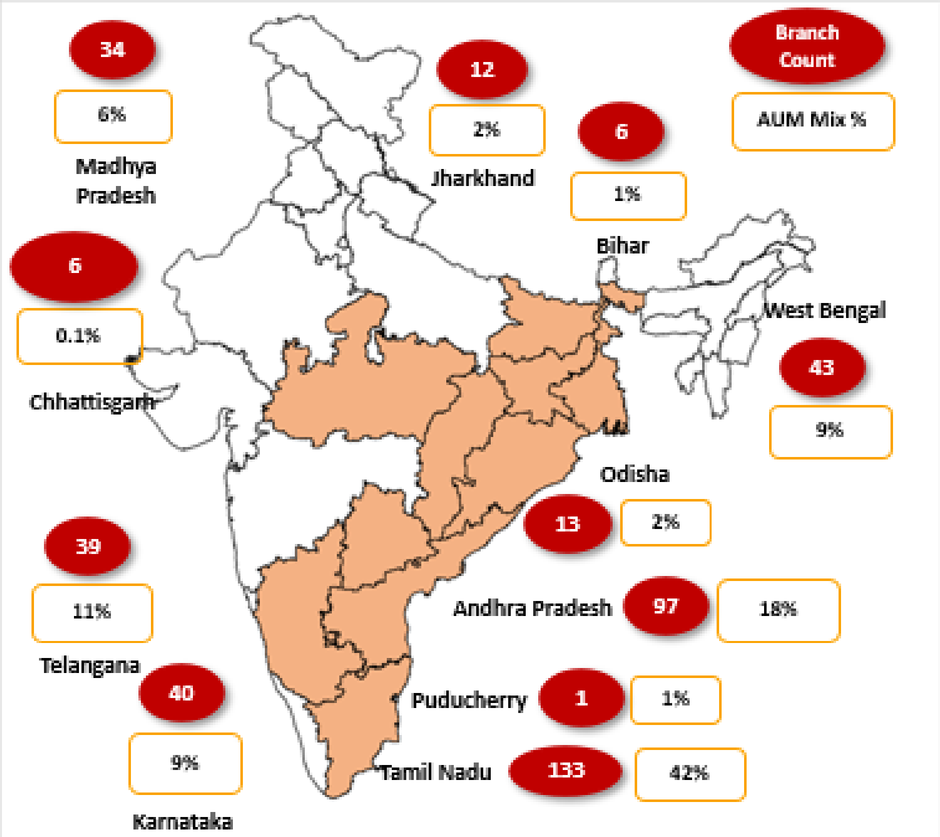
(1) Disbursements represents the aggregate of all loan amounts extended to our customers in the relevant period / year.
(2) Net Carrying Amount - Loans - Stage 3 (%) represents Gross Carrying Amount - Loans – Stage 3 reduced by Impairment Loss Allowance - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total reduced by Impairment Loss Allowance - Loans - Stage 3 as of the last day of the relevant period/year.

Branch Network

As of September 30, 2024, we have an extensive network of 424 branches and 70 service centres across 10 states and one union territory in India, with a presence in approximately 174 districts. Our branch network is focused on the states of Tamil Nadu, Karnataka, Andhra Pradesh, Telangana and West Bengal, which collectively account for 83.02 % of our total branches, 91.82% of our total disbursements and 88.58% of our total Loans (AUM), as of September 30, 2024.

While we primarily carry out our business activities through our branches across India, we also set up service centres to improve customer experience and enhance operational efficiencies in certain geographies where we experience greater demand for our loan products or where there is a need to augment collection efforts. Service centres are centres at which we primarily carry out loan servicing and collections and do not have a full-fledged branch set-up. While we are able to source loans at such service centres, the primary function of the service centre is to support its "parent" branch, and we attribute loan performance metrics at such service centres to their parent branches. When a service centre begins to grow in size, whether in terms of loans disbursed, employees or in terms of the potential market in the catchment area that the service centre addresses, we make an internal assessment and may "upgrade" such service centres to branches. We classify our network into "branches" and "service centres" for internal assessment of our metrics and performance only, and to the RBI or other regulators, each physical location including service centres are reported as branch.

Set out below is a map of our branch network across India, along with state and union-territory-wise details of our branch network across India, as of September 30, 2024:



* Branch Count excludes 70 VSCs in West Bengal (30), Telangana (14), Madhya Pradesh (6), Odisha (1), and Karnataka (19)

State	Number of branches	Number of service centres(1)
Tamil Nadu	133	-
Andhra Pradesh	97	-
Telangana	39	14
Karnataka	40	18
West Bengal	43	31
Madhya Pradesh	34	6
Odisha	13	1
Jharkhand	12	-
Bihar	6	-
Chhattisgarh	6	-
Puducherry	1	-
Total	**424**	**70**

(1) Service centres are centres at which we primarily carry out loan servicing, collections and customer service and feedback functions and do not have a branch manager or credit manager. Service centres are presented separately for the purposes of this section only and are reported as branches to the Reserve Bank of India.

Since the commencement of our operations in Tamil Nadu, we have strategically expanded our geographical footprint to 10 states and one union territory in India through our 'hub and spoke' model. This enables us to not only efficiently replicate our business model across the country but also provides the flexibility to expand our product offerings within existing branches. The table below sets forth a breakdown of our Loans (AUM) by the states and union territory we operate in, as of the dates indicated:

State/Union Territory	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Loans (AUM)	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*
	(₹ in millions, except for %)							
Tamil Nadu	27,333.90	41.94%	23,883.85	41.73%	14,607.61	41.34%	8,599.77	39.32%
Andhra Pradesh	11,484.20	17.62%	8,986.82	15.70%	3,440.57	9.74%	1,549.91	7.09%
Telangana	7,048.58	10.82%	6,164.26	10.77%	3,612.69	10.22%	2,146.25	9.81%
Karnataka	6,068.79	9.31%	4,868.63	8.51%	2,384.61	6.75%	1,637.83	7.49%
West Bengal	5,791.21	8.89%	6,020.77	10.52%	5,837.79	16.52%	4,587.91	20.97%
Madhya Pradesh	3,670.22	5.63%	3,502.85	6.12%	2,243.41	6.35%	1,200.59	5.49%
Odisha	1,449.88	2.22%	1,555.14	2.72%	1,577.93	4.47%	1,181.04	5.40%
Jharkhand	1,564.89	2.40%	1,680.08	2.94%	1,388.72	3.93%	796.96	3.64%
Bihar	356.92	0.55%	202.26	0.35%	—	—	—	—

State/Union Territory	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Loans (AUM)	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*
	(₹ in millions, except for %)							
Chhattisgarh	62.02	0.10%	23.34	0.04%	—	—	—	—
Puducherry	341.55	0.52%	349.87	0.61%	243.98	0.69%	173.27	0.79%
Total	**65,172.17**	**100.00%**	**57,237.87**	**100.00%**	**35,337.31**	**100.00%**	**21,873.53**	**100.00%**

Interest Rates, Fees and Collateral

A majority of our loans are offered at a fixed rate of interest, which is determined at the time of disbursement through our in-house credit assessment and approval process, which takes into account factors such as the tenure of the loan and risks associated with the specific borrower. A portion of our loan portfolio is also offered at variable rates of interest, linked to our in-house "Veritas Prime Lending Rate", which is based on our cost of funds, operating costs, risk-based assumptions, market practice and anticipated margins. Also see "— *Our Loan Portfolio*" on page 233 above for details of the range of interest rates that we charge for each of our loan products. As of September 30, 2024, the average interest rate charged across our overall loan portfolio was 21.95% with an average tenure of 6.05 years.

In addition to interest chargeable on our loan products, we also levy charges such as login fees, processing fees, documentation fees, fees for legal verification of collateral, bounce or late payment charges, pre-payment charges (as applicable) and others. The details of these charges are set out in the relevant loan documentation entered into between our Company and our borrowers. These fees and charges vary by the loan products offered and are subject to revisions based on market conditions and regulatory requirements.

Except for loans in our Working Capital Loans (Unsecured) business, all loans in our portfolio are fully secured through property collateral or vehicle hypothecation. We generally assume an exclusive charge over the collateral offered for any loans that we disburse, which means that we do not share a charge over the collateral with other lenders. Such an exclusive charge is required to be maintained at the time of disbursement of the loan as well as during the tenure of the loan. We generally register our collateral charge as a mortgage or deed of hypothecation at the relevant state registrar office. Our loan-to-value ratios based on disbursements, for the period / years indicated, are set out below:

***Loan-to-value ratio based on disbursements*[(1)]**

Business	For the six months ended September 30, 2024	For the Financial Year		
		2024	2023	2022
	(in percentages)			
Rural Business Loans	36.41%	36.40%	36.86%	35.98%
Affordable Home Loans	39.67%	41.00%	41.78%	N/A
Used Commercial Vehicle Loans	76.71%	79.83%	N/A	N/A
Working Capital Loans (Unsecured)	N/A	N/A	N/A	N/A
Overall	**39.60%**	**37.61%**	**37.15%**	**35.98%**

(1) LTV ratio based on disbursements represents the average of LTV for the loans disbursed in the relevant year/ period, weighted based on the sanctioned loan amount. LTV represents the ratio of total loans sanctioned against value of collateral mortgaged.

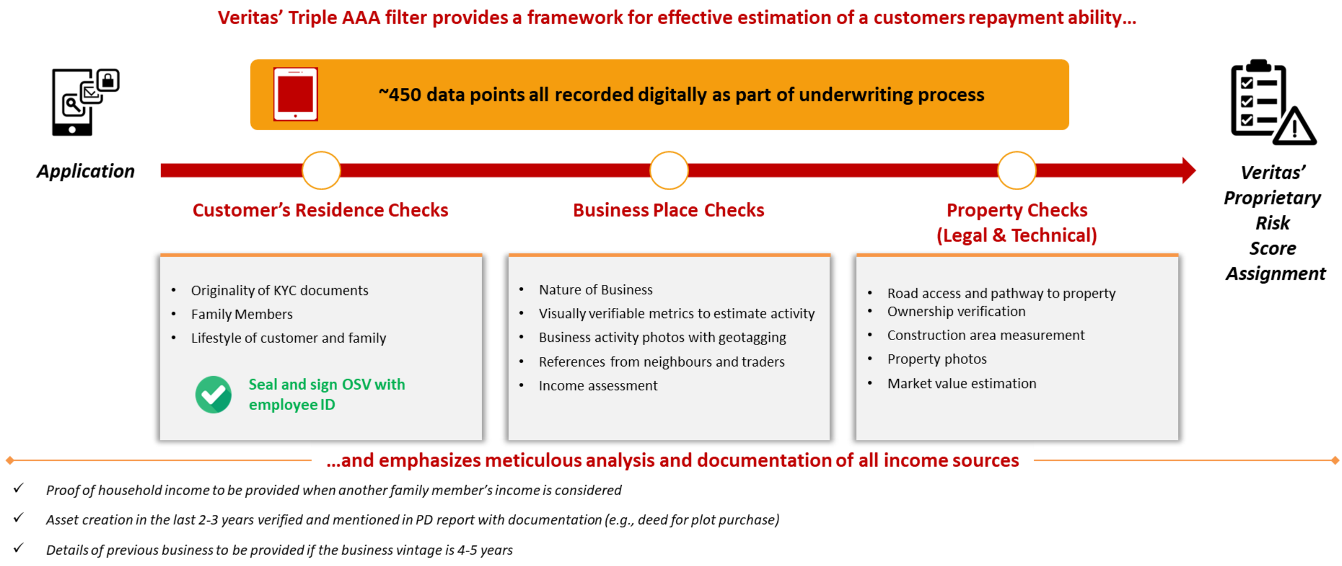
Credit Assessment

Through our credit assessment model, we focus on assessing the income earning capacity and cash flows of a borrower through a review of non-income related documents and through reference checks with borrowers' trade community, friends, family and neighbors, rather than relying solely on documentation and credit scores, which are the key metrics for traditional financial institution underwriting. We also review income- and asset-related documents and carry out credit bureau checks.

Our credit assessment decisions are supported by the availability of collateral for all of our loan products (except for loans offered through our Working Capital Loans (Unsecured) business, for which credit is assessed primarily on the basis of past credit history and documentation, given the urban location of target borrowers). In arriving at a credit decision, our credit managers assess our borrowers' businesses on multiple parameters (depending on the business division providing the loan), including any specific aspects of different business activities. These parameters include borrowers' income, their ability and intention to repay a loan, business sustainability and past credit behavior, which are scrutinized through a combination of traditional and non-traditional credit assessment methods. We assess potential risks that could affect our existing borrower base, with borrowers classified into "low", "medium" and "high" risk categories.

Based on these processes, we have developed and implemented a proprietary credit and risk score-card model to appraise loans and to determine risk-based pricing for borrowers. Through this model, we are able to achieve an objective credit assessment process, with reduced turn-around time for loan approvals.

The image below sets out the process by which we implement our "triple AAA" filter, which we use to assess a borrowers' willingness and capability to repay and achieve financial inclusion – (i) asset creation; (ii) attitude; and (iii) assessed income.



Credit scorecard

Our score-card model relies on this "triple AAA" filter, which we implement through three stages of checks by our branch credit managers: (i) residence checks, where KYC documents are verified and qualitative feedback is obtained regarding a prospective borrower's lifestyle and dependents; (ii) business place checks, where credit managers are able to confirm the nature of a borrower's business and visually verify metrics such as customer footfall and availability of stock-in-trade, along with neighbor reference checks and geotagging of the borrower's business through photographs; and (iii) property checks, where the provided collateral is technically and legally assessed by our credit managers and our in-house legal and technical teams to verify ownership and confirm the technical parameters of the collateral being provided, along with market value estimations. In cases where a borrower's family member's income is relied on to obtain a loan, our credit managers obtain proof of the overall household income to assist in decision making. Other applicable parameters, such as asset creation in the two-three years preceding the loan application and previous business details, are verified and set out in the assessment report. Our credit score-card model presently provides for 409 data points to be digitally recorded as part of the credit assessment process, with different businesses relying on different data points with varying weights. These data points are sealed and electronically signed by the relevant credit manager with their employee ID, preventing subsequent tampering of data. We currently use this model to make credit decisions for our Rural Business Loans and Working Capital Loan (Unsecured) businesses.

We maintain clearly defined credit approval authority, based on the seniority and experience of individual credit approvers. Delegation of credit authority is based on a defined framework, based on the value of the loan and the risk score evaluated through the score-card. Our credit policy sets out the policy norms, process and procedure to be adopted for credit assessment and approval, exposure limits for a single/group borrower and sectors, among others, and is subject to applicable RBI guidelines under which each new customer's creditworthiness is assessed before a loan is sanctioned.

Further, all credit assessment decisions involve a minimum of two levels of approval, which can increase to four levels of approval depending on the size of the loan being sanctioned, with loans up to ₹0.5 million requiring two levels, between ₹1 million and ₹2.5 million requiring three levels and ₹2.5 million and above requiring four levels of approval. At the initial stage of sanctioning a loan, the sales manager enters details of the borrower into our loan management system, which is then initially approved by the branch manager. For ordinary-course loans which are within our pre-defined risk profiles, the credit decision is then escalated to a credit manager, who carries out additional checks (for example, on the property and business details entered in the loan application) and approves disbursement. For loans greater than prescribed internal thresholds, or which are being granted to borrowers showcasing a higher risk profile, credit decisions are then escalated from the branch credit manager for verification by an area credit manager, and in certain instances, to a cluster credit or regional manager. Accordingly, we implement a two-level "maker and checker" credit approval process, which is escalated up to four levels, depending on the size of the loan or the risk associated with disbursement.

Monitoring, Collections and Asset Quality

Monitoring

Upon disbursal, our loans are monitored through our loan management systems ("**LMS**"). These LMS have features that are specific to the businesses we operate, with separate systems based on the requirements of each loan business and its features. We engage third-party technology vendors with significant experience in offering such loan management systems for our monitoring requirements. Our technology platforms are able to provide branch managers with customized dashboards displaying metrics such as collection efficiency, number of rejected loans, Stage 3 Loans and bounce rates to enable effective asset monitoring.

We have monitoring structures in place, including CIBIL monitoring, which sets off triggers based on CIBIL defaults; business set-up triggers, which identifies triggers for fraudulent activities by businesses; policy triggers, which capture policy deviation; collateral triggers, which identify potential stress based on past valuations and locations, LTV, demographic triggers, based on age, salary and company profile. Other than these, we undertake regular random checks to confirm adherence to policy through the life cycles of our loans.

Collections

We have a "digital-first" collections process, with 89.61% of loan instalments (as of September 30, 2024) being paid through digital channels, such as NACH or UPI. We process UPI payments for instalments through quick-response codes, personalized links, online messaging requests and through our mobile application, creating a verifiable record of payments received while also providing convenience to borrowers. Aside from our digital collection process, borrowers are also able to complete payments through post-dated cheques and for a small percentage of our loan book, through cash payments (10.39%, as of September 30, 2024).

We focus on ensuring ease of repayment for our borrowers, including when loans "bounce" (meaning a loan instalment is unpaid on the date that we present it to the borrower for repayment). For instance, a member of our collections team physically visits a borrower whose loan has bounced in order to better understand the reasons for such bounce and educates them about the fees associated with loan bounces. At the time of collection of loan instalments by a collections executive, borrowers are sent a one-time password to minimize instances of fraud during collections. In our Working Capital Loans (Unsecured) business, relationship managers physically visit borrowers for each weekly collection in order to build a relationship with our borrowers and to be able to assess early warning signals that may affect a borrower's ability to repay their loan in the future.

Our branches are structured in such a manner that sales and collection functions are initially undertaken by sales managers up to a specified period for a given loan. After the completion of this initial period, we engage a separate branch collections team to monitor the loan and ensure timely repayments. We believe that this organizational structure enables us to source "good" loans, where the risk of non-repayment is lower, due to the sales team being responsible for collection for the initial period. Thereafter, with the collections process moving to a specialized team, the sales team is able to better pursue new business opportunities. Incentives for sales teams are also contingent upon them meeting their collections targets, which enables sales and collections to be equally prioritized.

For higher stages of delinquency, our collections efforts include frequent follow up for collections, including reminder messages and calls from the branch. For borrowers categorized as Stage 3 Loan accounts, if our recovery team is unable to recover payments, we typically initiate legal action, including in respect of dishonored non-cash instruments. For this purpose, we have an in-house legal team which supports and amplifies collections efforts to ensure that credit costs are minimized.

As of September 30, 2024, we had 195,243 live customers, with 3,739 sales managers and 1,233 dedicated collections managers. Details of our collections efficiency, for the specified periods, are set out below:

Particulars	For the six month period ended September 30, 2024	For the Financial Year		
		2024	2023	2022
Collections efficiency (%)(1)	96.04%	96.93%	96.48%	91.33%

(1) Collection efficiency is arrived at by dividing total amount collected (excluding foreclosures and restricting collections to 1 EMI per loan) by total amount due during the relevant year/period.

Asset Quality

On account of our asset monitoring and collections initiatives, we have been able to maintain an overall Gross Carrying Amount – Loans – Stage 3 ratio of 1.95% as of September 30, 2024. This has also led to our Loans (AUM) growing at a CAGR of 61.76% between the Financial Years 2022 and 2024. The table below sets forth details of our stage-wise Loans (AUM) as of the dates indicated:

Particulars	As of September 30, 2024	As of March 31,		
		2024	2023	2022
	(%)			
Gross Carrying Amount – Loans – Stage 3 (%)	1.95%	1.79%	2.19%	3.94%
Net Carrying Amount – Loans – Stage 3 (%)(1)	0.97%	0.85%	1.26%	2.34%
Provision Coverage Ratio (%)	50.84%	53.14%	42.82%	41.47%

(1) *Net Carrying Amount - Loans - Stage 3 (%) represents Gross Carrying Amount - Loans - Stage 3 reduced by Impairment Loss Allowance - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total reduced by Impairment Loss Allowance - Loans - Stage 3 as of the last day of the relevant period/year.*

Also see "*Selected Statistical Information – Asset Quality*" on page 241.

Funding Profile and Treasury Operations

We aim to maintain a diversified funding profile, including equity investments from our Shareholders, term loans, working capital facilities, cash credit facilities, proceeds from the securitization of receivables from our loan portfolio to financial institutions and mutual funds and proceeds from the issue of non-convertible debentures and commercial papers. As our business has grown, we have also been able to increase the number of our active lending relationships to 47 as of September 30, 2024 from 32 as of March 31, 2022. We receive our funding through a combination of public sector, private sector and foreign banks, other non-banking finance companies and mutual funds. This enables us to mitigate risks related to liquidity, asset-liability maturity mismatches, interest rates and concentration, and ensures that we are able to access capital for our funding requirements.

In order to maintain adequate cash flows, we typically maintain two months of liquidity requirements in the form of undrawn limits or in cash equivalents. We have also obtained a combination of fixed interest rate and variable interest rate borrowings to address interest rate sensitivities. Our treasury operations team also deploys surplus capital in liquid or overnight schemes of mutual funds or in fixed deposits with banks in order to optimize our returns in accordance with acceptable levels of risk. As of September 30, 2024, our investments in fixed deposits free of lien were ₹4,190.93 million and our liquidity coverage ratio was 118.82%, which is greater than the regulatory threshold of 85%.

Set out below are details of our funding profile as of the dates indicated:

Nature of borrowing	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings
	(₹ in millions, except for %)							
Debt securities (at amortised cost)								
Non-convertible debentures (secured)	3,822.70	7.82%	3,081.22	7.71%	1,792.69	7.39%	2,420.72	20.25%
Debt securities (A)	**3,822.70**	**7.82%**	**3,081.22**	**7.71%**	**1,792.69**	7.39%	**2,420.72**	**20.25%**
Borrowings (other than debt securities)(at amortised cost)								
Term Loans (secured)								
- From banks	34,994.08	71.57%	30,391.01	76.06%	19,602.35	80.82%	8,289.87	69.33%
- From other financial institutions	1,604.22	3.28%	1,288.92	3.22%	1,763.64	7.27%	1,050.29	8.78%
Borrowings under securitisation (secured)	8,265.62	16.91%	5,071.94	12.69%	395.61	1.63%	-	-
Loans repayable on demand (secured) from banks	207.56	0.42%	124.98	0.31%	698.95	2.88%	195.64	1.64%
Borrowings (other than debt securities) (B)	**45,071.48**	**92.18%**	**36,876.85**	**92.29%**	**22,460.55**	**92.61%**	**9,535.80**	**79.75%**
Total borrowings ((A) + (B))	**48,894.18**	**100.00%**	**39,958.07**	**100.00%**	**24,253.24**	**100.00%**	**11,956.52**	**100.00%**
Equity funding								
Equity Share capital raised during the period/year[(1)]	1,420.23	N/A	4,924.36	N/A	54.60	N/A	4,405.09	N/A

(1) *Equity Share capital raised represents the proceeds from issue of equity shares including securities premium received on shares issued during the period / year.*

For further details, see "*Financial Indebtedness*" and "*Capital Structure*" on pages 451 and 85.

Capital Adequacy Ratios

The NBFC Scale Based Regulations currently require NBFCs such as our Company to maintain a capital to risk (weighted) assets ratio comprising Tier I and Tier II capital of not less than 15% of the aggregate of our risk weighted assets on-balance sheet and risk adjusted value of off-balance sheet items. In addition, the Tier I capital of an NBFC (except for certain specified categories of NBFCs) is required to be at least 10%. Further, in order to comply with the principal business criteria ("**PBC**") ratio prescribed by the RBI, NBFCs are required to maintain financial assets more than 50% of total assets (netted off by intangible assets) and income from financial assets more than 50% of gross income. Similarly, NBFCs are required to maintain a minimum liquidity coverage ratio ("**LCR**") of 50% as on December 1, 2020, which is required to be gradually increased to 100% by December 1, 2024, in accordance with the NBFC Scale Based Regulations.

The tables below set out details of our Tier I and Tier II capital (%), CRAR (%), LCR ratio and PBC ratio, each as of September 30, 2024 and March 31, 2024, March 31, 2023 and March 31, 2022:

Particulars	**As of September 30, 2024**	**As of March 31,**		
		2024	**2023**	**2022**
	(₹ in millions, except for %)			
Tier I Capital[1]	23,335.15	21,868.85	15,518.51	13,799.22
Tier II Capital[2]	—	—	116.49	85.43
Total Capital	**23,335.15**	**21,868.85**	**15,635.00**	**13,884.64**
Risk weighted assets[3]	57,092.84	52,706.00	34,740.64	21,551.27
Tier I Capital (%)	40.87%	41.49%	44.67%	64.03%
Tier II Capital (%)	—	—	0.33%	0.40%
CRAR (%)[4]	**40.87%**	**41.49%**	**45.00%**	**64.43%**

(1) Tier I capital comprises share capital, securities premium, retained earnings including current year profit. Tier I Capital (%) is computed in accordance with the relevant RBI guidelines.
(2) Tier II capital comprises general provision and loss reserve. Tier II Capital (%) is computed in accordance with the relevant RBI guidelines.
(3) Risk weighted assets represent the weighted sum of our credit exposures based on their risk (Risk weighted assets is computed in accordance with the relevant RBI guidelines).
(4) Capital adequacy ratio or capital to risk weighted assets ratio (CRAR) is computed by dividing our Tier I and Tier II capital by risk weighted assets (CRAR (%) is computed in accordance with the relevant RBI guidelines).

Particulars	**As of September 30, 2024**	**As of March 31,**		
		2024	**2023**	**2022**
	(%)			
Liquidity Coverage Ratio (%)[1]	118.82%	146.21%	N/A[2]	N/A[2]
Minimum Regulatory Requirement (%)	85%	85%	N/A	N/A

(1) *Liquidity Coverage Ratio (%) has been computed as per relevant RBI Guidelines.*
(2) *The requirement to maintain a minimum Liquidity Coverage Ratio (%) (LCR) became applicable for our Company when it crossed an asset size of ₹50,000 million from the month of September 2023. Hence, as of March 31, 2022 and March 31, 2023, LCR is not provided for our Company.*

Particulars	**As of September 30, 2024**	**As of March 31,**		
		2024	**2023**	**2022**
	(%)			
Adjusted Financial Assets to Total Assets (%)[1] (PBC ratio)	84.98%	88.71%	85.85%	81.61%
Financial Income to Total Income (%)[2] (PBC ratio)	95.69%	94.96%	95.83%	94.72%

(1) Adjusted Financial Assets to Total Assets (%) has been computed as per the relevant RBI guidelines on principal business criteria.
(2) Financial Income to Total Income (%) has been computed as per the relevant RBI guidelines on principal business criteria.

Credit Ratings

Our credit ratings are crucial to our business and enable us to obtain funding on commercially viable terms, which contributes to our net interest income and our net interest margins. Our credit ratings have improved from CARE BBB- during the Financial Year 2018 to CARE A+ with a "positive" outlook in the six month period ended September 30, 2024. Set out below are details of the changes to our credit ratings from March 31, 2022 to September 30, 2024:

Rating Agency	**Instrument**	**Rating**			
		As of September 30, 2024	**As of March 31,**		
			2024	**2023**	**2022**
CARE Edge	Long-term bank facilities	CARE A+; Positive	CARE A+; Stable	CARE A; Stable	CARE A- ; Stable
	Short-term bank facilities	CARE A1+	CARE A1+	CARE A1+	-
	Non-convertible debentures	CARE A+; Positive	CARE A+; Stable	CARE A; Stable	CARE A-; Stable
	Commercial paper	CARE A1+	CARE A1+	CARE A1+	-

Risk Management

Risk management is an integral part of our business as a lender and we face a variety of financial and non-financial risks. We have implemented a capital adequacy assessment process to identify, assess, and manage all risks that could potentially negatively affect the business, financial position, or capital adequacy of our Company. As part of our risk management process, we also regularly train our staff with respect to risk and compliance-related matters.

Our risk exposure is evaluated periodically and reported to the Board and its relevant sub-committees and to our management, in order to ensure that appropriate mitigation measures can be initiated. We have established an asset-liability committee to address risks in relation to asset-liability management, market risk management, liquidity, and interest rate risk management and to ensure adherence to risk tolerance/limits set up by the Board. The asset-liability committee is responsible for managing risks in relation to interest rate, liquidity, funding sources, and investment of surplus funds. Our risk management committee periodically reviews each of our Company's applicable risks and policies. Further, our Board also monitors risks and their mitigants through its sub-committees (comprising the asset liability committee, the risk management committee, and the IT strategy committee). Responsibilities for addressing our business risks are allocated and outcomes are monitored by the Board and the risk management committee.

We regularly assess the effectiveness of our existing risk models, including assumptions and parameters. We have established an independent internal audit department, which is responsible for assessing the adequacy and efficiency of all internal controls, risk management practices, governance systems, policies and processes. In order to maintain checks and balances and with an aim to eliminate potential conflicts of interest, we have separated our risk, audit and compliance functions from our business functions. This separation enables us to independently focus on both revenue generation as well as risk management and control. Our internal processes are also ISO 18404:2015 certified for implementation of lean practices in operations and customer relationship management (commonly known as Lean and Six Sigma certifications).

We have also adopted an enterprise risk management framework to identify, assess, monitor and manage our internal and external risks. Our enterprise risk management framework consists of multiple parameters and includes risk assessment, control review, unmasking of residual risks, risk mitigation and risk monitoring. Set out below are details of the key risks we face in our business and the mitigation measures we take to address such risks:

Type of risk	Description of risk	Mitigation measures
Credit risk	Credit risk involves the risk of loss arising from the diminution in credit quality of a borrower along with the risk of default on contractual repayments under a loan or an advance.	We identify, monitor and manage these risks through our in-house sourcing, credit decisioning coupled with scorecards, portfolio monitoring and collections framework.
Liquidity risk and interest rate risk	Lenders may tighten lending policy or increase our cost of capital due to multiple reasons, including an unfavourable macroeconomic environment.	In order to manage liquidity risks, we have implemented an asset liability management policy, which provides for several risk management measures to identify any short-term liquidity gaps and to implement immediate actions aimed at correcting such gaps, diversifying our sources of funding and maintaining strong capital adequacy. We measure liquidity buffers along with monthly reporting of critical ratios and threshold levels to ensure adequate liquidity planning.
Compliance and regulatory risk	Changes in the regulatory environment for financial services and non-compliance with existing requirements.	We aim to mitigate compliance and regulatory risk and monitor through our internal compliance tracker and reporting timelines. Changes in applicable regulations are also monitored and communicated internally to all departments to ensure timely compliance. Our compliance function also monitors and ensures the timely submission of regulatory returns by the controlling offices through an internally maintained compliance calendar and centralized generation of regulatory reports. We are also in the process of developing an integrated enterprise-wide and workflow–based solution for compliance automation.
Information technology risk	Dependence on technology-intensive information systems to carry out business functions and associated risks, such as leaks and stoppage of business functions.	We have implemented information technology policies in accordance with regulatory requirements and have access-control and log tracking for server security, cyber thefts and data privacy policies to address the risk of data leaks. IT risks are governed by our IT Strategy Committee and Risk Management Committee.
Operational risk	Expansion into newer regions and markets increases business operation risks due to an imperfect understanding of local markets and the business environment.	We have implemented a system of internal controls, systems and procedures to monitor the business operations and aim to minimize operational risks.
Conduct and reputation risk	The risk associated with unfavourable perceptions held by consumers,	We have implemented borrower grievance policies and established redressal mechanisms to address borrower

Type of risk	Description of risk	Mitigation measures
	shareholders, investors, debt holders, market analysts, and other pertinent parties or regulators that could have a detrimental impact on our business relationships.	issues and complaints. We periodically communicate with each of our stakeholders in order to address their expectations and concerns on an on-going basis.

In addition to the above risk management measures, we have established a risk-based internal audit framework to prioritize audit activities based on an assessment of risks that could impact our business objectives. This risk-centric approach allows us to efficiently allocate resources and focus our efforts on areas requiring more immediate attention, which enhances the efficiency and effectiveness of our risk management measures.

Our Company has also adopted a business contingency plan to mitigate the risk of unavailability of the resources necessary for the normal development of operations in our Company. The business contingency plan aims to address risks that, when materialized, may affect our continuity of operations and sets out control actions and contingency actions to address such risks.

Information Technology

Our operations, from generating leads to providing loans to collections and customer service, are enabled by our information technology capabilities, which act as a key driver for our growth and have enabled our scale of operations, borrower focus and security. Our accounting (general ledger, accounts payables, accounts receivables and treasury functions) and core lending systems (including lead generation, loan origination systems, disbursals, loan management systems and borrower service management) utilize our information technology infrastructure and mobile applications drive efficiencies in our operations. Our sourcing and collections systems are also mobility-enabled and credit assessment is assisted by a workflow/rule-based engine that we have developed in-house. As a result of these capabilities, we were able to introduce an in-house risk model based on credit scores, which enabled us to launch our proprietary credit and risk scorecard in the Financial Year 2022. We have also adopted a hybrid model of on-premises and multi-cloud infrastructure, which gives us the flexibility to scale up our capacity as per our business needs. Our expenses incurred in upgrading and maintaining our information technology systems during the six month period ended September 30, 2024 and the last three Financial Years are set out below:

Particulars	Six month period ended September 30, 2024		Financial Year					
			2024		2023		2022	
	Amount	% of total expenses	Amount	% of total expenses	Amount	% of total expenses	Amount	% of total expenses
	(₹ in millions, except %)							
Expenses towards upgrading and maintaining information technology systems	66.64	1.23%	157.70	2.01%	86.79	1.94%	64.69	1.90%
Operating Expenses	56.25	1.04%	74.47	0.94%	63.72	1.42%	48.30	1.42%
Capital Expenditures	10.39	0.19%	85.24	1.07%	23.07	0.52%	16.39	0.48%

As of September 30, 2024, our information technology team had 20 members as of September 30, 2024. We intend to continue to invest in upgrading our systems, including our data storage and backup systems, to improve our operational efficiency, customer service and decision-making process while improving our business continuity and reducing the impact of internal and external risks. We are focused on implementing technology measures in the following aspects of our business:

- Moving towards a zero manual data entry system, with all demographic details of a prospective borrower being populated in our loan entry modules through OCR verification;

- Targeting 100% digital collections in order to reduce the risk of cash mismanagement or mishandling (presently, cash or other non-digital forms of collections constitute approximately 10.39% of our collections); and

- Implementation of a "paper-less" workflow, through the use of digital e-signature software to reduce reliance on physical contracts and expand the reach of our network to more remote locations.

Our mobile apps allow our borrowers to interact with us in seven languages and with voice messages, and also to pay their EMIs digitally. We have also invested in our security infrastructure, which ensures a safe environment for our applications and mobile apps. We have been certified for ISO 27001 standard for Information Security Management since 2018.

We have strategically invested in technology to enable us to grow our newer businesses relatively quickly than if we had relied on traditional offline modes of carrying out business. For instance, our vehicle finance business utilizes a leading cloud lending management software which enables us to manage our entire loan lifecycle through a single platform. We have also implemented information dashboards for our branch managers to be able to assess key branch metrics in a single location, with data in relation to, *inter-alia*, collection efficiency, number of rejected loans, Stage 3 Loans, bounce rates and turn-around-times for loans being compiled on a daily basis. We have also introduced customized dynamic QR codes for each borrower and WhatsApp-based UPI collections to encourage digital collections.

Further, all our branches and headquarters are linked through our internal loan management platform that enhances data management, strengthens service delivery and enables us to serve our borrowers in an efficient manner. At our branches, we have installed technology security systems, which helps prevent unauthorized access to our network, manage network broadcasting and provides security from spoofing attacks. Furthermore, our disaster recovery systems are designed to ensure business continuity in the face of unforeseen events. Our system data is also backed up to a cloud based disaster recovery site on a real-time basis that helps us to recover from any systems failure in addition to providing us with protection from malware and encryption attacks.

Intellectual Property

We have registered two trademarks in India, including in respect of our logo, "VERITAS FINANCE". For further information, see "*Government and Other Approvals*" on page 458.

Sales and Marketing

Given our focus on the under-served and under-banked sections of the communities we engage with, we aim to target potential borrowers primarily through local outreach and marketing activities. We promote our business through pamphlet and leaflet distributions and through flute boards in the micro-markets in which we operate. We also occasionally engage rural marketing agencies for cable television and radio advertising campaigns, along with participating in road shows and market fairs. Given the rural markets we operate in, customer referrals also form a significant portion of our sourcing channels.

On account of our extensive branch network in rural and semi-urban regions, we typically employ sales and marketing personnel from the communities and markets that we participate in. This enables us to tweak our sales and marketing strategies from region to region, depending on the nuances and requirements of specific markets. We believe that this "grassroots"-level connection with prospective borrowers through our sales and marketing personnel enables us to assess the markets we participate in more effectively, leading to improved sales and lower sourcing origination costs.

Our expenses for advertisement and business promotion during the periods and years specified are set out below:

Particulars	For the six month period ended September 30, 2024		For the Financial Year					
			2024		2023		2022	
	(₹ in millions)	*(% of total expenses)*	*(₹ in millions)*	*(% of total expenses)*	*(₹ in millions)*	*(% of total expenses)*	*(₹ in millions)*	*(% of total expenses)*
Other expenses – Advertisement and business promotion	18.68	0.34%	13.75	0.17%	6.15	0.14%	2.39	0.07%
Total expenses	5,429.12	100.00%	7,945.29	100.00%	4,479.47	100.00%	3,408.64	100.00%

Competition

We face competition from a variety of financial services companies, including other non-banking finance companies, small finance banks, traditional banking institutions, any of which may also be affiliates of established brands and conglomerates. We aim to ensure that the interest rates and other terms and conditions of our loan products are competitive with the terms offered by our competitors, which vary by product, market as well as target borrower. Our ability to understand the rural and semi-urban sectors, which helps us determine pricing of these products, sets us apart from our peers. Our current interest rates fairly compensate for the risks associated with this sector.

Our competitive positioning in the financial services industry will depend on our ability to anticipate and respond to competitive factors affecting the industry, such as the reach of our branch network, the interest rates and other fees we charge our borrowers, our customer service, our ability to continue to offer a diversified range of loan products and our ability to leverage technology to drive efficiencies and improve margins.

Within the MSME and small business financing market, our primary listed competitors include Five-Star Business Finance Limited and SBFC Finance Limited. Our home loans and vehicle finance businesses are of a relatively newer vintage, and our competitors include established brands in these markets, such as Aavas Financiers Limited and Aptus Value Housing Finance India Limited for home loans and SK Finance Limited and Kogta Financial for vehicle finance. (*Source: CRISIL MI&A Report*)

Corporate Social Responsibility

We have adopted a corporate social responsibility ("**CSR**") policy in accordance with the requirements of the Companies Act, pursuant to which we undertake initiatives to positively contribute to the communities in which we participate. Through our business, we are focused on financial inclusion of under-served and under-banked communities and believe that we are able to make a meaningful difference in our borrowers' lives through our loan products.

We undertake our CSR initiatives through Veritas Foundation, a registered public charitable trust settled by our Company. Through Veritas Foundation, we carry out CSR activities in the areas of skill development, health and sanitation, in accordance with the Companies Act, our CSR policy and our annual action plan. During the Financial Year 2024, we collaborated with the Centre for Intrinsic Motivation to improve the quality of education across government schools in Thanjavur, Mayiladuthurai and Cuddalore in Tamil Nadu. Veritas Foundation also undertook the construction and maintenance of free modern smart public toilet facilities at Central Bus Station, Tiruchirappalli, Tamil Nadu. As part of our CSR activities, Veritas Foundation has undertaken to maintain these facilities for two years. We have also developed play areas and gym facilities at government schools in collaboration with the state government of Tamil Nadu. Our CSR activities are monitored by the Corporate Social Responsibility Committee of our Board.

Set out below are details of our corporate social responsibility expenses during the periods and years specified:

Particulars	For the six month period ended September 30, 2024		For the Financial Year					
			2024		2023		2022	
	(₹ in millions)	*(% of total expenses)*	*(₹ in millions)*	*(% of total expenses)*	*(₹ in millions)*	*(% of total expenses)*	*(₹ in millions)*	*(% of total expenses)*
Corporate social responsibility expenses	47.57	0.88%	30.43	0.38%	18.47	0.41%	12.66	0.37%
Total expenses	5,429.12	100.00%	7,945.29	100.00%	4,479.47	100.00%	3,408.64	100.00%

Human Resources

Our employees are crucial to our business and enable us to maintain our competitive advantage and continued success. We are committed to creating an inclusive and conducive environment for our employees and have been certified as a "Great Place to Work" by the Great Place to Work Institute for 2024.

We conduct training and orientation programs for our employees regarding aspects such as operations, credit assessment and due diligence, know-your-customer requirements, risk management, grievance redressal, collections and recovery, information and data security, anti-money laundering and anti-corruption and prevention of sexual harassment. We specifically train employees in our sales and credit assessment functions to enable them to effectively assess credit of our borrowers through analyses of borrowers' living conditions and businesses, such as by observing the available stock-in-trade at a borrower's business premises or the daily footfall at a borrower's restaurant business. We also provide periodic leadership training to our middle and senior management to improve their soft skills and to prepare them to take on roles with greater responsibility within our organization. Our human resource management functions are ISO 30408:2016 and ISO 9001:2015 certified.

We also offer employee stock options to select eligible employees through our employee stock option plans, along with performance incentives. Our sales employees at our branches are eligible for incentives based on their meeting and exceeding specified thresholds for loan disbursements and collections in a given month. We also organize periodic awards, including performance incentives, for employees at each branch to reward performance across functions. We also offer our employees other benefits and perquisites, such as allowances for vehicles and communication devices and retention payments, in accordance with our internal policies.

We aim to address our employee concerns through "Hot Line", our in-house platform where employees can raise queries and have their grievances redressed. We also release a quarterly newsletter titled "Livewire", to keep our employees informed regarding updates related to our Company. We also communicate the benefits that we offer to our employees through digital posters.

As of September 30, 2024, we had 7,704 full-time employees on our payroll. Set out below is a breakdown of our full-time employees as of September 30, 2024, by function:

Function	Number of employees
Administration	73
Analytics	6
Audit	51
Collections	1,352
Company Secretarial	3
Compliance	1
Credit	846
CRM	22
Finance	13
Human Resource	13
IS	1
IT	20
Legal	113
Marketing & Communications	2
Operations	273

Function	Number of employees
Risk	14
Sales	4,806
Senior Management	3
Technical	85
Treasury	7
Total	**7,704**

Insurance

We have obtained insurance policies that we believe are customary for companies operating in our industry. The principal types of coverage under our insurance policies are against losses from fire and burglary. We also maintain insurance policies for portable electronic equipment, money and directors' and officers' liability. In addition, we provide our employees with insurance benefits such as life insurance coverage for accidents and disabilities. Our insurance policies are subject to customary exclusions and deductibles. We believe that the level of insurance we maintain is appropriate for the risks of our business.

Awards and achievements

Set out below are details of the key awards, accreditations, certifications and recognition received by our Company:

Year	Award/Accreditation/Certification/Recognition
2019	"Excellence Award" at 8th MiNE India, 2019
2019	"Best SME connect" at 4th India Banking Reforms Conclave and BFSI Awards
2022	"Inclusive Finance India Award 2022" under the category Inclusive Enterprise Lending by Non-Banking Finance Company from ACCESS Development Services and HSBC India
2023	"Star Champion Award" by Institute of Quality, Confederation of Indian Industry
2024	Winner in Best Risk and Cyber Security Initiatives and class NBFCs, Digital Payments and Lending Firms category at ASSOCHAM 19th Annual Summit & Awards on Banking & Financial Sector Lending Companies
2024	1st Runner up in Best Overall Performance and class NBFCs, Digital Payments and Lending Firms at ASSOCHAM 19th Annual Summit & Awards on Banking & Financial Sector Lending Companies

Aspects of our business have also been ISO certified, as set out below:

ISO Certification	Description	Date of award
18404:2015	Quantitative methods in process improvement (competencies for key personnel and their organizations in relation to Six Sigma and Lean Implementation)	May 10, 2024
30408:2016	HR support activities spanning recruitment till employee exit inclusive of employee engagement, training, payroll, performance management, benefits and applicable requirements	September 5, 2022
9001:2015	HR support activities spanning recruitment till employee exit inclusive of employee engagement, training and development, payroll, performance management, benefits and compliance	September 5, 2022
27001:2022	Information Security Management Systems (ISMS) for the dept, IS, IT, HR, Admin and compliance	October 2, 2018

Properties

Our Registered and Corporate Office is located at SKCL Central Square 1, South and North Wing, 7th Floor, Unit # C28 - C35, CIPET Road, Thiru Vi ka Industrial Estate, Guindy, Guindy Industrial Estate, Chennai 600 032, Tamil Nadu, India and is held on a leasehold basis. Our lease arrangements for our Registered and Corporate Office are for a period of 3 years and are valid until March 31, 2026.

In addition, as of September 30, 2024, we have leased 424 branch properties and 70 service centres across India. The period for which we lease our branches and service centres typically ranges from three years to five years, and rentals are typically payable on the basis of prevailing market rates depending on the geographical location of the property. None of our lease arrangements 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 458.*

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 categorized as an NBFC is required to have a net owned fund of ₹2.5 million or such other amount, not exceeding ₹1,000 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 –NBFCs, 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 (i) Capital to Risk Assets Ratio; (ii) Exposure to real estate sector (direct and indirect) and (iii) 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

Liquidity Risk Management Framework

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.

Liquidity Coverage Ratio

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	50%	60%	70%	85%	100%

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Coverage Ratio					

Further, Non-deposit taking NBFCs with asset size of ₹ 5,000 crore and above but less than ₹ 10,000 crore shall also maintain the required level of LCR starting December 1, 2020, as per the time-line given below:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum Liquidity Coverage Ratio	30%	50%	60%	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.

Balance Sheet Disclosures

(i) NBFCs are required to separately disclose in their balance sheets the provisions made, as prescribed under the Master Directions, without netting them from income or against the value of assets.

(ii) The provisions are to be distinctly indicated under separate heads of account as:

(a) Provisions for bad and doubtful debts; and
(b) Provisions for depreciation in investments.

(iii) Such provisions shall not be appropriated from the general provisions and loss reserves held, if any, by the NBFCs.

(iv) Such provisions for each year are required to be debited to the profit and loss account. The excess of provisions, if any, held under the heads general provisions and loss reserves are required to be written back without making adjustment against them.

(v) Additionally, NBFCs are required to disclose: (a) Capital to risk assets ratio; (b) exposure to real estate sector, both direct and indirect; and (iii) maturity pattern of assets and liabilities.

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 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.

The Reserve Bank – Integrated Ombudsman Scheme, 2021 (the "Ombudsman Scheme") dated November 12, 2021

The RBI through its 'Statement on Developmental and Regulatory Policies' dated February 5, 2021, proposed the integration of the Ombudsman Scheme for Non-Banking Financial Companies, 2018, the Banking Ombudsman Scheme, 2006 and the Ombudsman Scheme for Digital Transactions, 2019, and adoption of 'One Nation One Ombudsman' approach for grievance redressal and has done the same through the Ombudsman Scheme effective from November 12, 2021. This is intended to make the process of redressal of grievances easier by enabling the customers of the banks, NBFCs and non-bank issuers of prepaid payment instruments to register their complaints under the integrated scheme, with one centralized reference point.

The Ombudsman Scheme was introduced by the RBI with the object of enabling resolution of complaints in respect of services rendered by certain categories of NBFCs, to facilitate the satisfaction or settlement of such complaints, and matters connected therewith. Further, the RBI through its notification on Appointment of Internal Ombudsman by Non-Banking Financial Companies dated November 15, 2021, has established the office of Internal Ombudsman for NBFCs along with its roles and responsibilities.

The Ombudsman Scheme, *inter alia*, establishes the office of the ombudsman, specifies the procedure for the redressal of grievances and the mechanism for appeals against the awards passed 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 November 6, 2024) 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. The RBI KYC Directions were further updated pursuant to the notification dated November 6, 2024 to require regulated entities that obtain additional or updated information from any customer, to furnish the updated information to Central Know Your Customer Record Registry ("**CKYCR**") within seven days or such period as may be notified by the Central Government. The amendment also requires that once CKYCR informs regulated entities regarding an update in the KYC record of a customer, the regulated entity must retrieve the updated KYC records from CKYCR and update the KYC record maintained by the regulated entity.

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.

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.

Notification on Prompt Corrective Action (“PCA”) Framework for NBFCs dated December 14, 2021 ("PCA Framework”)

RBI introduced PCA Framework for SCBs in 2002 and the NBFCs have been brought under PCA via the PCA Framework as NBFCs have been growing in size and have substantial interconnectedness with other segments of the financial system. The PCA Framework will further strengthen the supervisory tools applicable to NBFCs. The indicators to be tracked for non-deposit taking NBFC would be capital to risk weighted assets ratio, tier I capital ratio and net NPA ratio and the PCA Framework provides for risk thresholds and corrective actions (mandatory and discretionary). The objective of the PCA Framework is to enable supervisory intervention at appropriate time and require the supervised entity to initiate and implement remedial measures in a timely manner, to restore its financial health and also act as a tool for effective market discipline. The PCA Framework does not preclude the RBI from taking any other action as it deems fit at any time in addition to the corrective actions prescribed in the PCA Framework.

Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions, 2024 dated February 27, 2024 (“Returns Master Direction”)

The Returns Master Direction lists detailed instructions in relation to submission of supervisory returns prescribed by the RBI for various categories of commercial banks, AIFIs, NBFCs, etc., including their periodicity, reference date, applicability and the purpose of filing such returns.

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 Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) dated July 15, 2024

The RBI issued revised Master Directions on July 15, 2024, specifically targeting fraud risk management in NBFCs and HFCs. These principle-based guidelines prioritize a more active role for the board of directors in overseeing and governing fraud prevention practices. These enhance the early detection of fraudulent activities through a bolstered framework for Early Warning Signals and Red Flagging of Accounts. The directions also mandate timely reporting of any identified frauds to both law enforcement agencies and relevant supervisors. To further fortify risk management systems, NBFCs are now required to establish a dedicated Data Analytics and Market Intelligence Unit.

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 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 ₹ 5,000 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.

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.

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 came 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.

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.

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.

Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

Securitisation involves transactions where credit risk in assets are redistributed by repackaging them into tradeable securities with different risk profiles which may give investors of various classes access to exposures which they otherwise might be unable to access directly. While complicated and opaque securitisation structures could be undesirable from the point of view of financial stability, prudentially structured securitisation transactions can be an important facilitator in a well-functioning financial market in that it improves risk distribution and liquidity of lenders in originating fresh loan exposures.

The RBI, to regulate the issuance of securitisations, introduced the STA Directions to be applicable to all Scheduled Commercial Banks (including Small Finance Banks but excluding Regional Rural Banks), all All-India Term Financial Institution and all NBFCs (including HFCs). These directions enunciated the assets which were eligible for securitisation and provided for skin-in-the-game requirements by way of specifying Minimum Retention Requirement(s) ("MRR") for any lender who transfers from its balance sheet a single asset ora pool of assets to a Special Purpose Entity ("SPE") as a part of a securitisation transaction and would include other entities of the consolidated group to which the lender belongs.

Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021

With the intent to create a robust secondary market for loan exposures, the RBI has introduced a comprehensive set of self-contained guidelines applicable to transfer and acquisitions of loan exposures by Schedules Commercial Banks, Regional Rural Banks, Primary (Urban) Co-operative Banks/State Co-operative Banks/District Central Co-operative Banks; All India Financial Institutions; Small Finance Banks and NBFCs (including HFCs). The self-contained nature of the Master Direction is explicit in its prohibition on transfer and acquisition of loans except those permitted under the Master Direction.

Pursuant to the directions, the Board must approve a policy for transfer and acquisition of loans which lay down, among others, the minimum quantitative and qualitative standards relating to due diligence, valuation, requisite IT systems for capture, storage and management of data, risk management, periodic Board level oversight, etc. Further, the policy must also ensure independence of functioning and reporting responsibilities of the units and personnel involved in transfer / acquisition of loans from that of personnel involved in originating the loans. The loan transfers shall not impact the terms and conditions of the original loan contract. The general requirements also state that the lender may not re-acquire a loan exposure

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.

Notification on Financial Inclusion by Extension of Banking Services – Use of Business Correspondents, dated June 24, 2014, issued by the RBI

By virtue of its notification dated June 24, 2014, the RBI permitted NBFCs-ND to act as business correspondents of banks, with the aim of accelerating financial inclusion. Prior to this notification, NBFCs could not be appointed as business correspondents. The following conditions need to be satisfied in order for the banks to engage NBFCs-ND as business correspondents:

(i) It should be ensured that there is no comingling of bank funds and those of the NBFC-ND appointed as business correspondent;

(ii) There should be specific contractual arrangement between the bank and the NBFC-ND to ensure that possible conflicts of interest are adequately taken care of; and

(iii) Banks should ensure that the NBFC-ND does not adopt any restrictive practice such as offering savings or remittance functions only to its own customers and the forced bundling of services offered by the NBFC-ND and the bank does not take place.

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.

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.

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.

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.

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 ("**DPIIT**"), 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. DPIIT has also issued Press Note No. 3 (2020 Series) dated April 17, 2020, implementing stricter approval process for FDI from bordering countries. While previously, some sectors allowed for automatic approval of foreign investments, Press Note No. 3 has mandated that all FDI originating from these bordering nations would require prior approval from the Indian government.

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 'Veritas Finance Private Limited' at Chennai, Tamil Nadu as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated April 30, 2015, issued by the RoC. The RBI had granted a certificate of registration dated October 15, 2015, allotting registration number N-07.00810, pursuant to which our Company was registered as an NBFC under Section 45-IA of the RBI Act. Further, we have been categorised as NBFC-Middle Layer as per the Scale Based Regulations. Subsequently, our Company was converted to a public limited company and the name of our Company changed to 'Veritas Finance Limited' pursuant to a Shareholder's resolution dated June 10, 2024 and a fresh certificate of incorporation dated October 23, 2024 was issued by the RoC.

Changes in our Registered Office

The following table sets forth details of the change in the registered office of our Company since the date of its incorporation:

Date of Board resolution	Details of the address of registered office	Reason
March 27, 2023	Change in registered office from SKCL Central Square 1, South Wing, 1st Floor, Unit # C28 - C35, CIPET Road, Thiru vi Ka Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu, to SKCL, Central Square 1, South and North wing, 7th Floor, Unit # C28 - C35, CIPET Road, Thiru Vi Ka Industrial Estate, Guindy, Chennai -600 032, Tamil Nadu	For operational convenience
March 22, 2018	Change in registered office from S-15, Second Floor, Economist House, Thiru Vi Ka Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu to SKCL Central Square 1, South Wing, 1st Floor, Unit # C28 - C35, CIPET Road, Thiru vi Ka Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu	For operational convenience

Main objects of our Company

The main objects in our Memorandum of Association are set forth below:

"1.Subject to the approval of Reserve Bank of India under Reserve Bank of India Act, 1934, as amended by RBI (Amendment) Act 1997, to carry on in India, in the business of a short and medium term financing with or without the security of residential or commercial or vacant land property or any other adequate security primarily to the Micro, small and medium enterprises engaged in the business of manufacturing, services and agriculture, self-employed professionals, salaried employees, traders, retailers, businessmen, agents, distributors, companies, corporates and individuals for their requirement relating to expansion of business, working capital needs and or personal needs.

2. To carry on the business of hire purchase company, leasing company and finance company and to undertake and or arrange or syndicate all types of short, medium and long term loan requirements of micro small and medium enterprises, businessmen, retail traders, consumers, individuals, industry or corporates, for all kinds of mortgage financing, business financing with or without security, with or without hypothecation of goods, plant and machinery, financing of all types of vehicles including all types of trucks, light commercial vehicles, three wheelers, two wheelers, passenger cars, whether used or new, consumer durables, machinery, plants, two wheelers, tractors and other farm equipment's, consumer durables, equipment, renewable energy equipment/infrastructure, construction equipment, housing equipment, capital equipment, office equipment, their spares and components, real estate, infrastructure work or activity, including used/refurbished products, as also services of every kind and description, computers, storage tanks, toll roads, communication satellites, communication lines, factories, rolling stock, moveable and immoveable property.

3. To engage in all forms of securitisation, instalment sale and/or deferred sale relating to assets to purchase/sale the book debts and receivables of companies and to lend or give credit against the same.

4. To render services as brokers, commission agents, and to act as trustees, executors, administrators, managers, agents or attorney, to carry on the business of retail and institutional distribution of the schemes of the Mutual Funds or any other financial products issued by Banks, Mutual Funds or any financial intermediary, to contract for, and negotiate and issue and participate in funding any public and private loans and advances, underwriting contracts, mortgages, equity participation, cash credits, overdrafts and other financial facilities.

5. To act as business correspondent (BC) for one or more banks, financial institutions, NBFCs and other credit institutions under the business facilitator model and business correspondent model as notified by the Reserve Bank of India from time to time and to receive fees, commission or remuneration for the various services rendered in relation to the activities performed as a BC."

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
June 10, 2024	Clause I of our MoA was amended to reflect the change in the name of our Company from 'Veritas Finance Private Limited' to 'Veritas Finance Limited'
June 10, 2024	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised capital from ₹2,020,000,000 consisting of (i) 136,980,000 equity shares of face value of ₹ 10 each, (ii) 13,922,368 preference shares of face value of ₹ 15 each; and (iii) 44,136,448 preference shares of face value of ₹ 10 each to ₹2,020,000,000 divided into 202,000,000 equity shares of face value of ₹ 10 each
June 10, 2024	Clause III (B) of Memorandum of Association was amended to reflect the following insertion: "*45. To commence and carry on all activities and servicing connected with General Insurance, Health Insurance, and Life Insurance products of Insurance Regulatory and Development Authority (IRDA) licensed insurance companies as defined under the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 (including amendments from time to time), to solicit and procure insurance business, as composite and/or amendments from time to time), to solicit and procure insurance business, as composite and/or standalone corporate agent and to undertake such other activities ancillary/ incidental thereto and to provide advisory services in the field of insurance including risk rating connected with underwriting, coordinating with insurance companies whether local or foreign on coverages to represent in all or any respect, to provide or arrange insurance coverage within or outside the country and to provide general consultancy services like scrutinising existing insurance coverages, pruning superfluous risk coverages, exploring eligible discounts etc., to enter into any tie up of financial, technical or other nature with any concern whether in the country or outside provided that the above activities to be carries on subject to all laws and regulations as are in force from time to time.*"
April 20, 2023	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised capital from ₹1,300,000,000 divided into (i) 64,980,000 equity shares of face value of ₹ 10 each; (ii) 13,922,368 preference shares of face value of ₹ 15 each; and (iii) 44,136,448 preference shares of face value of ₹ 10 each to ₹2,020,000,000 consisting of (i) 136,980,000 equity shares of face value of ₹ 10 each, (ii) 13,922,368 preference shares of face value of ₹ 15 each; and (iii) 44,136,448 preference shares of face value of ₹ 10 each.
July 5, 2021	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised capital from ₹1,200,000,000 divided (i) 54,980,000 equity shares of face value of ₹ 10 each; (ii) 13922368 preference shares of face value of ₹ 15 each; and (iii) 44,136,448 preference shares of face value of ₹ 10 each to ₹1,300,000,000 divided into (i) 64,980,000 equity shares of face value of ₹ 10 each; (ii) 13,922,368 preference shares of face value of ₹ 15 each and (iii) 44,136,448 preference shares of face value of ₹ 10 each.
July 5, 2021	Clause V of the Memorandum of Association of our Company was amended to reflect the reclassification of the authorised share capital of the Company (i) from 48,000,000 equity shares of face value of ₹ 10 each to 54,980,000 equity shares face value of ₹ 10 each; (ii) from 14,000,000 preference shares of face value of ₹ 15 each to 13,922,368 preference shares of face value of ₹ 15 each; and (iii) 51,000,000 preference shares of face value of ₹ 10 each to 44,136,448 preference shares of face value of ₹ 10 each.
January 17, 2020	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised capital from ₹1,000,000,000 divided (i) 48,000,000 equity shares of face value of ₹ 10 each; (ii) 14,000,000 preference shares of face value of ₹ 15 each; and (iii) 31,000,000 preference shares of face value of ₹ 10 each to ₹1,200,000,000 divided (i) 48,000,000 equity shares of face value of ₹ 10 each; (ii) 14,000,000 preference shares of face value of ₹ 15 each; and (iii) 51,000,000 preference shares of face value of ₹ 10 each
May 22, 2019	Clause V of the Memorandum of Association of our Company was amended to reflect reclassification of the authorised share capital of the Company (i) from 45,000,000 equity shares of face value of ₹ 10 each to 48,000,000 equity shares face value of ₹ 10 each; (ii) from 14,000,000 preference shares of face value of ₹ 15 each to 14,000,000 preference shares of face value of ₹ 15 each; and (iii) 34,000,000 preference shares of face value of ₹ 10 each to 31,000,000 preference shares of face value of ₹ 10 each.
October 16, 2018	Clause V of the Memorandum of Association of our Company was amended to reflect reclassification of the authorised share capital of the Company (i) from 45,000,000 equity shares of face value of ₹ 10 each to 45,000,000 equity shares face value of ₹ 10 each; (ii) 55,000,000 preference shares of face value of ₹ 10 each to 14,000,000 preference shares of face value of ₹ 15 each and 34,000,000 preference shares of face value of ₹ 10 each.
August 10, 2018	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised capital from ₹770,000,000 divided into (i) 45,000,000 equity shares of face value of ₹ 10 each; and (ii) 32,000,000 preference shares of face value of ₹ 10 each; to ₹1,000,000,000 divided into (i) 45,000,000 equity shares of face value of ₹ 10 each; and (ii) 55,000,000 preference shares of face value of ₹ 10 each.
April 16, 2018	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised capital from ₹620,000,000 divided into (i) 30,000,000 equity shares of face value of ₹ 10 each; and (ii) 32,000,000 preference shares of face value of ₹ 10 each; to ₹770,000,000 divided into (i) 45,000,000 equity shares of face value of ₹ 10 each; and (ii) 32,000,000 preference shares of face value of ₹ 10 each.
March 3, 2017	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised capital from ₹300,000,000 divided into (i) 19,000,000 equity shares of face value of ₹ 10 each; and (ii)

Date of Shareholders' resolution/ effective date	Details of the amendments
	11,000,000 preference shares of face value of ₹ 10 each; to ₹620,000,000 divided into (i) 30,000,000 equity shares of face value of ₹ 10 each; and (ii) 32,000,000 preference shares of face value of ₹ 10 each.
December 8, 2015	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised capital from ₹150,000,000 divided into (i) 15,000,000 equity shares of face value of ₹ 10 each; to ₹300,000,000 divided into (i) 19,000,000 equity shares of face value of ₹ 10 each; and (ii) 11,000,000 preference shares of face value of ₹ 10 each.
October 26, 2015	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised capital from ₹50,000,000 divided into 5,000,000 equity shares of face value of ₹ 10 each; to ₹150,000,000 divided into 15,000,000 equity shares of face value of ₹ 10 each.
June 4, 2015	Clause III (A) (1) of Memorandum of Association was altered to reflect the following alteration: *"1.Subject to the approval of Reserve Bank of India under Reserve Bank of India Act, 1934, as amended by RBI (Amendment) Act 1997, to carry on in India the business of a short and medium term financing with or without the security of residential or commercial or vacant land property or any other adequate security primarily to the* ***micro****, small and medium enterprises engaged in the business of manufacturing, services and agriculture, self-employed professionals, salaried employees, traders, retailers, businessmen, agents, distributors, companies, corporates and individuals for their requirement relating to expansion of business, working capital needs and or personal needs."* Clause III (A) (3) of Memorandum of Association was altered to reflect the following alteration: *"3. To engage in all forms of securitisation, instalment sale and/or deferred sale relating to assets to purchase/sale the book debts and receivables of companies and to lend or give credit against the same."* Clause III (A) of Memorandum of Association was amended to reflect the following insertion: *"5. To act as business correspondent (BC) for one or more banks, financial institutions, NBFCs and other credit institutions under the business facilitator model and business correspondent model as notified by the Reserve Bank of India from time to time and to receive fees, commission or remuneration for the various services rendered in relation to the activities performed as a BC."* Clause III (B) (22) of Memorandum of Association was altered to reflect the following alteration: "*22. To make investments, purchase, subscribe for, underwrite, take or otherwise acquire and hold, sell, mortgage and deal in share stock, bonds, units of mutual funds, options debentures, debenture stock or obligations in any other Company or Corporation and to give any guarantee or security for the payment of the dividends or interest thereon or in relation thereto, in matters of interest to the Company*." Clause III (A) and III (B) of Memorandum of Association were modified as follows: Clause III (A) (4) of Memorandum of Association the word "importers and exporters" was deleted. Clause III (B) (10) of Memorandum of Association, the word "partnerships" was deleted. Clause III (B) (13) of Memorandum of Association, the word "deposits" was deleted. Clause III (B) (19) of Memorandum of Association was deleted. Clause III (B) (28) of Memorandum of Association was deleted. Clause III (B) (41) and Clause III (B) (42) of Memorandum of Association were deleted.

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
2015	Incorporated as Veritas Finance Private Limited
2015	Obtained the Certificate of Registration as NBFC from RBI
2015	Commenced business in Tamil Nadu through regional offices in Coimbatore and Trichy
2016	Raised our first private equity funds from Sarva Capital LLC and Caspian Impact Investment Adviser Private Limited
2016	Commenced business in the union territory of Puducherry
2017	Loan disbursements crossed ₹1,000 million for the financial year
2017	Commenced business in the states of West Bengal, Odisha and Karnataka
2017	Raised private equity funds from British International Investments plc (erstwhile CDC Group plc), Lok Capital Growth Fund, and Sarva Capital LLC
2017	Received credit rating of CARE BBB-; Stable for long term banking facilities
2018	Received credit rating of CARE BBB+; Stable for long term banking facilities
2018	Cumulative break-even achieved
2018	Commenced business in Telangana, Andhra Pradesh and Madhya Pradesh
2018	Crossed 100 branches
2018	Raised private equity funds from Norwest Venture Partners X - Mauritius, and British International Investments plc (erstwhile CDC Group plc)
2019	Commenced business in the state of Jharkhand
2019	Loan book crossed ₹10,000 million
2020	Raised private equity funds from Kedaara Capital Fund II LLP, Norwest Venture Partners X - Mauritius, and Lok Capital

Calendar Year	Milestone
	Growth Fund
2020	Received credit rating of CARE A-; Stable for long term banking facilities
2021	Raised private equity funds from Norwest Venture Partners X - Mauritius, Kedaara Capital Fund II LLP, Norwest Venture Partners X Mauritius, Growth Catalyst Partners LLC, Evolvence India Fund III Ltd and Caspian Impact Investment Adviser Private Limited
2022	Crossed 250 branches
2022	Received short-term credit rating of "CARE A1+" for the Commercial Paper (CP) issuance
2022	Customer base crossed 100,000
2023	Commenced business in Bihar and Chhattisgarh
2023	Received credit rating of CARE A+; Stable for long term banking facilities
2023	Received credit rating of CARE A1+ for short term banking facilities
2023	Raised private equity funds from Multiples Private Equity Fund III and Avendus Future Leaders Fund II
2023	Loan book crossed ₹50,000 million
2024	Launched vehicle loans
2024	Crossed 400 branches
2024	Outlook of long-term credit rating of CARE A+ changed to positive from stable

Awards and accreditations

Details of key awards received by our Company are set out below:

Calendar Year	Name of the award
2019	Awarded "Excellence Award" at 8th MiNE India, 2019
2019	Awarded "Best SME connect" at 4th India Banking Reforms Conclave and BFSI Awards
2022	Awarded "Inclusive Finance India Award 2022" under the category Inclusive Enterprise Lending by Non-Banking Finance Company from ACCESS Development Services and HSBC India
2023	Awarded "Star Champion Award" by Institute of Quality, Confederation of Indian Industry
2024	Winner in Best Risk and Cyber Security Initiatives and class NBFCs, Digital Payments and Lending Firms category at ASSOCHAM 19th Annual Summit & Awards on Banking & Financial Sector Lending Companies
2024	1st Runner up in Best Overall Performance and class NBFCs, Digital Payments and Lending Firms at ASSOCHAM 19th Annual Summit & Awards on Banking & Financial Sector Lending Companies

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

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 217.

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 of our Company*" on pages 217 and 266 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, and Shareholders, or agreements of like nature or agreements comprising any clauses/covenants which are material to our Company including related to the primary and secondary transactions of securities and financial arrangements. 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 May 6, 2024 entered into between our Company, Norwest Venture Partners X – Mauritius ("NVP"), British International Investment plc ("BII"), Lok Capital Growth Fund ("LCGF"), Growth Catalyst Partners LLC ("GCP"), Evolvence India Fund III Ltd, Caspian Impact Investment Adviser Limited ("Caspian"), Kedaara Capital Fund II LLP ("Kedaara"), Multiples Private Equity Fund III ("Multiples"), Mallika Srinivasan, Venus Investments Private Limited, Avendus Future Leaders Fund II ("Avendus") and D. Arulmany as supplemented by the deed of accession and amendment to the shareholders' agreement dated November 25, 2024, entered into by and amongst our Company, Kedaara, NVP, BII, LCGF, Caspian, GCP,, Evolvence India Fund III Ltd, Multiples, Mallika Srinivasan, Venus Investments Private Limited, Avendus, D. Arulmany, J. Prakash Rayen, V.G. Suchindran, Lavanya R., R. Ramesh, N. Mohankumar, Evolvence India Coinvest PCC, Lok Capital IV LLC, and Lok Capital Co-Investment Trust (collectively, the "SHA" and the parties to the SHA, the "Parties"), as amended by the waiver cum amendment agreement to the SHA dated January 18, 2025 ("Waiver-cum-Amendment Agreement")

The Parties have entered into the SHA (as amended by the Waiver-cum-Amendment Agreement), recording their rights and obligations in relation to the operation and management of our Company. Pursuant to the SHA, for as long as any of NVP, BII, LCGF, Kedaara, and, subject to applicable provisions of the SHA, Multiples, Mallika Srinivasan and Venus Investments Private Limited (collectively, the "**Major Investors**") hold Equity Shares in our Company, and, D. Arulmany is employed as the Managing Director and/or Chief Executive Officer as per the terms of his employment agreement with our Company, he shall be a whole-time executive director, designated as the managing director of our Company. Further, for as long as Kedaara, BII or LCGF each hold not less than 10% of the issued and paid-up share capital of our Company ("**Minimum Shareholding**"), each of them shall be entitled to appoint one director on our Board. NVP shall have the right, exercisable at its option, to nominate one nominee director on our Board as long as NVP holds not less than the Minimum Shareholding. Multiples shall be entitled to appoint 1 (one) director on our Board as long as Multiples, Mallika Srinivasan and Venus Investments Private Limited collectively hold not less than the Minimum Shareholding. Further, pursuant to the SHA, parties are also entitled to certain other customary rights including inter-se share transfer restrictions (including tag along, drag along rights, right of first offer and call options), information and reporting covenants. The investors are also entitled to reserved matter rights including in relation to the ability of our Company to file the Red Herring Prospectus for the Offer.

The Parties have entered into the Waiver-cum-Amendment Agreement in order to facilitate the Offer. Pursuant to the Waiver-cum-Amendment Agreement, parties have provided the requisite consents and waivers on certain matters in relation to the Offer which include, among others, waivers for transfer restrictions in relation to the Equity Shares by the existing Shareholders through tag along and drag along rights, and call options available to the Parties as well as right of first offer and rights to appoint directors or observers to our Board, available to certain parties. The Waiver-cum-Amendment Agreement also provides that if the Offer is not completed and the Equity Shares are not admitted to trading on the Stock Exchanges pursuant to the Offer (i) within 12 months of filing of this Draft Red Herring Prospectus, or the date on which the Board decides not to undertake the Offer or decides to withdraw the Offer or any offer document filed with any regulator/authority, including this Draft Red Herring Prospectus, or any other date, mutually agreed upon in writing, whichever is earlier ("**Long Stop Date**"), then the SHA shall automatically and immediately revive as it existed prior to the Waiver-cum-Amendment Agreement (and the Waiver-cum-Amendment Agreement shall stand terminated and shall not survive and shall have no effect whatsoever).

Further, from the date of consummation of the Offer, in the event NVP (together with its affiliates, the "**NVP Group**"), holds 5% or more of the shares in our Company, NVP'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 the NVP Group; (b) increases the authorized number of shares or securities senior to the shares held by the NVP Group; (c) results in the buyback or repurchase of the shares held by the 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 the 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 the NVP Group.

The Articles of Association of our Company consist of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the date of the listing of the Equity Shares in connection with Offer on the recognized stock exchange(s) in India. 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 consummation of the Offer. All articles of Part B shall automatically terminate and cease to have any force and effect from the date of listing of the Equity Shares on the recognized stock exchange(s) in India pursuant to the Offer and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by our Company or by its Shareholders.

The SHA (as amended by the Waiver-cum-Amendment Agreement) shall automatically terminate upon the receipt of listing and trading approvals in relation to the Offer.

Our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business.

Agreements with Key Managerial Personnel, Senior Management Personnel, Directors, or any other employee

None of our Key Managerial Personnel, Senior Management Personnel, Directors, 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.

Other material agreements

Except as disclosed above and in this Draft Red Herring Prospectus, there are no other agreements, arrangements, clauses, covenants which are material and which are required to be disclosed or non-disclosure of which may have bearing on the investment decision. Further, there are no other clauses or covenants which are material, adverse or pre-judicial to the interest of the minority/public Shareholders.

There is no conflict of interest between the lessors of immoveable properties (which are crucial for the operations of our Company) and our Company and third-party service providers (which are crucial for the operations of our Company) and 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 nine Directors comprising our Chairperson and Non-Executive Independent Director, Managing Director and Chief Executive Officer, seven Non-Executive Directors including four Non-Executive Independent Directors. Our Board has one woman Non-Executive Independent Director and one woman Non-Executive Director. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

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.	**Raj Vikash Verma** **Designation:** Chairperson and Non-Executive Independent Director **Period of Directorship:** Director since July 16, 2024 **Term:** With effect from July 16, 2024 for a period of 5 years **Address:** S-64, First Floor, Greater Kailash-1, Greater Kailash, South Delhi, 110 048, New Delhi, India **Occupation:** Self employed **Date of Birth:** January 17, 1955 **DIN:** 03546341 **Age:** 70	Indian companies: • Encore Asset Reconstruction Company Private Limited; • Sewa Grih Rin Limited; • SBI Pension Funds Private Limited • RMBS Development Company Limited *Foreign companies:* Nil
2.	**D. Arulmany** **Designation:** Managing Director and Chief Executive Officer **Period of Directorship:** Director since July 3, 2015 **Term:** With effect from July 3, 2020 for a period of 5 years **Address:** S/O Duraisamy K., Flat 4B, Victory Homes, New No 16, 54th Street, 9th Avenue, Ashok Nagar, Chennai, 600 083, Tamil Nadu, India **Occupation:** Managing Director and CEO **Date of Birth:** March 9, 1963 **DIN:** 00009981 **Age:** 61	*Indian companies:* *Nil* *Foreign companies:* *Nil*
3.	**Priyamvada Ramkumar** **Designation:** Non-Executive Nominee Director[(1)] **Period of Directorship:** Director since October 12, 2018 **Term:** Liable to retire by rotation **Address:** 43, 6th Main Road, RA Puram, Chennai 600028 **Occupation:** Service **Date of Birth:** October 14, 1982 **DIN:** 07878808 **Age:** 42	*Indian companies:* • Sundaram Finance Holdings Limited *Foreign companies:* *Nil*
4.	**Parin Nalin Mehta**	*Indian companies:*

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth, DIN and age	Directorships in other companies
	Designation: Non-Executive Nominee Director[(2)] **Period of Directorship:** Director since February 4, 2022 **Term:** Liable to retire by rotation **Address:** Ekta Oculus, 13th Floor, Flat no. 1001/1002, Moti Baug, Ghatla road, Chembur, Mumbai, 400 071, Maharashtra, India **Occupation:** Investment Professional **Date of Birth:** January 21, 1976 **DIN:** 08528090 **Age:** 48	• Ajax Engineering Limited • Great Software Laboratory Private Limited • GAVS Technologies Private Limited *Foreign companies:* Nil
5.	**Sudhir Narayanankutty Variyar** **Designation:** Non-Executive Nominee Director[(3)] **Period of Directorship:** Director since July 7, 2023 **Term:** Liable to retire by rotation **Address:** A – 1502, Rustomjee Seasons, Madhusudan Kalelkar Road, Kalanagar, Bandra East, Mumbai, 400 051, Maharashtra, India **Occupation:** Service **Date of Birth:** August 1, 1970 **DIN:** 00168672 **Age:** 54	*Indian companies:* • Vastu Housing Finance Corporation Limited • Multiples Alternate Asset Management Private Limited • Sanctum Wealth Private Limited • Vastu Finserve India Private Limited • Multiple Good Faith Foundation *Foreign companies:* *Nil*
6.	**Suresh Subramanian** **Designation:** Non-Executive Independent Director **Period of Directorship:** Director since November 24, 2023 **Term:** With effect from November 24, 2023 for a period of 5 years **Address:** 3B, Coral Reef Apartments, No. 9/5, Cenotaph Road, 1st Street, Teynampet, Chennai, 600 018, Tamil Nadu, India **Occupation:** Professional **Date of Birth:** July 20, 1960 **DIN:** 02070440 **Age:** 64	*Indian companies:* • Delphi TVS Technologies Limited • Saksoft Limited • Sundaram Trustee Company Limited • Coromandel International Limited • Manikaram Seva Foundation *Foreign companies:* *Nil*
7.	**Mathew Joseph** **Designation:** Non-Executive Independent Director **Period of Directorship:** Director since November 24, 2023 **Term:** With effect from November 24, 2023 for a period of 5 years **Address:** C/O: Joseph, Flat No 1301, 13th Floor, Tower No 7 One 74, Sathyadev Avenue Extension, MRC Nagar, Raja Annamalaipuram, Chennai, 600 028, Tamil Nadu, India **Occupation:** Consultant	*Indian companies:* • Tamil Nadu Urban Infrastructure Financial Services Limited • Tamil Nadu Urban Infrastructure Trustee Company Limited • IIFL Home Finance Limited *Foreign companies:* Nil

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth, DIN and age	Directorships in other companies
	Date of Birth: May 6, 1961 **DIN:** 01033802 **Age:** 63	
8.	**Sankarson Banerjee** **Designation:** Non-Executive Independent Director **Period of Directorship:** Director since March 27, 2024 **Term:** With effect from March 27, 2024 for a period of 5 years **Address:** 502 Jiwan Satya CHSL, 411-412, 15th Road, Bandra West, Mumbai, 400 050, Maharashtra, India **Occupation:** Independent Consultant **Date of Birth:** February 6, 1970 **DIN:** 07407346 **Age:** 54	*Indian companies:* • Zerodha Trustee Private Limited • Brave For Free Consulting (OPC) Private Limited • Nuvama Wealth Finance Limited • Epimoney Private Limited • Nuvama Custodial Services Limited *Foreign companies:* *Nil*
9.	**Susan Thomas** **Designation:** Non-Executive Independent Director **Period of Directorship:** Director since July 16, 2024 **Term:** With effect from July 16, 2024 for a period of 5 years **Address:** No. 8B, 15th Avenue, Harrington Road, Chetput S.O, Chennai, 600 031, Tamil Nadu, India **Occupation:** Director **Date of Birth:** April 26, 1967 **DIN:** 09760548 **Age:** 57	Indian companies: • Joy Foam Private Limited; • Prashanth Overseas Supplies House Private Limited *Foreign companies:* Nil

(1) Nominee of Lok Capital Growth Fund
(2)Nominee of Kedaara Capital Fund II LLP
(3)Nominee of Multiples Private Equity Fund III

Brief Biographies of Directors

Raj Vikash Verma is the Chairperson and Non-Executive Independent Director of our Company. He holds a bachelor's degree in Economic (Honours) from Hindu College, University of Delhi, Delhi and master's degree in Economics from The Delhi School of Economics, University of Delhi, Delhi. He also holds a master's of business administration from University of Delhi, Delhi. He is also a member of the Indian Institute of Banking & Finance. He has over 34 years of experience in banking. Prior to joining our Company, he served as the whole time member and the officiating chairperson of the Pension Fund Regulatory and Development Authority and as the chairman and managing director of the National Housing Bank. He was also associated with Central Registry of Securitization Asset Reconstruction and Security Interest of India as registrar, managing director and chief executive officer.

D. Arulmany is the Managing Director & Chief Executive Officer of our Company. He holds a bachelor's degree in business administration from Madurai Kamaraj University, Madurai, Tamil Nadu and a post graduate diploma in Rural Management from (PGDRM) Institute of Rural Management, Anand. He has also completed a global programme for management development from University of Michigan Business School, Michigan. He has over 25 years of experience in the financial services industry. Previously, he was associated with Aptus Value Housing Finance India Limited as President & CEO and with Cholamandalam Investment and Finance Company Limited as Manager (Marketing).

Priyamvada Ramkumar is a Non-Executive Director of our Company. She holds a bachelor's degree in commerce from Stella Maris College, Chennai, Tamil Nadu and a postgraduate diploma in business management from XLRI School of Management, Jamshedpur, Jharkhand. She has over 18 years of experience in investment & commercial banking. Previously, she has been associated with Veda Corporate Advisors Private Limited as Manager and ABN Amro Bank N.V., as Assistant Relationship Manager (Commercial Banking).

Parin Nalin Mehta is a Non-Executive Director of our Company. He holds a bachelor's degree in electronics and telecommunication engineering from Vivekanand Education Society's Institute of Technology, University of Mumbai, Mumbai, Maharashtra and a post graduate diploma in business management (finance) from Sydenham Institute of Management Studies and Research and Entrepreneurship Education, Mumbai, Maharashtra. Currently, he is Managing Director at Kedaara Capital. He has over 19 years of experience in private equity. Prior to that, he was associated with General Atlantic Partners Private Limited as Analyst with their investment advisory team. He was also associated with McKinsey Knowledge Centre (I) Private Limited and Cap Gemini Ernest & Young Consulting India Private Limited. He is currently serving on the board of Ajax Engineering Limited and GAVS Technologies Private Limited.

Sudhir Narayanankutty Variyar is a Non-Executive Director of our Company. He holds a bachelor's degree in chemical engineering from Banaras Hindu University, Uttar Pradesh and a post graduate diploma (PGDM) form Indian Institute of Management, Calcutta, West Bengal. He is currently serving as Managing Director & Deputy CEO of Multiples Alternate Asset Management Limited since 2009. Prior to Multiples, he has had over 15 years of experience in investment banking, structured finance, corporate finance and credit rating.

Suresh Subramanian is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in commerce (Honours Course) from University of Delhi, Delhi. He is also a fellow member of the Institute of Chartered Accountants of India. He has experience in auditing and accounting. Prior to joining our Company, he was associated with S. R. Batliboi & Associates LLP as a partner with their assurance practice.

Mathew Joseph is a Non-Executive Independent Director of our Company. He is a member of the Institute of Chartered Accountants of India. He has over 36 years of experience in financial industry. Prior to joining our Company, he was associated with HDFC Bank Limited as the member of Executive Management and Chief Risk Officer.

Sankarson Banerjee is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in engineering from Indian Institute of Kharagpur, West Bengal and a post-graduate diploma in management from Indian Institute of Management, Calcutta, West Bengal. He has over 20 years of experience in IT sector. Prior to joining our Company, he was associated with RBL Bank in the capacity of chief information officer, with National Stock Exchange of India Limited in the capacity of chief technology officer - Projects and with India Infoline Limited as chief information officer. He was also associated with Mphasis, Accenture, IBM and Pantaloon Retail (India) Limited. He is currently serving on the board of Zerodha Trustee Private Limited as an independent director. He is also on the board of Nuvama Wealth Limited and Epimoney Private Limited.

Susan Thomas is the Non-Executive Independent Director of our Company. She holds a bachelor's degree in Arts from The Women's Christian College, University of Madras, Chennai and a master's degree in Arts from University of Madras, Chennai. She also holds a doctor of philosophy from Indian Institute of Technology, Madras, Chennai. She has over 18 years of experience in Human Resources. Prior to joining our Company, she was associated with Loyola Institute of Business Administration as Associate Professor (Human Resource), with Murugappa group as the Head – Group Human Resource Department and with Sundram Fasteners Limited as Executive Vice President – Human Resource.

Relationship between our Directors

None of our Directors are related to each other.

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

D. Arulmany

D. Arulmany was initially appointed as the director of our Company on July 3, 2015. Most recently, he was appointed as the Managing Director of our Company for a further term of five years with effect from July 3, 2020, pursuant to the amended and restated employment agreement dated September 16, 2020 and a Board resolution dated June 15, 2020.

The details of remuneration of D. Arulmany, as approved pursuant to the MD Agreement and a resolution dated January 13, 2025, passed by our shareholders are stated below:

Name of the Director	Remuneration (in ₹ million except otherwise stated)
Gross salary	**28.84**
Fixed salary	20.65
Performance-linked bonus	6.50
Perquisites	1.69

During Fiscal 2024, he received a remuneration of ₹ 20.41 million from our Company.

Remuneration to our Non-Executive Directors

Remuneration to our Non-Executive Nominee Directors

Our Non-Executive Nominee Directors are not entitled to any remuneration from our Company. No remuneration was paid to our Non-Executive Nominee Directors in the Financial Year 2024.

Remuneration to our Non-Executive Independent Directors

Our Non-Executive Independent Directors are eligible for sitting fees for attending each meeting of the Board or committees thereof and for profit based commission. Our Company has, pursuant to a board resolution dated September 6, 2024, fixed ₹60,000 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 September 6, 2024, the Board fixed the sitting fees payable to our Independent Directors as ₹60,000 per meeting for attending the meetings of audit committee and ₹50,000 per meeting for attending meetings of other Committees.

The details of remuneration paid to our Non-Executive Independent Directors in Fiscal 2024, are as follows:

Name of the Director	Sitting Fees (in ₹ million)
Suresh Subramanian	0.13
Mathew Joseph	0.13
Sankarson Banerjee	-
Susan Thomas*	-
Raj Vikash Verma*	-

**Appointed on the Board with effect from July 16, 2024*

Except as disclosed below, there is no contingent or deferred compensation payable to any of our Directors which accrued in Financial Year 2024.

Name of the Director	Amount (in ₹ million)
Suresh Subramanian	0.65
Mathew Joseph	0.65
Sankarson Banerjee	0.05
D. Arulmany	5.00

Arrangement or understanding with major Shareholders, customers, suppliers or others for Directors

Other than Priyamvada Ramkumar, Parin Nalin Mehta and Sudhir Narayanankutty Variyar who are nominated to our Board by Lok Capital Growth Fund, Kedaara Capital Fund II LLP and Multiples Private Equity Fund III, 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. For further details in relation to the Shareholders' Agreement, see "*History and Certain Corporate Matters –Shareholders' agreements and agreements*" on page 268.

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 amended and restated employment agreement dated September 16, 2020, read with addendum dated September 29, 2023, executed between D. Arulmany, 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.

Bonus or profit-sharing plan for Directors

Our Company does not have any bonus or profit-sharing plan for Directors.

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 101. 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 273.

Except for D. Arulmany, who was an initial subscriber to our Memorandum of Association, none of our Directors have any interests in the formation of our Company. As on the date of this Draft Red Herring Prospectus, none of our Directors have any interest in the Promotion of our Company.

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
Raj Vikash Verma	September 30, 2024	Appointed as a Chairperson and Non-Executive Independent Director
Susan Thomas	September 30, 2024	Appointed as a Non-Executive Independent Director
Raj Vikash Verma	July 16, 2024	Appointed as a Chairperson and Additional Non-Executive Independent Director
Susan Thomas	July 16, 2024	Appointed as an Additional Non-Executive Independent Director
Abhijit Sen	May 21, 2024	Cessation due to completion of second tenure as Independent Director
Sivaraman Mahadevan	May 21, 2024	Cessation due to completion of second tenure as Independent Director
Mohanraj Narendranathan Nair	May 21,2024	Cessation due to completion of second tenure as Independent Director
Sankarson Banerjee	April 20, 2024	Appointed as a Non-Executive Independent Director
Sankarson Banerjee	March 27, 2024	Appointed as an Additional Non-Executive Independent Director
Gaurav Malhotra	March 27, 2024	Resignation due to pre-occupation
Mathew Joseph	December 23, 2023	Appointed as a Non-Executive Independent Director
Mathew Joseph	November 24, 2023	Appointed as an Additional Non-Executive Independent Director
Suresh Subramanian	December 23, 2023	Appointed as a Non-Executive Independent Director
Suresh Subramanian	November 24, 2023	Appointed as an Additional Non-Executive Independent Director
Sudhir Narayanankutty Variyar	July 10, 2023	Appointed as a Non-Executive Nominee Director
Sudhir Narayanankutty Variyar	July 7, 2023	Appointed as an Additional Non-Executive Nominee Director
Parin Nalin Mehta	April 18, 2022	Appointed as a Non-Executive Nominee Director
Parin Nalin Mehta	February 4, 2022	Appointed as an Additional Non-Executive Nominee Director
Nishant Sharma	February 3, 2022	Resignation due to pre-occupation

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 September 30, 2024, 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 ₹140,000 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 nine Directors comprising our Chairperson and Non-Executive Independent Director, Managing Director and Chief Executive Officer, seven Non-Executive Directors including four Non-Executive Independent Directors. Our Board has one woman Independent Director and one woman Non-Executive Director. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

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:

Sr. No.	Name of Director	Committee Designation
1.	Suresh Subramanian, Non-Executive Independent Director	Chairman
2.	Mathew Joseph, Non-Executive Independent Director	Member
3.	Sankarson Banerjee, Non-Executive Independent Director	Member
4.	Parin Nalin Mehta, Non-Executive Nominee Director	Member

The Audit Committee was constituted with effect from March 28, 2016 as Audit and Risk Management Committee, by way of resolution passed by our Board. The Audit Committee was constituted as a standalone committee in the meeting of the Board held on November 9, 2018 and last reconstituted on August 13, 2024. The scope and functions of the Audit Committee is in accordance with Section 177 of the Companies Act and Regulation 18 and Part C of Schedule II of the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated January 9, 2025 passed by our Board are set forth below:

(a) oversight of Company’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 including the internal auditor, cost auditor and statutory auditor of the Company and the fixation of audit fee;

(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; and

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 utilisation 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) review and monitors the auditor's independence and performance, and effectiveness of the audit process;

(h) approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company;

(i) scrutiny of inter-corporate loans and investments;

(j) valuation of undertakings or assets of the Company, wherever it is necessary;

(k) to review the functioning of the whistle blower mechanism;

(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) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(s) identification of list of key performance indicators and related disclosures in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, for the purpose of the Company's proposed initial public offering;

(t) carrying out any other function as is mentioned in the terms of reference of the audit committee or as required as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or any other applicable law, as and when amended from time to time;

(u) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

(v) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

(w) monitoring the end use of funds raised through public offers and related matters;

(x) reviewing compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended and verifying that the systems for internal control are adequate and are operating effectively;

(y) 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; and

(z) to carry 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.

The Audit Committee shall mandatorily review the following information:

(a) management discussion and analysis of financial condition and results of operations;

(b) management letters / letters of internal control weaknesses issued by the statutory auditors;

(c) internal audit reports relating to internal control weaknesses;

(d) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(e) statement of deviations:

i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) and 52 of SEBI Listing Regulations, as amended.

ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) and 52 of SEBI Listing Regulations, as amended.

(f) Such information as may be prescribed under the Companies Act, and the rules thereunder, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended; and

(g) To review the financial statements, in particular, the investments made by an unlisted subsidiary, if any.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are

Sr. No.	Name of Director	Committee Designation
1.	Mathew Joseph, Non-Executive Independent Director	Chairman
2.	Susan Thomas, Non-Executive Independent Director	Member
3.	Sudhir Narayanankutty Variyar, Non-Executive Nominee Director	Member
4.	Suresh Subramanian, Non-Executive Independent Director	Member

The Nomination and Remuneration Committee was constituted with effect from March 28, 2016, by way of resolution passed by our Board and last reconstituted on August 13, 2024. The scope and functions of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act and Regulation 19 and Part D of Schedule II of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee stipulated pursuant to a resolution dated January 9, 2025 passed by our Board include the following:

(a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company ("Board") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy"). The Nomination and Remuneration Committee, while formulating the Remuneration policy, should ensure that:

a. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

(b) 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

    a. use the services of an external agencies, if required

    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

    c. consider the time commitments of the candidates.

(c) formulation of criteria for evaluation of performance of independent directors and the Board;

(d) to review the results of the Board performance evaluation process that relate to the composition of the Board;

(e) devising a policy on Board diversity;

(f) identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

(g) 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;

(h) ensuring 'fit and proper' status of the proposed and existing directors and scrutinising the declarations received by the directors in this regard;

(i) recommend to the Board, all remuneration, in whatever form, payable to senior management; and

(j) to work closely with risk management committee to achieve effective alignment between compensation and risks;

(k) 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 or any other applicable law, as and when amended from time to time.

(l) administering the employee stock option plans of the Company as may be required;

(m) determining the eligibility of employees to participate under the employee stock option plans of the Company;

(n) granting options to eligible employees and determining the date of grant;

(o) determining the number of options to be granted to an employee;

(p) determining the exercise price under the employee stock option plans of the Company; and

(q) 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.

Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Raj Vikash Verma, Non-Executive Independent Director	Chairman
2.	D. Arulmany, Managing Director and Chief Executive Officer	Member
3.	Priyamvada Ramkumar, Non-Executive Nominee Director	Member
4.	Susan Thomas, Non-Executive Independent Director	Member
5.	Paul Vaseekaran	Internal Ombudsman

The Stakeholders Relationship Committee was constituted with effect from July 18, 2018, by way of resolution passed by our Board and last reconstituted on August 13, 2024. The scope and functions of the Stakeholders Relationship Committee is in accordance with the Section 178 of the Companies Act and Regulation 20 and Part D of Schedule II of the SEBI Listing Regulations. The terms of reference of the Stakeholders Relationship Committee stipulated pursuant to a resolution dated January 9, 2025 passed by our Board include the following:

(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 and 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) the committee shall act as the customer service committee / consumer protection committee for the purposes of extant RBI guidelines and shall determine the structure of emoluments, facilities and benefits accorded to the internal ombudsman / deputy internal ombudsman; and

(f) carrying out any other functions 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:

Sr. No.	Name of Director	Committee Designation
1.	Mathew Joseph, Non-Executive Independent Director	Chairman
2.	D. Arulmany, Managing Director and Chief Executive Officer	Member
3.	Sudhir Narayanankutty Variyar, Non-Executive Nominee Director	Member
4.	Priyamvada Ramkumar, Non-Executive Nominee Director	Member
5.	Sankarson Banerjee, Non-Executive Independent Director	Member

The Risk Management Committee was constituted with effect from March 28, 2016 as Audit and Risk Management Committee, by way of resolution passed by our Board. The Risk Management Committee was constituted as a standalone committee in the meeting of the Board held on November 9, 2018 and last reconstituted on August 13, 2024. The scope and functions of the Risk Management Committee is in accordance with the SEBI Listing Regulations. The terms of reference of the Risk Management Committee stipulated pursuant to a resolution dated April 25, 2024 passed by our Board include the following:

(a) Put in place the risk assessment process to identify significant business, operational, financial, compliance, interest, IT, market, legal, liquidity, outsourcing and other risks associated with the business of the Company;

(b) Identification, monitoring and measurement of the risk profile of the Company;

(c) Framing, implementing, reviewing and monitoring the risk management plan including cyber security for the Company and evaluating the adequacy of risk management system;

(d) Formulate a detailed risk management policy which shall include:
   - (i) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, interest rate, legal, liquidity, outsourcing, 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; and
   - (iv) Internal Capital Adequacy Assessment Process.

(e) Periodically reviewing the risk management policy, including the evolving industry dynamics and market conditions

(f) Approving a framework to evaluate the risks and materiality of all existing and prospective outsourcing and the policies that apply to such arrangements

(g) Review of risk assessment results and ensure that these are appropriately and adequately mitigated and monitored;

(h) Monitor the progress in implementation of risk mitigation strategies including the status of risk assessment program;

(i) Periodic review of data for Credit and Portfolio Risk Management.

(j) Periodic review of data for Operational and Process Risk Management.

(k) Laying down guidelines on KYC norms.

(l) The committee to review the minutes of the Asset Liability Management Committee.

(m) To prescribe and monitor the limits of credit exposures including unsecured consumer credit exposures and monitoring the same on an ongoing basis.

(n) To review and recommend the appointment/reappointment/removal of the Chief Risk Officer and their performance appraisal in consultation with the Nomination and Remuneration Committee

(o) Recommending such items and matters to the Board for their consideration and approval/ratification as may be required from time to time.

(p) Performing such other activities as may be delegated by the Board and/or prescribed under the Companies Act, 2013, and the SEBI Listing Regulations, RBI Master Directions, and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by the Government of India including Securities and Exchange Board of India, Reserve Bank of India and any other regulatory authority from time to time.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

S. No.	Name of Director	Committee Designation
1.	Susan Thomas, Non-Executive Independent Director	Chairperson
2.	D. Arulmany, Managing Director and Chief Executive Officer	Member
3.	Sudhir Narayanankutty Variyar, Non-Executive Nominee Director	Member

The Corporate Social Responsibility Committee was constituted pursuant to a resolution passed by our Board in its meeting held on June 20, 2018 and last re-constituted on August 13, 2024. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act and its terms of reference as stipulated pursuant to a resolution passed by our Board on April 25, 2024, *inter alia*, include:

1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Schedule VII of Companies Act, 2013 as may be amended or modified from time to time;

2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;

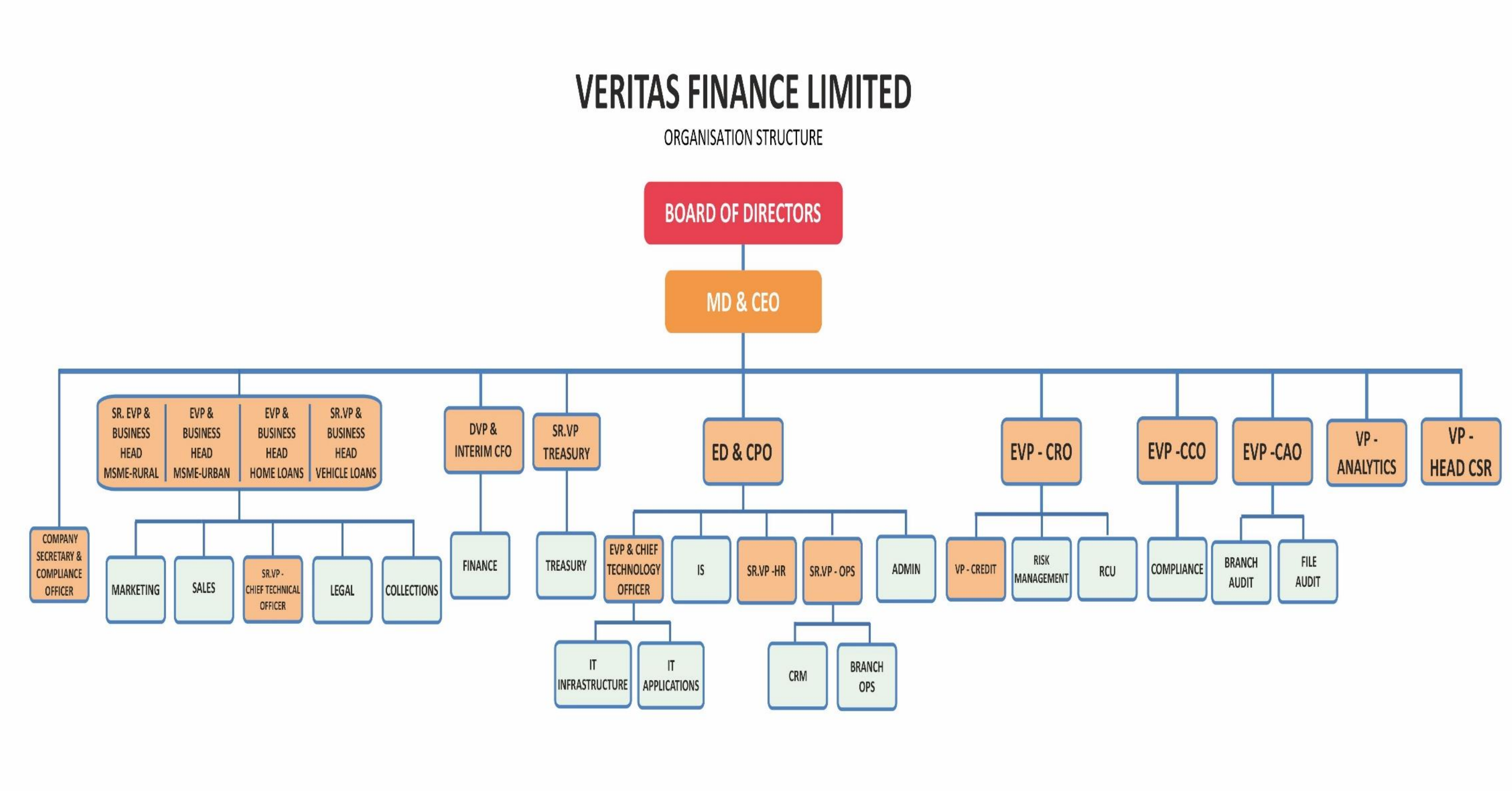
3. To monitor the CSR policy of the Company from time to time;

4. To formulate and recommend to the Board, an annual action plan;

5. To review the CSR project/initiatives from time to time

6. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

Management Organization Chart



Key Managerial Personnel

In addition to D. Arulmany, the Managing Director and Chief Executive Officer of our Company whose details are set out under "– *Brief Biographies of Directors*" on page 272, the details of the Key Management Personnel, as on the date of this Draft Red Herring Prospectus, are set out below.

SV Laxmi is the Chief Financial Officer of our Company since September 16, 2024. She holds a Master's in Business Administration from BITS Pilani and is a member of Institute of Chartered Accountants of India. Prior to joining our Company, she has been associated with Aptus Finance India Private Limited as Assistant Vice President – Finance. During Fiscal 2024, she received a remuneration of ₹4.00 million from our Company.

V Aruna is the Company secretary and compliance officer of our Company since February 4, 2022. She holds a bachelor's degree in commerce from University of Madras, Chennai and is a qualified member of the Institute of Company Secretaries of India. She has previously been associated with M/s. M.K. Surana & Co., Chennai. She joined our Company on December 16, 2019 as assistant company secretary. She is responsible for handling all corporate law compliances and ensure implementation of corporate governance practices in the Company. During Fiscal 2024, she received a remuneration of ₹1.32 million from our Company.

Senior Management Personnel

In addition to D. Arulmany, the Managing Director and Chief Executive Officer of our Company, SV Laxmi, the Chief Financial Officer of our Company and V Aruna, 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 283 and 272, respectively, the details of our Senior Management Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

Prakash Rayen J is the Executive director and chief people officer of our Company since April 30, 2024. He holds a bachelor's degree in science (Physics) from Madurai Kamaraj University and a master's degree in computer application from Bharathidasan University, Tiruchirappalli. Prior to joining our Company, he was associated with Aptus Value Housing Finance India Limited as Chief Technology Officer. During Fiscal 2024, he received a remuneration of ₹264.01 million from our Company.

K. Kannan is the Senior executive vice president and business head of our Company since April 1, 2024. He holds a bachelor's degree in veterinary sciences from Tamil Nadu Veterinary and Animal Sciences University and a post graduate diploma in agri-business management from Indian Institutes of Management, Ahmedabad. Prior to joining our Company, he has been associated with Axis bank as Assistant Vice President in agri & rural banking department and with Yes Bank Limited as Vice President. He has also been associated with Cholamandalam Investment and Finance Company Limited as Associate Vice-President & Head – Agri & Rural Finance. During Fiscal 2024, he received a remuneration of ₹39.02 million from our Company.

Sekhar Vikas is the Executive vice president and business head – MSME urban of our Company since January 1, 2021. He holds a master's degree in management sciences from International Institute of Professional Studies, Devi Ahilya Vishwavidyalaya, Indore. Prior to joining our Company, he has been associated with Shriram City Union. During Fiscal 2024, he received a remuneration of ₹33.75 million from our Company.

Sankar Annamalai is the Executive vice president and business head – home loans of our Company since September 14, 2022. He holds a bachelor's degree in mechanical engineering from College of Engineering, Anna University and a post graduate diploma in management for executives from Indian Institute of Management. Prior to joining our Company, he has been associated with Tata Consultancy Services and Infosys Technologies Limited. He has also been associated with Cholamandalam Investment and Finance Company Limited as senior associate vice president & national business manager for their SME vertical. During Fiscal 2024, he received a remuneration of ₹7.84 million from our Company.

R Sathish is the Senior vice-president and business head – vehicle finance of our Company since November 16, 2023. He holds a bachelor's degree in electronic science from University of Madras. Prior to joining our Company, he has been associated with IndoStar Capital Finance Limited as the Zonal Business Head – South Vehicle Finance Business. He has also been associated with Shriram Transport Finance Company and Cholamandalam Investment and Finance Company Limited. During Fiscal 2024, he received a remuneration of ₹2.85 million from our Company.

Vijay Subramanian is the Executive vice president - Chief Risk Officer of our Company since October 1, 2023. He holds a bachelor's degree in commerce from The American College, Madurai Kamaraj University and a post graduate diploma in business administration from ICFAIAN Business School. Prior to joining our Company, he has been associated with Sundaram Home Finance Limited, Citi Bank, IDFC Bank and Hinduja Housing Finance. During Fiscal 2024, he received a remuneration of ₹38.12 million from our Company.

D. Kanchana Srikanth is the Executive vice president - Chief Compliance Officer of our Company since October 1, 2023. She holds a bachelor's degree in law from Faculty of Law, University of Madras. Prior to joining our Company, she has been associated with Vijaya Bank, Lakshmi Vilas Bank, Cholamandalam Investment and Finance Company Limited and Aptus Value Housing Finance Limited. During Fiscal 2024, she received a remuneration of ₹5.56 million from our Company.

Christopher Robin is the Executive vice president and Chief Audit Officer of the Company since January 2, 2024. He holds a bachelor's degree in science (Mathematics) from Loyola College, University of Madras, Chennai and has completed his master's of business administration in Financial Management from Indira Gandhi National Open University. Prior to joining our Company, he was associated with Oriental Bank of Commerce and National Housing Bank. He was also associated with Shriram Housing Finance as Head- Internal Audit. During Fiscal 2024, he received a remuneration of ₹2.77 million from our Company.

S Parthiban is the Executive vice president - Chief Technology Officer of the Company since April 1, 2022. He holds a Bachelor's Degree in Science (Mathematics) from University of Madras and has completed his master's in business administration from University of Madras. Prior to joining our Company, he was associated with Cholamandalam Investment and Finance Company Limited as Senior Assistant Vice President - IT. During Fiscal 2024, he received a remuneration of ₹65.47 million from our Company.

T E Sudharsan is the Senior vice president – head operations of the Company since April 1, 2024**.** He holds a bachelor's degree in arts from University of Madras. Prior to joining our Company, he has been associated with Cholamandalam Investment and Finance Company Limited as Deputy General Manager – Credit Operations, MIS & Analytics – Two Wheeler. He was also associated with Polaris Software Lab limited and Tata Finance Limited. During Fiscal 2024, he received a remuneration of ₹49.74 million from our Company.

Sarath Chandran Damodaran is the Senior vice president – Chief Technology Officer of the Company since January 18, 2023. He holds a bachelor's degree in civil engineering from PSNA College of Engineering and Technology, Madurai Kamaraj University. Prior to joining our Company, he has been associated with Sundaram Home Finance Limited and Cauvery Décor. He was also associated with Aptus Value Housing Finance India Limited. During Fiscal 2024, he received a remuneration of ₹4.56 million from our Company.

Kumareshan Sivam is the Senior vice president – Human Resource of our Company since January 1, 2021. He holds a bachelor's degree in arts from Rani Durgavati Vishwavidyalaya and has completed his master's in personnel management from University of Pune. Prior to joining our Company, he has been associated with Equitas Small Finance Bank Limited and Cholamandalam Investment and Finance Company Limited. During Fiscal 2024, he received a remuneration of ₹49.79 million from our Company.

M Mahesh is the Senior vice president – treasury of our Company since January 21, 2018. He holds a bachelor's degree in commerce from Shri Venkateswara University and is a member of Institute of Chartered Accountants of India. Prior to joining our Company, he has been associated with Asirvad Micro Finance Limited, Equitas Small Finance Bank Limited as Assistant Vice President - Treasury and IFCI Financial Services Limited. During Fiscal 2024, he received a remuneration of ₹24.32 million from our Company.

Shankar Subramanian is the Vice president – Analytics of our Company since January 8, 2025. He holds a bachelor's degree in commerce from Loyola College, Madras and master's degree in economics from University of Madras. Prior to joining our Company, he was associated with Standard Chartered Grindlays Bank, Davinta Financial Services, Concentrix, Speciale Incept Advisors, Citi Financial, GE Money, and Cholamandalam DBS Finance Limited. During Fiscal 2024, he has not received any remuneration from our Company.

Subramoni Bhagavathy is the Vice president – Credit of our Company since December 5, 2024. He holds a bachelor's degree in commerce from University of Kerala and is a member of the Institute of Chartered Accountants of India. Prior to joining our Company, he was associated with Cholamandalam Investment and Finance Company Limited, and HDFC Bank. During Fiscal 2024, he has not received any remuneration from our Company.

L. Sridhar is the Vice president – Corporate Social Responsibility since January 2, 2025. He holds a bachelor's degree in production engineering from Anna University, Madras and a post graduate diploma in management from the Indian Institute of Management Ahmedabad. Prior to joining our Company, he was associated with E.I.D. Parry, Dr. Reddy's Foundation, Philips Electronincs, Samtel Colors, and United Nations Development Programme. During Fiscal 2024, he has not received any remuneration from our Company.

Relationship between our Key Managerial Personnel and Senior Management Personnel and Directors

None of our Key Managerial Personnel or Senior Management Personnel are related to each other.

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.

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 285.

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.

Shareholding of Key Managerial Personnel and Senior Management Personnel in our Company

Except as disclosed in "*Capital Structure – Details of Equity Shares held by Directors, Key Managerial Personnel and Senior Management Personnel*" on page 101, and in the section "*Capital Structure – Share capital history of our Company*" on pages 85, 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 Directors, Key Managerial Personnel and Senior Management Personnel*" on page 101.

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, which are disclosed in " - *Changes in our Board in the last three years*", set out below are 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
Shankar Subramanian	Vice president – Analytics	January 8, 2025	Appointment as the Vice President – Analytics
L. Sridhar	Vice president – Corporate Social Responsibility	January 2, 2025	Appointment as the Vice President – Corporate Social Responsibility
Subramoni Bhagavathy	Vice president – Credit	December 5, 2024	Appointment as the Vice President – Credit
SV Laxmi	Chief Financial Officer	September 16, 2024	Appointment as the Interim Chief Financial Officer
V. G. Suchindran	ED and chief financial officer	September 13, 2024	Resigned as the ED and chief financial officer
R Ramesh	Senior Vice President – Finance	June 18, 2024	Resigned as the Senior Vice President – Finance
Prakash Rayen J	Executive director and chief people officer	April 30, 2024	Appointed as Executive Director and Chief People Officer
T E Sudharsan	Senior vice president – head operations	April 1, 2024	Appointed as Senior Vice President – Head Operations
K Kannan	Senior executive vice president and business head	April 1, 2024	Appointed as Senior Executive Vice President and Business Head
Christopher Robin	Executive vice president and chief audit officer	January 2, 2024	Appointed as the Executive Vice President and Chief Audit Officer
D Kanchana Srikanth	Chief compliance officer	October 1, 2023	Appointed as the Chief Compliance officer
Vijay Subramanian	Executive vice president - chief risk officer	October 1, 2023	Appointed as Executive Vice President - Chief Risk Officer
R Sathish	Senior vice-president business head – vehicle loan	November 16, 2023	Appointed as the Senior Vice-President Business Head – Vehicle Loan
M Mahesh	Senior Vice President – Treasury	April 1, 2023	Appointed as the Senior Vice President – Treasury
SV Laxmi	Deputy vice president	April 1, 2023	Appointed as Deputy Vice President
Sarath Chandran Damodaran	Senior vice president – chief technology officer	January 18, 2023	Appointed as the Senior Vice President – Chief Technology Officer
K P Venkatesh	Executive director and chief people officer	November 30, 2022	Resigned as executive director and Chief People Officer
Sankar Annamalai	Executive vice president and business head – home loans	September 14, 2022	Appointed as the Executive Vice President and Business Head – Home Loans
S Parthiban	Executive vice president - chief technology officer	April 01, 2022	Appointed as Executive Vice President - Chief Technology Officer
V Aruna	Company secretary and compliance officer	February 4, 2022	Appointed as the Company Secretary and Compliance Officer
N A Madhavi	Company secretary and compliance officer	February 3, 2022	Resigned as Company Secretary and Compliance Officer

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.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel

Except as disclosed below, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management Personnel which accrued in Fiscal 2024.

Name	Amount (in ₹ million)
Suresh Subramanian	0.65
Mathew Joseph	0.65
Sankarson Banerjee	0.05
D Arulmany	5.00
V Aruna	0.15

Payment of non-salary related benefits to Key Managerial Personnel and Senior Management Personnel of our

Company

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.

Employee stock option plan and employee stock purchase plan

For details of our ESOS Schemes, see "*Capital Structure – Employee Stock Options Scheme of our Company*" on page 106.

OUR PRINCIPAL SHAREHOLDERS

Our Company does not have an identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act, 2013. Consequently, there are no members forming part of the 'promoter group' in terms of the SEBI ICDR Regulations.

Principal Shareholders

1. *Shareholders who control 15% or more of the voting rights in our Company*

Except for Kedaara Capital Fund II LLP which holds 15.20% of the issued and paid up equity share capital of our Company on a fully diluted basis, as on the date of this Draft Red Herring Prospectus, no other Shareholder controls 15% or more of the voting rights of our Company. While Norwest Venture Partners X – Mauritius holds 21.76% of the issued and paid-up equity share capital of our Company on a fully diluted basis, its voting rights are capped at 4.99999% of any class of voting securities of our Company except in relation to certain limited matters. For details, see "*History and Certain Corporate Matters –Shareholders' agreements and other agreements –Shareholders' agreements*" on page 268. Kedaara Capital Fund II LLP and Norwest Venture Partners X – Mauritius are also participating in the Offer for Sale.

Except as stated hereinabove, no Shareholder controls 15% or more of the voting rights in our Company.

For further details, see "*History and Certain Corporate Matters –Shareholders' agreements and other agreements – Shareholders' agreements*" and "*Capital Structure*" on pages 268 and 85.

2. *Persons who have the right to appoint director(s) on our Board*

Under the SHA, Kedaara Capital Fund II LLP has a right to nominate one Director, so long as it holds at least 10% of the paid-up share capital of our Company (on a fully diluted basis), British International Investment plc has a right to nominate one Director, so long as it holds at least 10% of the paid-up share capital of our Company (on a fully diluted basis) and Lok Capital Growth Fund has a right to nominate one Director, so long as it holds at least 10% of the paid-up share capital of our Company (on a fully diluted basis), Norwest Venture Partners X – Mauritius has a right, exercisable at its option to nominate one Director, so long as it holds at least 10% of the paid-up share capital of our Company (on a fully diluted basis) and Multiples Private Equity Fund III has a right to nominate one Director, so long as Multiples Private Equity Fund III, Mallika Srinivasan and Venus Investments Private Limited hold at least 10% of the paid-up capital of our Company (collectively, the "**Investor Directors**"). Norwest Venture Partners X – Mauritius, British International Investment plc, Lok Capital Growth Fund, Kedaara Capital Fund II LLP, Multiples Private Equity Fund III, Mallika Srinivasan and Venus Investments Private Limited, so long as they jointly hold at least 10% of the paid-up capital of our Company, and D. Arulmany have the right to jointly nominate the independent directors to be appointed to our Board. Any Directors to be appointed to our Board in addition to D. Arulmany and the Investor Directors shall be independent directors.

Pursuant to the SHA, for as long as any of NVP, BII, LCGF, Kedaara, and, subject to applicable provisions of the SHA, Multiples, Mallika Srinivasan and Venus Investments Private Limited (collectively, the "**Major Investors**") hold Equity Shares in our Company and D. Arulmany is employed as the Managing Director and/or Chief Executive Officer as per the terms of his employment agreement with our Company, he shall be a whole-time executive director, designated as the managing director of our Company.

Pursuant to the Waiver-cum-Amendment Agreement, parties have provided waivers on certain matters including waiver of the right to appoint directors or observers on our Board. The SHA (as amended by the Waiver-cum-Amendment Agreement) shall automatically terminate upon the receipt of listing and trading approvals in relation to the Offer.

For details, see "*History and Certain Corporate Matters –Shareholders' agreements and other agreements –Shareholders' agreements*" and "*Our Management*" on pages 268, and 270, respectively.

OUR GROUP COMPANIES

Pursuant to a resolution dated January 9, 2025, our Board formulated a policy for identification of group companies and has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Red Herring Prospectus, group companies of our Company shall include (i) the companies with which there were related party transactions as per Ind As -24 read with SEBI ICDR regulations and as disclosed in the Restated Summary Statements during any of the last three Fiscals (and stub period, if any, in respect of which, the Restated Summary Statements is included); or (ii) such other companies with which there were related party transactions for the period (after the period in respect of which Restated Summary Statements are included in the Offer Documents) until the date of filing of the Draft Red Herring Prospectus or (iii) other companies considered material by the Board.

Accordingly, in terms of the policy adopted by the Board for identification of group companies, our Board has not identified any group companies.

DIVIDEND POLICY

The Board of Directors at its meeting held on January 20, 2021 adopted a Dividend Distribution Policy (“**the Policy**”). The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders at their discretion, 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) financial parameters/internal factors including but not limited to standalone/net operating profit after tax, operating cash flows, liquidity position, aggregate debt of company, loan repayment and working capital requirements, capital expenditure requirements, resources required for funding acquisition, mergers and/or new businesses, regulatory capital adequacy, regulatory solvency, trends of dividend paid in the past years, any windfall, extraordinary or abnormal gains, qualifications in auditors’ report to financial statements, long term growth plans, and (b) external factors including but not limited to applicable laws and regulations including taxation laws, prevailing legal requirement, regulatory restrictions and changes made in accounting standards, economic conditions, prevalent market practices, dividends pay-out ratios.

No dividend on Equity Shares has been paid by our Company during the last three Fiscals or 6 months period ended September 30, 2024, and since September 30, 2024 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 – Our ability to pay dividends in the future will depend on compliance with certain conditions prescribed by the Reserve Bank of India, our earnings, financial condition, capital requirements, restrictive covenants under our financing arrangements and applicable law and we cannot guarantee that dividends will be declared in a timely manner, or at all.*” on page 59.

SELECTED STATISTICAL INFORMATION

The following information is included for analytical purposes and should be read in conjunction with our "Restated Summary Statements" on page 305 as well as "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 217 and 420, respectively.

*Certain non-GAAP measures ("**Non-GAAP Measures**") presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures 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 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 are not standardized terms. Accordingly, a direct comparison of similarly-titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their utility as comparative measures. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our 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.*

Our Company's financial year commences on April 1 of each year and ends on March 31 of the next year. Accordingly, all references to a particular year are to the 12 months ended March 31 of that particular year, unless otherwise specified. Unless otherwise indicated, average balances are the period/year to date averages of the relevant period/year. All ratios are calculated based on the relevant months of operations during the period unless specified, and annualized for the relevant months of operations during the period.

I. Key Financial Information

Particulars	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
	(₹ in millions, except as stated otherwise)			
Loans (AUM)(1)	65,172.17	57,237.87	35,337.31	21,873.53
Loans (AUM) Growth (%)(2)	45.37%	61.98%	61.55%	39.97%
Average Loans (Average AUM)(3)	61,106.68	45,351.29	27,834.69	17,978.83
Total Assets	76,056.60	64,215.93	40,862.81	26,424.74
Average Total Assets(4)	70,145.08	52,307.40	32,923.45	23,269.22
Disbursements(5)	18,378.85	37,024.30	22,446.55	11,882.77
Disbursements Growth(6) (%)	14.26%	64.94%	88.90%	93.35%
Net Worth(7)	26,106.51	23,295.54	15,912.57	14,080.47
Average Net Worth(8)	24,462.67	19,974.02	14,933.05	10,911.84
Interest income	6,880.77	10,570.64	6,524.63	4,261.16
Other income	32.58	62.90	5.66	1.42
Total income	7,201.12	11,174.93	6,807.97	4,422.27
Adjusted Finance Cost(9)	2,228.79	3,112.31	1,662.09	1,264.88
Net Interest Income(10)	4,502.27	7,181.00	4,674.89	2,828.13
Operating Expenses(11)	2,555.99	3,931.33	2,363.36	1,564.23
Pre-impairment Provisioning Profit(12)	2,416.33	4,131.29	2,782.51	1,593.18
Credit Cost(13)	644.33	901.66	454.01	579.55
Total expenses	5,429.12	7,945.29	4,479.47	3,408.64
Profit before tax	1,772.00	3,229.64	2,328.50	1,013.63
Profit for the period/year	1,331.08	2,450.52	1,764.04	754.04
Earnings per share, par value of ₹10 each – Basic*(14) (in INR)	10.10	19.04	14.85	6.75
Earnings per share, par value of ₹10 each – Diluted*(14) (in INR)	10.02	18.86	14.52	6.60
Net Asset Value Per Share (₹) (15)	198.86	182.68	148.35	132.06
Cost to income ratio (%)	35.49%	35.18%	34.71%	35.37%
Debt to equity ratio (times)	1.87	1.72	1.52	0.85
Gross Carrying Amount – Loans – Stage 3 (%)	1.95%	1.79%	2.19%	3.94%
Net Carrying Amount – Loans – Stage 3 (%)(16)	0.97%	0.85%	1.26%	2.34%
Provision Coverage Ratio (%)	50.84%	53.14%	42.82%	41.47%

(1) Loans (AUM) is the aggregate of Loans and Impairment loss allowance – loans.
(2) Loans (AUM) Growth represents percentage growth in Loans (AUM) for the relevant period/year over Loans (AUM) of the previous period/year.
(3) Average Loans (Average AUM) represents the simple average of Loans (AUM) as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year.

(4) *Average Total Assets represents the simple average of Total Assets as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year.*
(5) *Disbursements represent the aggregate of all loan amounts extended to customers in the relevant period/year.*
(6) *Disbursements Growth represents percentage growth in Disbursements for the relevant year over Disbursements of the previous year.*
(7) *Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net worth is calculated as equity share capital plus Instrument entirely equity in nature plus other equity.*
(8) *Average Net Worth represents the simple average of Net Worth as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year.*
(9) *Adjusted Finance Cost represents Finance Costs reduced by interest expenses on lease liabilities for the relevant period/year.*
(10) *Net interest income represents interest income on loans reduced by adjusted finance cost. Adjusted finance cost represents Finance costs reduced by interest expenses on lease liabilities for the relevant period/year.*
(11) *Operating Expenses represents Employee benefits expenses, Fees and commission expense, Depreciation and Amortization, Interest expenses on lease liabilities and Other expenses for the relevant period/year.*
(12) *Pre-impairment Provisioning Profit represents the aggregate of Profit Before Tax and Impairment on financial instruments.*
(13) *Credit cost represents impairment loss allowance on loans - measured at amortized cost, on receivables and other financial assets - measured at amortized cost, on undrawn commitments, loans written off and recovery on loans written off for the relevant period/year.*
(14) *Basic and Diluted EPS are computed in accordance with Indian Accounting Standard (Ind AS) 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Basic earnings per equity share is computed by dividing net profit after tax attributable to the equity shareholders for the period/ year by the weighted average number of equity shares outstanding during the period/ year. Diluted earnings per equity share is computed and disclosed by dividing the net profit after tax attributable to the equity shareholders for the period/ year after giving impact of dilutive potential equity shares for the period/ year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the period/ year.*
(15) *Net Asset Value Per Share is calculated as Net Worth as at the end of the relevant period/year divided by the aggregate of total number of equity shares and instruments entirely equity in nature outstanding at the end of such period/year.*
(16) *Net Carrying Amount – Loans – Stage 3 represents Stage 3 Loans (or Stage 3 AUM) reduced by Impairment loss allowance – Loans – Stage 3 as a percentage of total Loans (AUM) reduced by Impairment loss allowance – Loans – Stage 3 as of the last day of the relevant period/year.*
** The earnings per share for the six month period ended September 30, 2024 is not annualised.*

Return on Loans (AUM) and Net Worth

Particulars	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
	(%)			
Interest Income on loans to Average Loans (Average AUM)(1)(13)#	22.03%	22.70%	22.77%	22.77%
Finance Costs to Average Loans (Average AUM) (2) (13) #	7.29%	6.86%	5.97%	7.04%
Net Interest Income to Average Loans (Average AUM) (3) (13) #	14.74%	15.83%	16.80%	15.73%
Other Income to Average Loans (Average AUM) (4) (13) #	0.11%	0.14%	0.02%	0.01%
Net Total Income to Average Loans (Average AUM)(5) (13) #	16.27%	17.78%	18.49%	17.56%
Operating Expenses to Average Loans (Average AUM)(6) (13) #	8.37%	8.67%	8.49%	8.70%
Pre-impairment Provisioning Profit to Average Loans (Average AUM) (7) (13)*	3.95%	9.11%	10.00%	8.86%
Credit Cost to Average Loans (Average AUM)(8) (13) #	2.11%	1.99%	1.63%	3.22%
Profit before tax to Average Loans (Average AUM)(9) (13)*	2.90%	7.12%	8.37%	5.64%
Return on Average Loans (Average AUM)(10) (13)*	2.18%	5.40%	6.34%	4.19%
Return on Average Net Worth(11)*	5.44%	12.27%	11.81%	6.91%
Return on Total Assets(12)*	1.90%	4.68%	5.36%	3.24%

(1) *Interest Income on loans to Average Loans (Average AUM) is calculated as the interest income on loans for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year.*
(2) *Finance Costs to Average Loans (Average AUM) is calculated as the finance costs excluding interest expenses on lease liabilities for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year.*
(3) *Net Interest Income to Average Loans (Average AUM) is calculated as the net interest income for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year. Net Interest Income represents Interest income on loans reduced by adjusted finance cost. Adjusted finance cost represents finance costs reduced by interest expenses on lease liabilities for the relevant period/year.*
(4) *Other Income to Average Loans (Average AUM) is calculated as the other income for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year.*
(5) *Net Total Income to Average Loans (Average AUM) is calculated as the total income net of Finance Costs for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year.*
(6) *Operating Expenses to Average Loans (Average AUM)is calculated as the operating expense for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year.*
(7) *Pre-impairment Provisioning Profit to Average Loans (Average AUM) is calculated as the Pre-impairment provisioning profit for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year.*

(8) *Credit Cost to Average Loans (Average AUM) is calculated as the credit cost for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year.*
(9) *Profit before tax to Average Loans (Average AUM) is calculated as the Profit before tax for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year.*
(10) *Return on Average Loans (Average AUM) represents the profit for the period/ year as a percentage of Average Loans (Average AUM) in such year.*
(11) *Return on Average Net Worth is calculated as the profit for the period/ year as a percentage of average net worth in such year. Average Net Worth represents the simple average of net worth as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year.*
(12) *Return on Total Assets is calculated as the profit for the period/ year as a percentage of average total assets in such year. Average total assets represents the simple average of total assets as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year.*
(13) *Average Loans (Average AUM) represents the simple average of Loans (AUM) as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year.*
Annualized for the six month period ended September 30, 2024.
* *Not annualized for the six month period ended September 30, 2024.*

Yields, Spreads and Margins

Particulars	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
	(₹ in millions, except as stated otherwise)			
Interest Income	6,880.77	10,570.64	6,524.63	4,261.16
Adjusted Finance Cost(1)	2,228.79	3,112.31	1,662.09	1,264.87
Total Interest-earning Assets(2)	69,971.20	60,054.90	38,495.82	24,826.02
Average Interest-earning Assets(3)	64,861.23	48,692.93	30,890.68	21,043.83
Average Interest-earning Assets/ Average Total Assets(4)	0.92	0.93	0.94	0.90
Total Borrowings(5)	48,894.18	39,958.07	24,253.24	11,956.52
Average Total Borrowings(6)	44,650.07	31,436.79	17,467.89	12,001.07
Average Total Borrowings/ Average Total Assets(7)	0.64	0.60	0.53	0.52
Average Total Interest-earning Assets/ Average Total Borrowings(8)	1.45	1.55	1.77	1.75
Yield on Interest-earning Assets(9) (%)	21.22%	21.71%	21.12%	20.25%
Yield on Average Gross Loans(10) (%)	22.03%	22.70%	22.77%	22.77%
Average Cost of Borrowings(11) (%)	9.98%	9.90%	9.52%	10.54%
Spread(12) (%)	12.05%	12.80%	13.25%	12.23%
Average yield on disbursement(13) (%)	22.14%	22.31%	23.33%	22.90%
Net Interest Margin(14) (%)	14.74%	15.83%	16.80%	15.73%

(1) *Adjusted Finance Cost represents finance costs reduced by interest expenses on lease liabilities for the relevant period/year.*
(2) *Total Interest-earning Assets represents the aggregate of assets under management, balances in deposit accounts with banks as of the previous period/year.*
(3) *Average Interest-earning Assets represent the simple average of total interest-earning assets as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year.*
(4) *Average Interest-earning Assets / Average Total Assets is calculated as Average Interest-earning Assets as a percentage of Average Total Assets in such year. Average Total Assets represents the simple average of total assets as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year.*
(5) *Total Borrowings represents the aggregate of debt securities and borrowings (other than debt securities) as of the last day of the relevant period/year*
(6) *Average Total Borrowings represent the simple average of Total Borrowings as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year.*
(7) *Average Total Borrowings/ Average Total Assets is calculated as Average Total Borrowings as a percentage of Average Total Assets in such year. Average Total Assets represents the simple average of total assets as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year.*
(8) *Average Total Interest-earning Assets / Average Total Borrowings is calculated as Average Total Interest-earning Assets as a percentage of Average Total Borrowings in such year.*
(9) *Yield on Interest-earning Assets represents the Total interest from the Interest-earning Assets for the relevant period/year as a percentage of Average Interest-earning Assets in such year.*
(10) *Yield on Average Gross Loans represents the Interest income on loans for the relevant period/year as a percentage of Average assets under management in such period/year.*
(11) *Average Cost of Borrowings represents adjusted finance cost for the relevant period/year as a percentage of Average Total Borrowings in such period/year. Adjusted finance cost represents finance costs reduced by interest expenses on lease liabilities for the relevant period/year. Average Total Borrowings is the simple average of Total Borrowings outstanding as of the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding year.*
(12) *Spread represents the Yield on Average Gross Loans reduced by Average Cost of Borrowings in such period/year.*

(13) *Average Yield on Disbursement represents weighted Average Yield on Disbursement, weights being sanctioned amount of each loan disbursed during the relevant period/year.*

(14) *Net Interest Margin represents the net interest income for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year. Average Loans (Average AUM) represents the simple average of AUM as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year.*

II. Borrowings

Product	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
	(₹ in millions, except as stated otherwise)			
Debt securities (A)	3,822.70	3,081.22	1,792.69	2,420.72
Borrowings (other than debt securities) (B)	45,071.48	36,876.85	22,460.55	9,535.80
Total Borrowings (A + B)	48,894.18	39,958.07	24,253.24	11,956.52
Fresh Borrowings during the Period or Year(1)	17,200.00	29,071.60	20,995.25	6,738.03
Undrawn Borrowing Facilities(2)	8,202.44	1,085.02	720.00	904.36
Debt to equity ratio(3) (times)	1.87	1.72	1.52	0.85
Average Cost of Borrowings(4) (%)	9.98%	9.90%	9.52%	10.54%
Average Incremental Cost of Borrowings(5) (%)	9.74%	9.78%	9.51%	9.54%
Average Tenure of Borrowings at Origination (in months)(6)	42.93	49.81	49.92	46.75
Average Residual Tenure of Borrowings (in months)(7)	33.33	39.62	42.70	36.26
Borrowing concentration of 10 largest lenders in terms of exposure to us (%)	67.91%	68.50%	63.15%	62.20%

(1) *Fresh Borrowing during the period or year represents aggregate of all loan amounts drawn from our lenders in the relevant period or year.*

(2) *Undrawn borrowing facilities represent the aggregate of borrowings that have been sanctioned by lenders but yet to be drawn by us,*

(3) *Debt to Equity Ratio is computed by dividing total borrowings by total equity.*

(4) *Average Cost of Borrowings represents adjusted finance cost for the relevant period/year as a percentage of Average Total Borrowings in such period/year. Adjusted finance cost represents finance costs reduced by interest expenses on lease liabilities for the relevant period/year. Average Total Borrowings is the simple average of Total Borrowings outstanding as of the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding year.*

(5) *Average Incremental Cost of Borrowings represents the weighted average cost of borrowings in the relevant period/ year, weights being availed amount of each borrowing during the period/ year.*

(6) *Average Tenure of Borrowings at Origination represents the average tenure of borrowings as of the last day of the relevant period or year weighted based on origination tenure.*

(7) *Average Residual Tenure of Borrowings represents the average tenure of borrowings as of the last day of the relevant period or year weighted based on residual tenure.*

Sources of Borrowings

Nature of borrowing	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings
	(₹ in millions, except for %)							
Debt securities (at amortised cost)								
Non-convertible debentures (secured)	3,822.70	7.82%	3,081.22	7.71%	1,792.69	7.39%	2,420.72	20.25%
Debt securities (A)	**3,822.70**	**7.82%**	**3,081.22**	**7.71%**	**1,792.69**	7.39%	**2,420.72**	**20.25%**
Borrowings (other than debt securities)(at amortised cost)								
Term Loans (secured)								
- From banks	34,994.08	71.57%	30,391.01	76.06%	19,602.35	80.82%	8,289.87	69.33%
- From other financial institutions	1,604.22	3.28%	1,288.92	3.23%	1,763.64	7.27%	1,050.29	8.78%
Borrowings under securitisation (secured)	8,265.62	16.91%	5,071.94	12.69%	395.61	1.63%	-	-
Loans repayable on demand (secured) from banks	207.56	0.42%	124.98	0.31%	698.95	2.88%	195.64	1.64%
Borrowings (other than debt securities) (B)	**45,071.48**	**92.18%**	**36,876.85**	**92.29%**	**22,460.55**	**92.61%**	**9,535.80**	**79.75%**
Total borrowings ((A) + (B))	**48,894.18**	**100.00%**	**39,958.07**	**100.00%**	**24,253.24**	**100.00%**	**11,956.52**	**100.00%**

Borrowing mix by type of lender (excluding non-convertible debentures, securitizations and commercial paper)

Particulars	As of September 30, 2024		As of March 31,					
			2024		2023		2022	
	Count	Amount (₹ in millions)	Count	Amount (₹ in millions)	Count	Amount (₹ in millions)	Count	Amount (₹ in millions)
Banks	32	35,201.64	32	30,515.99	33	20,301.30	20	8,485.50
NBFCs and Financial Institutions	4	1,604.22	4	1,288.92	6	1,763.64	6	1,050.30
Total	**36**	**36,805.86**	**36**	**31,804.91**	**39**	**22,064.94**	**26**	**9,535.80**

Borrowings by type of interest rate

Nature of borrowing	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings
	(₹ in millions, except for %)							
Fixed interest rate instrument (A)	12,237.74	25.03%	8,416.90	21.06%	3,225.84	13.30%	3,948.42	33.02%
Variable interest rate instrument (B)	36,656.44	74.97%	31,541.17	78.94%	21,027.40	86.70%	8,008.10	66.98%
Total borrowings (A) + (B)	**48,894.18**	**100.00%**	**39,958.07**	**100.00%**	**24,253.24**	**100.00%**	**11,956.52**	**100.00%**

III. Product metrics

Gross Carrying Amount - Loans (AUM) and disbursements

Loans (AUM)

Business	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Loans (AUM)	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*
	(₹ in millions, except for %)							
Rural business loans	47,101.73	72.27%	42,892.64	74.94%	30,954.90	87.60%	20,639.92	94.36%
Affordable home loans	11,481.24	17.62%	8,242.97	14.40%	944.32	2.67%	-	-
Used CV Loans	831.83	1.28%	2.17	0.00%	-	-	-	-
Working capital loans (Unsecured)	5,757.37	8.83%	6,100.09	10.66%	3,438.09	9.73%	1,233.61	5.64%
Total	**65,172.17**	**100.00%**	**57,237.87**	**100.00%**	**35,337.31**	**100.00%**	**21,873.53**	**100.00%**

Disbursements[(1)]

Business	For the six month period ended September 30, 2024		For the Financial Year 2024		For the Financial Year 2023		For the Financial Year 2022	
	Amount	% of total disbursements	Amount	% of total disbursements	Amount	% of total disbursements	Amount	% of total disbursements
	(₹ in millions, except for %)							
Rural business loans	10,503.42	57.15%	21,946.78	59.28%	17,224.28	76.73%	10,233.92	86.12%
Affordable home loans	3,705.44	20.16%	7,500.68	20.26%	961.72	4.28%	-	-
Used CV Loans	849.49	4.62%	2.20	0.01%	-		-	-
Working capital loans (Unsecured)	3,320.50	18.07%	7,574.64	20.46%	4,260.55	18.98%	1,648.85	13.88%
Total	**18,378.85**	**100.00%**	**37,024.30**	**100.00%**	**22,446.55**	**100.00%**	**11,882.77**	**100.00%**

(1) Disbursements represent the aggregate of all loan amounts extended to customers in the relevant period/year.

Disbursements by sourcing channel

Sourcing channel	For the six month period ended September 30, 2024		For the Financial Year 2024		For the Financial Year 2023		For the Financial Year 2022	
	Amount	% of total disbursements	Amount	% of total disbursements	Amount	% of total disbursements	Amount	% of total disbursements
	(₹ in millions, except for %)							
In-house sourcing	15,737.97	85.63%	32,413.33	87.55%	21,970.10	97.88%	11,882.77	100.00%
DSA sourcing	2,640.88	14.37%	4,610.97	12.45%	476.45	2.12%	-	0.00%
Total	**18,378.85**	100.00%	**37,024.30**	100.00%	**22,446.55**	100.00%	**11,882.77**	100.00%

Business-wise average yields (by disbursements)[1]

Business	For the six month period ended September 30, 2024	For the Financial Year		
		2024	2023	2022
	(in %)			
Rural business loans	22.83%	22.67%	22.84%	22.17%
Affordable home loans	16.63%	16.76%	16.50%	N/A
Used CV Loans	19.25%	18.84%	N/A	N/A
Working capital loans (Unsecured)	27.03%	27.04%	27.08%	27.42%
Total	**22.14%**	**22.31%**	**23.33%**	**22.90%**

(1) *Average yield on disbursement represents weighted average yield on disbursement, weights being sanctioned amount of each loan disbursed during the relevant period/year.*

Business-wise sanctioned average ticket size by disbursements[1]

Business	For the six month period ended September 30, 2024	For the Financial Year		
		2024	2023	2022
	(₹ in millions)			
Rural business loans	0.50	0.49	0.46	0.43
Affordable home loans	1.15	1.14	1.10	-
Used CV Loans	0.40	0.37	-	-
Working capital loans (Unsecured)	0.18	0.18	0.18	0.17
Overall	**0.41**	**0.40**	**0.36**	**0.36**

(1) *Average ticket size in terms of disbursements is computed as the average sanctioned amount per loan disbursed during the period/year.*

Business-wise loan-to-value ("LTV") ratios by disbursements[1]

Business	For the six month period ended September 30, 2024	For the Financial Year		
		2024	2023	2022
Rural business loans	36.41	36.40	36.86	35.98
Affordable home loans	39.67	41.00	41.78	N/A
Used CV Loans	76.71	79.83	N/A	N/A
Working capital loans (Unsecured)	N/A	N/A	N/A	N/A
Overall	**39.60**	**37.61**	**37.15**	**35.98**

(1) *LTV ratio based on disbursements represents the average of LTV for the loans disbursed in the relevant period/year, weighted based on the sanctioned loan amount. LTV represents the ratio of total loans sanctioned against value of collateral mortgaged.*

Business-wise loan tenures by disbursements[1]

Business	For the six month period ended September 30, 2024	For the Financial Year		
		2024	2023	2022
	(in years)			
Rural business loans	5.6	5.5	5.3	5.2
Affordable home loans	10.1	10.5	11.2	-
Used CV Loans	3.3	3.1	-	-
Working capital loans (Unsecured)	1.3	1.5	1.7	1.7

(1) *Represents the average of tenure (in years) for the loans disbursed in the relevant period/year, weighted based on the sanctioned loan amount.*

IV. Geographical Metrics

Loans (AUM) by State/Union Territory

State/Union Territory	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Loans (AUM)[(1)]	*% of total Loans (AUM)*	*Loans (AUM)[(1)]*	*% of total Loans (AUM)*	*Loans (AUM)[(1)]*	*% of total Loans (AUM)*	*Loans (AUM)[(1)]*	*% of total Loans (AUM)*
	(₹ in millions, except for %)							
Tamil Nadu	27,333.90	41.93%	23,883.85	41.73%	14,607.61	41.34%	8,599.77	39.32%
Andhra Pradesh	11,484.20	17.62%	8,986.82	15.70%	3,440.57	9.74%	1,549.91	7.09%
Telangana	7,048.58	10.82%	6,164.26	10.77%	3,612.69	10.22%	2,146.25	9.81%
Karnataka	6,068.79	9.31%	4,868.63	8.51%	2,384.61	6.75%	1,637.83	7.49%
West Bengal	5,791.21	8.89%	6,020.77	10.52%	5,837.79	16.52%	4,587.91	20.97%
Madhya Pradesh	3,670.22	5.63%	3,502.85	6.12%	2,243.41	6.35%	1,200.59	5.49%
Odisha	1,449.88	2.22%	1,555.14	2.72%	1,577.93	4.47%	1,181.04	5.40%
Jharkhand	1,564.89	2.40%	1,680.08	2.94%	1,388.72	3.93%	796.96	3.64%
Bihar	356.92	0.55%	202.26	0.35%	-	0.00%	-	0.00%
Chhattisgarh	62.02	0.10%	23.34	0.04%	-	0.00%	-	0.00%
Puducherry	341.56	0.52%	349.87	0.61%	243.98	0.69%	173.27	0.79%
Total	**65,172.17**	**100.00%**	**57,237.87**	**100.00%**	**35,337.31**	**100.00%**	**21,873.53**	**100.00%**

(1) Loans (AUM) is the aggregate of Loans and Impairment loss allowance – loans.

Disbursements by State/Union Territory

State/Union Territory	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	**% of total disbursements**	**Amount**	**% of total disbursements**	**Amount**	**% of total disbursements**	**Amount**	**% of total disbursements**
	(₹ in millions, except for %)							
Tamil Nadu	7,897.70	42.97%	16,119.00	43.54%	10,436.26	46.49%	4,710.36	39.64%
Andhra Pradesh	3,703.49	20.15%	6,938.39	18.74%	2,355.54	10.49%	1,117.08	9.40%
Telangana	1,984.44	10.80%	3,884.90	10.49%	2,013.72	8.97%	1,158.77	9.75%
Karnataka	1,918.00	10.44%	3,390.66	9.16%	1,425.57	6.35%	805.04	6.77%
West Bengal	1,371.25	7.46%	2,811.74	7.59%	2,903.96	12.94%	2,150.82	18.10%
Madhya Pradesh	783.50	4.26%	2,043.06	5.52%	1,453.84	6.48%	740.48	6.23%
Odisha	167.11	0.91%	495.57	1.34%	772.51	3.44%	571.34	4.81%
Jharkhand	202.39	1.10%	791.80	2.14%	878.96	3.92%	511.35	4.30%
Bihar	171.97	0.94%	207.55	0.56%	-	-	-	-
Chhattisgarh	40.38	0.22%	23.65	0.06%	-	-	-	-
Puducherry	138.62	0.75%	317.98	0.86%	206.19	0.92%	117.53	0.99%
Total	**18,378.85**	**100.00%**	**37,024.30**	**100.00%**	**22,446.55**	**100.00%**	**11,882.77**	**100.00%**

Branches by State/Union Territory

State/Union Territory	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Number of branches	**% of total branches**	**Number of branches**	**% of total branches**	**Number of branches**	**% of total branches**	**Number of branches**	**% of total branches**
Tamil Nadu	133	31.37%	103	26.96%	84	29.27%	76	33.19%
Andhra Pradesh	97	22.88%	85	22.25%	49	17.07%	30	13.10%
Telangana	39	9.20%	39	10.21%	36	12.54%	24	10.48%
Karnataka	40	9.43%	40	10.47%	34	11.85%	29	12.66%
West Bengal	43	10.14%	43	11.26%	35	12.20%	29	12.66%
Madhya Pradesh	34	8.02%	34	8.90%	23	8.01%	17	7.42%
Odisha	13	3.07%	13	3.40%	13	4.53%	11	4.80%
Jharkhand	12	2.83%	12	3.14%	12	4.18%	12	5.24%
Bihar	6	1.42%	6	1.57%	0	0.00%	0	0.00%
Chhattisgarh	6	1.42%	6	1.57%	0	0.00%	0	0.00%
Puducherry	1	0.24%	1	0.26%	1	0.35%	1	0.44%
Total	**424**	**100.00%**	**382**	**100.00%**	**287**	**100.00%**	**229**	**100.00%**

Business-wise Geographic Metrics

Rural business loans

State/Union Territory	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	*% of total business Loans*	*Amount*	*% of total business Loans*	*Amount*	*% of total business Loans*	*Amount*	*% of total business Loans*
	(₹ in millions, except for %)							
Tamil Nadu	17,661.67	37.50%	16,320.15	38.05%	11,833.32	38.23%	7,561.23	36.63%

State/Union Territory	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	*% of total business Loans*	*Amount*	*% of total business Loans*	*Amount*	*% of total business Loans*	*Amount*	*% of total business Loans*
	(₹ in millions, except for %)							
Andhra Pradesh	8,220.40	17.45%	6,433.96	15.00%	2,931.48	9.47%	1,533.86	7.43%
Telangana	5,371.72	11.40%	4,876.44	11.37%	3,393.44	10.96%	2,138.60	10.36%
Karnataka	4,205.41	8.93%	3,518.93	8.20%	2,314.10	7.48%	1,637.83	7.94%
West Bengal	5,024.02	10.67%	5,192.42	12.11%	5,360.67	17.32%	4,480.04	21.71%
Madhya Pradesh	3,144.55	6.68%	3,059.32	7.13%	2,121.04	6.85%	1,200.59	5.82%
Odisha	1,449.78	3.08%	1,555.14	3.63%	1,577.93	5.10%	1,181.04	5.72%
Jharkhand	1,493.28	3.17%	1,574.38	3.67%	1,301.81	4.21%	787.05	3.81%
Bihar	356.92	0.76%	202.26	0.47%	-	0.00%	-	0.00%
Chhattisgarh	62.02	0.13%	23.34	0.05%	-	0.00%	-	0.00%
Puducherry	111.96	0.24%	136.30	0.32%	121.11	0.39%	119.68	0.58%
Total	**47,101.73**	**100.00%**	**42,892.64**	**100.00%**	**30,954.90**	**100.00%**	**20,639.92**	**100.00%**

Affordable home loans

State/Union Territory	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	*% of total business Loans*	*Amount*	*% of total business Loans*	*Amount*	*% of total business Loans*	*Amount*	*% of total business Loans*
	(₹ in millions, except for %)							
Tamil Nadu	6,712.51	58.47%	5,159.76	62.60%	759.49	80.43%	-	-
Puducherry	100.35	0.87%	92.04	1.12%	17.93	1.90%	-	-
Andhra Pradesh	2,416.94	21.05%	1,590.98	19.30%	96.39	10.21%	-	-
Telangana	764.82	6.66%	391.23	4.75%	-	-	-	-
Karnataka	1,486.62	12.95%	1,008.96	12.24%	70.51	7.47%	-	-
Total	**11,481.24**	**100.00%**	**8,242.97**	**100.00%**	**944.32**	**100.00%**	**-**	**-**

Used CV Loans

State/Union Territory	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	*% of total business Loans*	*Amount*	*% of total business Loans*	*Amount*	*% of total business Loans*	*Amount*	*% of total business Loans*
	(₹ in millions, except for %)							
Tamil Nadu	740.63	89.04%	2.17	100.00%	-	-	-	-
Puducherry	24.29	2.92%	-	-	-	-	-	-
Andhra Pradesh	7.02	0.84%	-	-	-	-	-	-
Telangana	6.21	0.75%	-	-	-	-	-	-
Madhya Pradesh	53.68	6.45%	-	-	-	-	-	-
Total	**831.83**	**100.00%**	**2.17**	**100.00%**	**-**	**-**	**-**	**-**

Working capital loans (Unsecured)

State/Union Territory	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	*% of total business Loans*	*Amount*	*% of total business Loans*	*Amount*	*% of total business Loans*	*Amount*	*% of total business Loans*
	(₹ in millions, except for %)							
Tamil Nadu	2,219.07	38.54%	2,401.76	39.37%	2,014.81	58.60%	1,038.55	84.19%
Andhra Pradesh	839.85	14.61%	961.88	15.77%	412.70	12.00%	16.05	1.30%
Telangana	905.84	15.75%	896.59	14.70%	219.25	6.38%	7.65	0.62%
Karnataka	376.76	6.55%	340.75	5.59%	-	-	-	-
West Bengal	767.19	13.34%	828.35	13.58%	477.12	13.88%	107.88	8.74%
Madhya Pradesh	471.99	8.21%	443.53	7.27%	122.37	3.56%	-	-
Jharkhand	71.61	1.25%	105.69	1.73%	86.91	2.53%	9.90	0.80%
Puducherry	104.96	1.83%	121.54	1.99%	104.93	3.05%	53.58	4.34%
Odisha	0.10	0.00%	-	-	-	-	-	-
Total	**5,757.37**	**100%**	**6,100.09**	**100.00%**	**3,438.09**	**100.00%**	**1,233.61**	**100.00%**

Business-wise breakdown of branches

State/Union Territory	As of September 30, 2024					As of March 31, 2024				
	Rural business loans		Affordable home loans	Used CV Loans	Working capital loans (Unsecured)	Rural business loans		Affordable home loans	Used CV Loans	Working capital loans (Unsecured)
	Branches	Service Centres(1)	Branches	Branches	Branches	Branches	Service Centres(1)	Branches	Branches	Branches
Tamil Nadu	127	0	94	55	39	98	11	83	19	35
Andhra Pradesh	95	0	48	10	25	85	0	35	0	24
Telangana	38	14	21	11	19	39	7	14	0	17
Karnataka	39	18	24	0	15	41	3	20	0	9
West Bengal	38	31	0	0	20	37	31	0	0	18
Madhya Pradesh	34	6	0	12	14	34	0	0	3	13
Odisha	13	1	0	0	4	13	0	0	0	0
Jharkhand	12	0	0	0	2	12	0	0	0	2
Bihar	6	0	0	0	0	6	0	0	0	0
Chhattisgarh	6	0	0	0	0	6	0	0	0	0
Puducherry	1	0	1	1	1	1	0	1	0	1
Total	**409**	**70**	**188**	**89**	**139**	**372**	**52**	**153**	**22**	**119**
Number of standalone branches for each business	409	-	2	1	12	372	-	-	-	10

(1) *Service centres are centres at which we primarily carry out loan servicing, collections and customer service and feedback functions and do not have a branch manager or credit manager. Service centres are presented separately for the purposes of this section only and are reported as branches to the Reserve Bank of India.*

State/Union Territory	As of March 31, 2023				As of March 31, 2022			
	Rural business loans	Affordable home loans	Used CV Loans	Working capital loans (Unsecured)	Rural business loans	Affordable home loans	Used CV Loans	Working capital loans (Unsecured)
Tamil Nadu	79	51	0	30	70	0	0	22
Andhra Pradesh	49	10	0	14	30	0	0	1
Telangana	36	0	0	12	23	0	0	5
Karnataka	33	4	0	0	28	0	0	0
West Bengal	32	0	0	15	28	0	0	4
Madhya Pradesh	23	0	0	5	17	0	0	0
Odisha	13	0	0	0	11	0	0	0
Jharkhand	12	0	0	2	12	0	0	1
Bihar	0	0	0	0	0	0	0	0
Chhattisgarh	0	0	0	0	0	0	0	0
Puducherry	1	1	0	1	1	0	0	1
Total	**278**	**66**	**0**	**79**	**220**	**0**	**0**	**34**
Number of standalone branches for each business	278	1	0	8	220	0	0	9

V. Branch Productivity Metrics

Particulars	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
	(₹ in millions, except for number of sales managers and branches)			
Number of branches(1)	424	382	287	229
Vintage up to 1 year	69	97	60	20
Vintage 1-2 years	94	59	21	19
Vintage 2-3 years	47	20	19	52
Vintage 3-5 years	34	70	124	103
Vintage >5 years	180	136	63	35
Branch Productivity (Loans (AUM) / Branch)(2)	**153.71**	**149.84**	**123.13**	**95.52**
Vintage up to 1 year	37.26	45.87	27.58	19.88

Particulars	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
	(₹ in millions, except for number of sales managers and branches)			
Vintage 1-2 years	88.88	106.71	85.89	62.34
Vintage 2-3 years	155.74	160.33	129.17	85.84
Vintage 3-5 years	203.74	181.28	142.41	107.83
Vintage >5 years	222.18	224.97	186.75	134.90
AUM / Sales Manager(3)	17.43	18.11	15.01	14.22
Branch Productivity (Disbursements / Branch) (4)	**43.35**	**96.92**	**77.94**	**52.12**
Vintage up to 1 year	17.91	37.30	28.92	20.10
Vintage 1-2 years	31.71	87.79	71.13	59.84
Vintage 2-3 years	45.69	106.84	86.91	53.65
Vintage 3-5 years	44.60	101.00	79.71	47.29
Vintage >5 years	58.32	139.85	120.69	78.21
Disbursements / Sales Manager(5)	5.27	12.91	11.69	8.58

(1) Number of branches represents our aggregate number of branches (excluding service centres) as of the last day of the relevant period/year. Service centres are centres at which we primarily carry out loan servicing, collections and customer service and feedback functions and do not have a full-fledged branch set-up.

(2) Loans (AUM) per branch is calculated as Loans (AUM) as of the last day of the relevant period/year divided by the number of branches as of the last day of the relevant period/year.

(3) Loans (AUM) per Sales manager is calculated as Loans (AUM) as of the last day of the relevant period/year divided by the number of sales managers as of the last day of the relevant period/year.

(4) Disbursement per branch represents disbursements in the relevant period/year divided by simple average of number of branches as of the last day of the relevant period/year and as of the last day of the preceding period/year.

(5) Disbursement per Sales Manager represents disbursements in the relevant period/year divided by simple average of number of Sales managers as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year.

VI. Operational Metrics

Particulars	As of September 30, 2024	As of March 31,		
		2024	2023	2022
Number of states(1)	10	10	8	8
Number of branches(2)	424	382	287	229
Number of service centres(3)	70	52	-	-
Number of sales managers(4)	3,739	3,160	2,354	1,538
Number of collections managers(4)	1,233	883	567	272
Number of active customers(5)	195,243	176,082	116,403	71,726
- *Rural business loans*	127,607	116,382	88,844	62,851
- *Affordable home loans*	10,917	7,887	997	-
- *Used CV Loans*	1,908	6	-	-
- *Working capital loans (Unsecured)*	56,098	53,003	27,515	10,066
New-to-credit borrowers (%)	20.65%	22.33%	24.07%	26.13%
Self-employed borrowers (%)	95.17%	95.42%	96.29%	97.48%

(1) Number of States represents the presence of the Company in number of states as of the last day of the relevant period/year. Apart from these states, the Company is also present in Puducherry, an union territory.

(2) Number of branches represents the number of branches as of the last day of the relevant period/year, excluding service centres

(3) Number of service centres represents the number of service centres as of the last day of the relevant period/year. Service centres are centres at which we primarily carry out loan servicing, collections and customer service and feedback functions and do not have a branch manager or credit manager. Service centres are presented separately for the purposes of this section only and are not reported separately to the Reserve Bank of India.

(4) Number of Sales Managers and Collection Managers on roll on the last day of the relevant period / year

(5) Active loan accounts includes securitised accounts.

Credit bureau profile of borrowers (based on customer count)

Credit score of borrower	As of September 30, 2024	As of March 31,		
		2024	2023	2022
750+	10,696	20,737	11,759	2,837
700 – 750	13,211	26,842	15,112	4,455
650 – 700	6,211	13,202	8,105	4,233
600 – 650	2,121	4,611	4,409	3,909
< 600	5,107	10,360	8,984	10,162
N/A	168	274	199	84
New-to-credit	7,996	18,580	13,979	7,977

VII. Capital Adequacy Ratios

Particulars	As of September 30, 2024	As of March 31,		
		2024	2023	2022
	(₹ in millions, except for %)			
Tier I Capital(1)	23,335.15	21,868.85	15,518.51	13,799.22
Tier II Capital(2)	—	—	116.49	85.43
Total Capital	**23,335.15**	**21,868.85**	**15,635.00**	**13,884.65**
Risk weighted assets(3)	57,092.84	52,706.00	34,740.64	21,551.27
Tier I Capital (%)	40.87%	41.49%	44.67%	64.03%
Tier II Capital (%)	-	-	0.33%	0.40%
CRAR (%)(4)	**40.87%**	**41.49%**	**45.00%**	**64.43%**

(1) Tier I capital comprises share capital, securities premium, retained earnings including current year profit. Tier I Capital (%) is computed in accordance with the relevant RBI guidelines.
(2) Tier II capital comprises general provision and loss reserve. Tier II Capital (%) is computed in accordance with the relevant RBI guidelines.
(3) Risk weighted assets represent the weighted sum of our credit exposures based on their risk (Risk weighted assets is computed in accordance with the relevant RBI guidelines).
(4) Capital adequacy ratio or capital to risk weighted assets ratio (CRAR) is computed by dividing our Tier I and Tier II capital by risk weighted assets (CRAR (%) is computed in accordance with the relevant RBI guidelines).

Particulars	For the six month period ended September 30, 2024	For the Financial Year		
		2024	2023	2022
	(%)			
Liquidity Coverage Ratio (%)(1)	118.82%	146.21%	N/A(2)	N/A(2)
Minimum Regulatory Requirement (%)	85%	85%	N/A	N/A

(1) *Liquidity Coverage Ratio (%) has been computed as per relevant RBI Guidelines.*
(2) *The requirement to maintain a minimum Liquidity Coverage Ratio (%) (LCR) became applicable for our Company when it crossed an asset size of ₹50,000 million from the month of September 2023. Hence, as of March 31, 2022 and March 31, 2023, LCR is not provided for our Company.*

Particulars	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
	(%)			
Adjusted Financial Assets to Total Assets (%)(1) (PBC)	84.98%	88.71%	85.85%	81.61%
Financial Income to Total Income (%)(2) (PBC)	95.69%	94.96%	95.83%	94.72%

(1) *Adjusted Financial Assets to Total Assets (%) has been computed as per the relevant RBI guidelines on principal business criteria.*
(2) *Financial Income to Total Income (%) has been computed as per the relevant RBI guidelines on principal business criteria.*

VIII. Asset-liability management

Particulars	As of September 30, 2024			
	Liabilities(1)	Assets(2)	Gap	Cumulative Gap
	(₹ in millions)			
Up to one year	19,179.39	26,079.42	6,900.03	6,900.03
One to three years	25311.12	22,420.21	(2,890.91)	4,009.12
Three to five years	7,035.67	16,483.25	9,447.58	13,456.70
Over 5 years	28,456.98	13,591.11	(14,865.87)	(1,409.17)
Total	**79,983.16**	**78,573.99**	**(1,409.17)**	

(1) *Liabilities represent equity, trade payables, debt securities, borrowings (other than debt securities), other financial, non-financial liabilities and total equity.*
(2) *Assets represent cash and cash equivalents, bank balance (other than cash and cash equivalents), loans and other financial and non-financial assets.*

IX. Asset Quality

Particulars	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
	(₹ in millions)			
Loans (AUM)(1)	65,172.17	57,237.87	35,337.31	21,873.53
Gross Carrying Amount – Loans – Stage 3	1,267.61	1,025.97	772.92	861.43
Impairment loss allowance - Loans - Stage 3	644.41	545.17	330.97	357.23
Net Carrying Amount – Loans – Stage 3(2)	623.20	480.80	441.95	504.20
Loans written off	406.10	652.25	438.91	425.81
Write-off as a % of	1.33%	1.44%	1.58%	2.37%

Particulars	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
	(₹ in millions)			
Average Loans (AUM)(3)*				

(1) *Loans (AUM) is the aggregate of Loans and Impairment loss allowance – loans.*
(2) *Net Carrying Amount - Loans - Stage 3 (%) represents Gross Carrying Amount - Stage 3 – Loans reduced by Impairment Loss Allowance - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total reduced by Impairment Loss Allowance - Loans - Stage 3 as of the last day of the relevant period/year.*
(3) *Write-off as a % of Average Loans (AUM) represents Loans written off for the period / year as a percentage of Average Loans (Average AUM) in such period/year. Average Loans (Average AUM) represents the simple average of AUM as of the last day of each of the four quarters/ two quarters of the relevant period/year and as of the last day of the preceding year.*

***** *Annualized for the six month period ended September 30, 2024*

Carrying Amount – Loans

Particulars	As of September 30, 2024	As of March 31,		
		2024	2023	2022
	(₹ in millions, except for %)			
Gross Carrying Amount – Loans				
Stage 1 **(A)** (1)	62,808.18	55,380.78	33,779.09	19,901.38
Stage 2 **(B)** (2)	1,096.38	831.12	785.30	1,110.72
Stage 3 **(C)** (3)	1,267.61	1,025.97	772.92	861.43
Total Gross Carrying Amount – Loans (D= (A) + (B) + (C))	**65,172.17**	**57,237.87**	**35,337.31**	**21,873.53**
Impairment Loss Allowance – Loans				
Stage 1 **(E)**	302.00	232.97	149.20	85.42
Stage 2 **(F)**	220.01	114.24	100.98	109.97
Stage 3 **(G)**	644.41	545.17	330.97	357.23
Total Impairment Loss Allowance - Loans (H= (E) + (F) + (G))	**1,166.42**	**892.38**	**581.15**	**552.62**
Net Carrying Amount – Loans				
Stage 1(4) **(I= (A)-(E))**	62,506.18	55,147.81	33,629.89	19,815.96
Stage 2(5) **((J)=(B)-(F))**	876.37	716.88	684.32	1,000.75
Stage 3(6) **((K)=(C)-(G)**	623.20	480.80	441.95	504.20
Total Net Carrying Amount – Loans ((L)= (D) - (H))	**64,005.75**	**56,345.49**	**34,756.16**	**21,320.91**
Gross Carrying Amount – Loans – Stage 3(3) (%)	1.95%	1.79%	2.19%	3.94%
Net Carrying Amount – Loans – Stage 3(6) (%)	0.97%	0.85%	1.26%	2.34%
Provision Coverage Ratio (%)(7)	50.84%	53.14%	42.82%	41.47%

(1) Gross Carrying Amount - Loans – Stage 1 (%) represents Gross Carrying Amount - Loans - Stage 1 as a percentage of Gross Carrying Amount - Loans - Total as of the last day of the relevant period/year.
(2) Gross Carrying Amount - Loans – Stage 2 (%) represents Gross Carrying Amount - Loans - Stage 2 as a percentage of Gross Carrying Amount - Loans - Total as of the last day of the relevant period/year.
(3) Gross Carrying Amount - Loans – Stage 3 (%) represents Gross Carrying Amount - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total as of the last day of the relevant period/year.
(4) Net Carrying Amount - Loans - Stage 1 (%) represents Gross Carrying Amount - Stage 1 – Loans reduced by Impairment Loss Allowance - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total reduced by Impairment Loss Allowance - Loans - Stage 1 as of the last day of the relevant period/year.
(5) Net Carrying Amount - Loans - Stage 2 (%) represents Gross Carrying Amount - Stage 2 – Loans reduced by Impairment Loss Allowance - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total reduced by Impairment Loss Allowance - Loans - Stage 2 as of the last day of the relevant period/year.
(6) Net Carrying Amount - Loans - Stage 3 (%) represents Gross Carrying Amount - Stage 3 – Loans reduced by Impairment Loss Allowance - Loans - Stage 3 as a percentage of Gross Carrying Amount - Loans - Total reduced by Impairment Loss Allowance - Loans - Stage 3 as of the last day of the relevant period/year.
(7) Provision Coverage ratio (%) represents the Impairment loss allowance – Loans – Stage 3 as a percentage of Gross Carrying Amount – Loans – Stage 3.

Stage-wise Loans (AUM) by Business

Particulars	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Gross Carrying Amount – Loans – Stage 3	Gross Carrying Amount – Loans – Stage 3 (%)	Gross Carrying Amount – Loans – Stage 3	Gross Carrying Amount – Loans – Stage 3 (%)	Gross Carrying Amount – Loans – Stage 3	Gross Carrying Amount – Loans – Stage 3 (%)	Gross Carrying Amount – Loans – Stage 3	Gross Carrying Amount – Loans – Stage 3 (%)
	(₹ in millions)							
Rural Business Loans								
Stage 1	45,164.41	95.89%	41,291.43	96.27%	29,440.13	95.11%	18,705.38	90.63%
Stage 2	855.53	1.82%	703.19	1.64%	764.26	2.47%	1,091.46	5.29%
Stage 3	1,081.79	2.30%	898.02	2.09%	750.51	2.42%	843.08	4.08%
Gross Carrying Amount – Loans: Rural business loans	**47,101.73**	**100.00%**	**42,892.64**	**100.00%**	**30,954.90**	**100.00%**	**20,639.92**	**100.00%**
Affordable Home Loans								
Stage 1	11,456.96	99.79%	8,238.72	99.95%	944.32	100.00%	-	-
Stage 2	17.43	0.15%	4.25	0.05%	-	-	-	-
Stage 3	6.85	0.06%	-	-	-	-	-	-
Gross Carrying Amount – Loans: Affordable home loans	**11,481.24**	**100.00%**	**8,242.97**	**100.00%**	**944.32**	**100.00%**	**-**	**-**
Used CV loans								
Stage 1	831.83	100.00%	2.17	100.00%	-	-	-	-
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
Gross Carrying Amount – Loans: Used CV Loans	**831.83**	**100.00%**	**2.17**	**100.00%**	**-**	**-**	**-**	**-**
Working capital loans (unsecured)								
Stage 1	5,354.98	93.01%	5,848.46	95.87%	3,394.64	98.74%	1,196.00	96.95%
Stage 2	223.42	3.88%	123.68	2.03%	21.04	0.61%	19.26	1.56%
Stage 3	178.97	3.11%	127.95	2.10%	22.41	0.65%	18.35	1.49%
Gross Carrying Amount – Loans: Working capital loans (Unsecured)	**5,757.37**	**100.00%**	**6,100.09**	**100.00%**	**3,438.09**	**100.00%**	**1,233.61**	**100.00%**

Net Carrying Amount – Loans – Stage 3[(1)]

Business	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Net Carrying Amount – Loans – Stage 3	Net Carrying Amount – Loans – Stage 3 (%)	Net Carrying Amount – Loans – Stage 3	Net Carrying Amount – Loans – Stage 3 (%)	Net Carrying Amount – Loans – Stage 3	Net Carrying Amount – Loans – Stage 3 (%)	Net Carrying Amount – Loans – Stage 3	Net Carrying Amount – Loans – Stage 3 (%)
	(₹ in millions, except for %)							
Rural business loans	576.17	1.24%	432.07	1.02%	431.18	1.41%	495.31	2.44%
Affordable home loans	2.70	0.02%	-	-	-	-	-	-
Used CV Loans	-	-	-	-	-	-	-	-
Working capital loans (Unsecured)	44.33	0.79%	48.73	0.81%	10.77	0.31%	8.89	0.73%
Total	**623.20**	**0.97%**	**480.80**	**0.85%**	**441.95**	**1.26%**	**504.20**	**2.34%**

(1) Net Carrying Amount - Loans – Stage 3 represents the Gross Carrying Amount – Loans - Stage 3 reduced by Impairment loss allowance - Loans - Stage 3 as of the last day of the relevant year/period.

Business-wise DPD 1+, DPD 30+, DPD 60+ and DPD 90+ (Loans (AUM))

Business	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	*% of total Loans*	*Amount*	*% of total Loans*	*Amount*	*% of total Loans*	*Amount*	*% of total Loans*
	(₹ in millions, except for %)							
DPD 1+[(1)]								
Rural business loans	2,553.26	5.42%	1,760.69	4.10%	1,532.00	4.95%	1,937.43	9.39%
Affordable home loans	36.11	0.31%	4.25	0.05%	-	0.00%	-	-
Used CV Loans	-	-	-	0.00%	-	0.00%	-	-
Working capital loans (Unsecured) Capital	588.53	10.22%	302.60	4.96%	55.00	1.60%	52.74	4.27%
Total	**3,177.90**	**4.88%**	**2,067.54**	**3.61%**	**1,587.00**	**4.49%**	**1,990.17**	**9.10%**
DPD 30+[(2)]								
Rural business loans	1,875.17	3.98%	1,490.10	3.47%	1,246.20	4.03%	1,433.04	6.94%
Affordable home loans	24.27	0.21%	4.25	0.05%	-	-	-	-
Used CV Loans	-	-	-	-	-	-	-	-
Working capital loans	402.39	6.99%	251.63	4.12%	43.45	1.26%	37.62	3.05%

Business	As of September 30, 2024		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	*% of total Loans*	*Amount*	*% of total Loans*	*Amount*	*% of total Loans*	*Amount*	*% of total Loans*
	(₹ in millions, except for %)							
(Unsecured)								
Total	**2,301.83**	**3.53%**	**1,745.98**	**3.05%**	**1,289.65**	**3.65%**	**1,470.66**	**6.72%**
DPD 60+[(3)]								
Rural business loans	1,243.39	2.64%	952.67	2.22%	796.50	2.57%	884.91	4.29%
Affordable home loans	15.78	0.14%	-	-	-	-	-	-
Used CV Loans	-	-	-	-	-	-	-	-
Working capital loans (Unsecured)	314.63	5.46%	205.16	3.36%	34.44	1.00%	25.56	2.07%
Total	**1,573.80**	**2.41%**	**1,157.83**	**2.02%**	**830.94**	**2.35%**	**910.47**	**4.16%**
DPD 90+[(4)]								
Rural business loans	1,081.79	2.30%	898.02	2.09%	750.51	2.42%	843.08	4.08%
Affordable home loans	6.85	0.06%	-	-	-	-	-	-
Used CV Loans	-	-	-	-	-	-	-	-
Working capital loans (Unsecured)	178.97	3.11%	127.95	2.10%	22.41	0.65%	18.35	1.49%
Total	**1,267.61**	**1.95%**	**1,025.97**	**1.79%**	**772.92**	**2.19%**	**861.43**	**3.94%**

(1) DPD 1+ represents Loans (AUM) outstanding after the due date as of the end of the relevant period/year.
(2) DPD 30+ represents Loans (AUM) outstanding for more than 30 days after the due date as of the end of the relevant period/year.
(3) DPD 60+ represents Loans (AUM) outstanding for more than 60 days after the due date as of the end of the relevant period/year.
(4) DPD 90+ represents Loans (AUM) outstanding for more than 90 days after the due date as of the end of the relevant period/year.

Business-wise collection efficiency[(1)]

Particulars	For the six month period ended September 30, 2024	For the Financial Year		
		2024	2023	2022
	(%)			
Rural business loans	96.38%	96.67%	95.94%	91.15%
Affordable home loans	99.83%	99.97%	99.41%	N/A
Used CV Loans	100%	N/A	N/A	N/A
Working capital loans (Unsecured)	94.42%	97.19%	98.64%	92.38%
Overall	**96.04%**	**96.93%**	**96.48%**	**91.33%**

(1) Collection efficiency is calculated by dividing total amount collected (excluding foreclosures and restricting collections to 1 EMI per loan) by total amount due during the relevant period/year.

Collections method

Particulars	For the six month period ended September 30, 2024	For the Financial Year		
		2024	2023	2022
	(%)			
Cash collections	10.39%	10.16%	29.32%	47.40%
Digital collections	89.61%	89.84%	70.68%	52.60%

SECTION V: FINANCIAL INFORMATION

RESTATED SUMMARY STATEMENTS

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Independent Auditors' Examination Report on the restated summary statement of assets and liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, restated summary statements of profit and loss (including other comprehensive income), restated summary statements of cash flows and restated summary statements of changes in equity for the six-month period ended September 30, 2024 and for each of the years ended March 31, 2024, March 31, 2023 and March 31, 2022, and the summary of material accounting policies and other explanatory notes of Veritas Finance Limited (formerly known as Veritas Finance Private Limited) (the "Company") (collectively, the "Restated Summary Statements")

To

The Board of Directors,
Veritas Finance Limited
(formerly known as Veritas Finance Private Limited)
SKCL Central Square 1, North Wing & South Wing, 7th Floor,
Unit No. C28 - C35 CIPET Road, Thiru Vi Ka Industrial Estate,
Guindy, Chennai – 600 032

Dear Sirs /Madams,

1. We, S.R. Batliboi & Associates LLP ("**we**" or "**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 ("**Board of Directors**") at their meeting held on January 9, 2025, for the purpose of inclusion in the draft red herring prospectus ("**DRHP**"), in connection with its proposed initial public offering of equity shares of face value of Rs 10 each by way of fresh issue of equity shares and offer for sale by the selling shareholders of the Company ("**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, (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 2 of Annexure V to the Restated Summary Statements. The responsibility of the management of the Company 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 ensuing that the Company complies with the Act, 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 you vide our engagement letter dated July 10, 2024, requesting us to carry out the work on such Restated Summary Statements, proposed to be included in the DRHP, in connection with the 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 the 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 the 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. These Restated Summary Statements have been compiled by the management of the Company from:

   i. the audited interim financial statements of the Company as at and for the six-month period ended September 30, 2024, prepared in accordance with the accounting principle generally accepted in India including the Indian Accounting Standard (Ind AS) 34, specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on January 9, 2025.

   ii. the audited financial statements of the Company as at and for each of the years ended March 31, 2024, March 31, 2023 and March 31, 2022, which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on April 24, 2024, April 27, 2023 and April 28, 2022, respectively.

   The audited financial statements and audited interim financial statements referred to above are collectively referred to as the Audited Financial Statements.

5. For the purpose of our examination, we have relied on:

   i. Independent Auditor’s Reports issued by us dated January 9, 2025, on the audited interim financial statements of the Company as at and for the six-month period ended September 30, 2024 , as referred in paragraph 4(i) above;

   ii. the examination report dated January 9, 2025 of the previous auditor on the restated summary statement of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, restated summary statement of profit and loss (including other comprehensive income), restated summary statement of changes in equity and restated summary statement of cash flows, the summary of material accounting policies and other explanatory information for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 (“**Restated Prior Period Financial Information**”) as referred in paragraph 4(ii) above;

6. The examination report of the previous auditor issued by the previous auditor, contained the following emphasis of matter paragraph, which does not require any adjustment in the Restated Summary Statements (also refer Note 56 in Annexure VI to the Restated Summary Statements):

   Emphasis of matter as at and for the year ended March 31, 2022

"We draw attention to note 57 relating to the impact of Covid19 Pandemic in the financial statements in which the management has described the probable impact on the Company and the environment in which it operates. This note also indicates that uncertainties exist and it is currently not possible to reasonably estimate the future impact. The measures taken to deal with these circumstances were explained by the management. Our opinion is not modified in this matter."

7. Examination report dated January 9, 2025 of the previous auditors, on the Restated Prior Period Financial Information, confirmed 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 years ended March 31, 2024, March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and groups / classifications followed as at and for the six-month period ended September 30, 2024;

   (ii) does not contain any qualifications requiring adjustments. However, items relating to emphasis of matter, on the financial statements for the year ended March 31, 2022 which do not require any corrective adjustment in the Restated Prior Period Financial Information have been disclosed in Note 55 in Annexure VI to the Restated Prior Period Financial Information; and

   (iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, the ICDR Regulations and the Guidance Note, and according to the information and explanations given to us and also as per the reliance placed on the examination reports of the previous auditors as stated in paragraph 5 ii above, we report that the Restated Summary Statements:

   a) have been prepared after making adjustments for the changes in accounting policies, material errors and regroupings / reclassifications retrospectively in the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six-month period ended September 30, 2024, as more fully described in Note 56 of Annexure VI to the Restated Summary Statements;

   b) there are no qualifications in the auditors' reports on the audited financial statements of the Company as at and for the six-month period ended September 30, 2024 and as at and for each of the years ended March 31, 2024, March 31, 2023 and March 31, 2022 which require any adjustments to the Restated Summary Statements. There are items relating to emphasis of matter, on the financial statements for the year ended March 31, 2022 which does not require any adjustment to the Restated Summary Statements, as disclosed in Note 56 of Annexure VI to the Restated Summary Statements; and

   c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. We have not audited any financial statements of the Company as of any date or for any period subsequent to September 30, 2024. 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 September 30, 2024.

10. The Restated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.

11. 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.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the audit report referred to in paragraph 5(i) above.

13. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with the Securities Exchange Board of India, National Stock Exchange of India Limited, and BSE Limited, in connection with the Proposed IPO. Our report should not 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 Bharath N S
Partner
Membership Number: 210934
UDIN: 25210934BMLCEL7875
Place of Signature: Chennai
Date: January 9, 2025

Veritas Finance Limited
(formerly known as Veritas Finance Private Limited)
Restated Summary Statements
Annexure I- Restated Summary Statements of Asset and Liabilities
(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particulars	Note	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS					
Financial assets					
Cash and cash equivalents	4	5,487.91	4,774.49	2,382.54	3,347.39
Bank balances other than cash and cash equivalents	5	3,858.45	1,819.70	2,858.34	1,152.16
Receivables					
- Other Receivables	6	13.09	17.01	0.41	0.00
Loans	7	64,005.75	56,345.49	34,756.16	21,320.91
Investments	8	1,000.74	-	-	-
Other financial assets	9	348.72	235.77	82.14	69.28
Total financial assets		**74,714.66**	**63,192.46**	**40,079.59**	**25,889.74**
Non-financial assets					
Current tax assets (net)	10	118.02	15.88	5.22	41.26
Deferred tax assets (net)	11	564.88	414.13	311.32	222.68
Property, plant and equipment (including right of use asset)	12.1	490.33	462.27	414.65	205.42
Intangible assets under development	12.2	7.65	4.91	1.61	4.58
Other intangible assets	12.3	72.05	83.97	20.08	22.51
Other non-financial assets	13	89.01	42.31	30.34	38.55
Total non-financial assets		**1,341.94**	**1,023.47**	**783.22**	**535.00**
Total assets		**76,056.60**	**64,215.93**	**40,862.81**	**26,424.74**
LIABILITIES AND EQUITY					
Liabilities					
Financial liabilities					
Trade payables	14				
- Total outstanding dues of micro enterprises and small enterprises		9.75	11.47	6.55	1.88
- Total outstanding dues of creditors other than micro enterprises and small enterprises		62.25	76.52	48.75	31.26
Debt securities	15	3,822.70	3,081.22	1,792.69	2,420.72
Borrowings (other than debt securities)	16	45,071.48	36,876.85	22,460.55	9,535.80
Other financial liabilities (including lease liabilities)	17	763.59	728.91	520.73	292.55
Total financial liabilities		**49,729.77**	**40,774.97**	**24,829.27**	**12,282.21**
Non-financial liabilities					
Provisions	18	166.78	86.61	82.35	41.62
Other non-financial liabilities	19	53.54	58.81	38.62	20.44
Total non-financial liabilities		**220.32**	**145.42**	**120.97**	**62.06**
Total Liabilities		**49,950.09**	**40,920.39**	**24,950.24**	**12,344.27**
Equity					
Equity share capital	20	1,313.58	1,275.19	492.05	485.61
Instruments entirely Equity in nature	20	-	-	650.18	650.18
Other equity	21	24,792.93	22,020.35	14,770.34	12,944.68
Total Equity		**26,106.51**	**23,295.54**	**15,912.57**	**14,080.47**
Total Liabilities and Equity		**76,056.60**	**64,215.93**	**40,862.81**	**26,424.74**

Summary of material accounting policies 3
The accompanying notes form an integral part of the Restated Summary Statements (Annexure V)
As per our report of even date attached

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration no.: 101049W/E300004

per Bharath N S
Partner
ICAI Membership No. : 210934

Place : Chennai
Date : 09 January 2025

for and on behalf of the Board of Directors of
CIN: U65923TN2015PLC100328
Veritas Finance Limited
(formerly known as "Veritas Finance Private Limited ")

Suresh Subramanian
Independent Director
DIN : 02070440

D. Arulmany
Managing Director and Chief Executive Officer
DIN : 00009981

S V Laxmi
Chief Financial Officer

V. Aruna
Company Secretary and Compliance Officer
Membership No. : A60078

Place : Chennai
Date : 09 January 2025

Veritas Finance Limited
(formerly known as Veritas Finance Private Limited)
Restated Summary Statements
Annexure II- Restated Summary Statement of Profit and Loss (including other comprehensive income)
(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particulars	**Note**	**For the six months period ended September 30, 2024**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Revenue from operations					
Interest income	22	6,880.77	10,570.64	6,524.63	4,261.16
Fee and commission income	23	159.53	318.63	186.93	95.80
Net gain on fair value changes	24	126.46	222.05	90.65	63.89
Sale of services	25	1.78	0.71	0.10	-
Total revenue from operations		**7,168.54**	**11,112.03**	**6,802.31**	**4,420.85**
Other income	26	32.58	62.90	5.66	1.42
Total income		**7,201.12**	**11,174.93**	**6,807.97**	**4,422.27**
Expenses					
Finance costs	27	2,245.58	3,144.16	1,684.88	1,283.87
Fees and commission expense	28	8.61	43.52	19.99	7.26
Impairment on financial instruments	29	644.33	901.66	454.01	579.55
Employee benefits expenses	30	1,986.33	2,916.10	1,669.70	1,098.43
Depreciation and amortization	31	142.03	235.63	151.14	142.54
Other expenses	32	402.24	704.22	499.75	296.99
Total expenses		**5,429.12**	**7,945.29**	**4,479.47**	**3,408.64**
Profit before tax		**1,772.00**	**3,229.64**	**2,328.50**	**1,013.63**
Tax expense					
Current tax	33	586.22	883.40	653.70	315.30
Adjustment of tax relating to earlier periods		-	-	(6.34)	
Deferred tax (credit)/ charge	11	(145.30)	(104.28)	(82.90)	(55.71)
Total tax expense		**440.92**	**779.12**	**564.46**	**259.59**
Profit for the period/ year		**1,331.08**	**2,450.52**	**1,764.04**	**754.04**
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent periods					
Re-measurements gain/ (loss) of the defined benefit plans	34	(21.65)	5.84	(22.83)	5.96
Income tax relating to items that will not be reclassified to profit or loss	11	5.45	(1.47)	5.74	(1.50)
Other comprehensive income / (loss) for the period/ year, net of income tax		**(16.20)**	**4.37**	**(17.09)**	**4.46**
Total comprehensive income/ (loss) for the period/ year, net of income tax		**1,314.88**	**2,454.89**	**1,746.95**	**758.50**
Earnings per share, par value of INR 10 each*					
- Basic (in INR)	37	10.10	19.04	14.85	6.75
- Diluted (in INR)		10.02	18.86	14.52	6.60

* The earnings per share for the six month period ended 30 September 2024 is not annualised.

Summary of material accounting policies 3

The accompanying notes form an integral part of the Restated Summary Statements (Annexure V)
As per our report of even date attached

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration no.: 101049W/E300004

per Bharath N S
Partner

ICAI Membership No. : 210934

Place : Chennai
Date : 09 January 2025

for and on behalf of the Board of Directors of
CIN: U65923TN2015PLC100328
Veritas Finance Limited
(formerly known as "Veritas Finance Private Limited ")

Suresh Subramanian
Independent Director
DIN : 02070440

D. Arulmany
Managing Director and Chief Executive Officer
DIN : 00009981

S V Laxmi
Chief Financial Officer

V. Aruna
Company Secretary and Compliance Officer
Membership No. : A60078

Place : Chennai
Date : 09 January 2025

Veritas Finance Limited
(formerly known as Veritas Finance Private Limited)
Restated Summary Statements
Annexure III- Restated Summary Statement of Cash Flows
(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities				
Profit before tax for the period/ year	1,772.00	3,229.64	2,328.50	1,013.63
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortisation expense	142.03	235.63	151.14	142.54
Impairment on financial instruments	644.33	901.66	454.01	579.55
Share based payment expense	75.86	77.31	30.52	39.33
Net (gain)/ loss on investments in mutual funds	(126.46)	(222.05)	(90.65)	(63.89)
Interest income on security deposits	(8.67)	(7.62)	(2.86)	(2.41)
(Gain)/ loss on termination of leased assets	(1.59)	(3.07)	(1.03)	(0.99)
Finance costs	2,245.58	3,144.16	1,684.88	1,283.87
(Gain) / loss on sale of property, plant and equipment	1.20	(1.11)	0.34	(0.43)
Interest income on fixed deposits with banks	(141.04)	(269.71)	(184.79)	(165.75)
Cash used in operations before working capital changes and adjustments	**4,603.24**	**7,084.84**	**4,370.06**	**2,825.45**
Changes in working capital				
Adjustments for (increase)/ decrease in operating assets:				
(Increase)/ Decrease in loans	(8,300.31)	(22,490.13)	(13,888.65)	(6,657.84)
(Increase)/ Decrease in other receivables	3.91	(16.60)	(0.41)	-
(Increase)/ Decrease in other financial assets	(106.45)	(154.48)	(13.47)	(26.94)
(Increase)/ Decrease in other non-financial assets	(46.70)	(11.97)	8.21	(10.93)
Adjustments for increase/ (decrease) in operating liabilities:				
Increase/ (decrease) in trade payables	(15.99)	32.69	22.16	3.97
Increase/ (decrease) in other financial liabilities	8.70	199.31	106.44	16.63
Increase/ (decrease) in provisions	53.25	10.10	17.90	8.58
Increase/ (decrease) in other non-financial liabilities	(5.27)	20.19	18.19	2.58
Cash used in operations before adjustments	**(3,805.62)**	**(15,326.05)**	**(9,359.57)**	**(3,838.50)**
Finance costs paid	(2,290.96)	(3,145.52)	(1,757.06)	(1,370.29)
Income tax paid (net of refunds)	(688.36)	(894.06)	(611.32)	(322.68)
Net cash used in operating activities (A)	**(6,784.94)**	**(19,365.63)**	**(11,727.95)**	**(5,531.47)**
Cash flows from investing activities				
Purchase of property, plant and equipment, other intangible assets and intangible assets under development	(59.33)	(212.99)	(147.62)	(33.94)
Proceeds from sale of property, plant and equipment	3.76	3.14	1.97	0.34
Deposits placed with banks (net)	(2,038.75)	1,038.64	(1,706.18)	1,609.29
Interest received on fixed deposits	141.04	269.71	184.79	165.75
Purchase of investments - mutual funds	(31,160.00)	(66,016.20)	(46,892.17)	(48,810.18)
Proceeds from sale of investments - mutual funds	30,285.72	66,238.26	46,982.82	50,623.95
Net cash from / (used in) investing activities (B)	**(2,827.56)**	**1,320.56**	**(1,576.39)**	**3,555.21**
Cash flows from financing activities				
Proceeds from issue of equity shares including securities premium	1,420.23	4,924.36	54.60	4,405.09
Payment of principal portion of lease liabilities	(75.82)	(119.95)	(84.02)	(60.87)
Payment of interest portion of lease liabilities	(16.80)	(31.85)	(22.78)	(19.00)
Payment of share issue expenses	-	(73.59)	-	(2.62)
Proceeds from debt securities	1,500.00	2,350.00	1,999.99	550.00
Proceeds from borrowings (other than debt securities)	15,700.00	26,721.60	18,995.26	6,188.03
Repayment of debt securities	(750.00)	(1,050.00)	(2,576.00)	(3,350.00)
Repayment of borrowings (other than debt securities)	(7,451.69)	(12,283.55)	(6,027.56)	(3,868.08)
Net cash from financing activities (C)	**10,325.92**	**20,437.02**	**12,339.49**	**3,842.55**
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	**713.42**	**2,391.95**	**(964.85)**	**1,866.29**
Cash and cash equivalents at the beginning of the period/ year	4,774.49	2,382.54	3,347.39	1,481.10
Cash and cash equivalents at the end of the period/ year	**5,487.91**	**4,774.49**	**2,382.54**	**3,347.39**

Veritas Finance Limited
(formerly known as Veritas Finance Private Limited)
Restated Summary Statements
Annexure III- Restated Summary Statement of Cash Flows
(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	Notes to Restated Summary Statement of Cash Flows				
1	**Components of cash and cash equivalents:**				
	Cash on hand	32.75	15.06	19.38	36.68
	Balances with banks				
	In current accounts	4,697.82	3,902.99	2,062.99	1,510.38
	In deposit accounts (Original maturity less than three months)	757.34	856.44	300.17	1,800.33
		5,487.91	**4,774.49**	**2,382.54**	**3,347.39**

2 The above cash flow statement has been prepared under the "indirect method", as set out in the Ind AS-7 on statement of cash flows specified under Section 133 of the Companies Act, 2013.

3 **Non cash financing and investing activity**

	Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
a.	**Investing Activity**				
	Acquisition of right of use asset	116.98	182.26	222.07	109.98
	Total	**116.98**	**182.26**	**222.07**	**109.98**

b. For disclosures relating to change in liabilities arising from financing activities, refer note 51A

Summary of material accounting policies 3

The accompanying notes form an integral part of the Restated Summary Statements (Annexure V)

As per our report of even date attached

for S.R. Batliboi & Associates LLP
Chartered Accountants

ICAI Firm Registration no.: 101049W/E300004

per Bharath N S
Partner

ICAI Membership No. : 210934

Place : Chennai
Date : 09 January 2025

for and on behalf of the board of directors of
CIN: U65923TN2015PLC100328
Veritas Finance Limited
(formerly known as "Veritas Finance Private Limited ")

Suresh Subramanian
Independent Director
DIN : 02070440

D. Arulmany
Managing Director and Chief Executive Officer
DIN : 00009981

S V Laxmi
Chief Financial Officer

V. Aruna
Company Secretary and Compliance Officer
Membership No. : A60078

Place : Chennai
Date : 09 January 2025

Veritas Finance Limited
(formerly known as Veritas Finance Private Limited)
Restated Summary Statements
Annexure IV- Restated Summary Statement of Changes in Equity
(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

A Equity share capital

Equity share capital of INR 10 each, Issued, Subscribed and Fully paid

Particulars	Amount
Balance as at March 31, 2021	**351.59**
Changes in equity share capital during the year	134.02
Balance as at March 31, 2022	**485.61**
Changes in equity share capital during the year	6.44
Balance as at March 31, 2023	**492.05**
Changes in equity share capital during the year	202.56
Add: Conversion during the financial year 2023-24 (refer note below)	580.58
Balance as at March 31, 2024	**1,275.19**
Changes in equity share capital during the period	38.39
Balance as at September 30, 2024	**1,313.58**

B Instruments entirely equity in nature

Particulars	Amount
Balance as at March 31, 2021	**650.19**
Changes in compulsorily convertible preference shares during the year	-
Balance as at March 31, 2022	**650.19**
Changes in compulsorily convertible preference shares during the year	-
Balance as at March 31, 2023	**650.19**
Changes in compulsorily convertible preference shares during the year	-
Less: Conversion during the financial year 2023-24 (refer note below)	(580.58)
Less: Transfer to securities premium on conversion of compulsorily convertible preference shares	(69.61)
Balance as at March 31, 2024	**-**
Changes in compulsorily convertible preference shares during the period	-
Balance as at September 30, 2024	**-**

Note: During the Financial year 2023-24, in accordance with the memorandum of association, articles of association, and amended and restated Shareholder's agreement dated 21 June 2023, executed among the Company and the shareholders, all types of CCPS were converted into Equity shares of INR 10 each at a ratio of 1:1. The same was approved via board resolution dated 15 September 2023.

C Other equity

Particulars	Other equity				
	Reserves and surplus				
	Securities premium	Retained earnings	Statutory reserve as per Section 45-IC of the RBI Act, 1934	Share options outstanding account	Total other equity
As at March 31, 2021	**6,700.92**	**855.05**	**243.83**	**78.60**	**7,878.40**
Profit for the year	-	754.04	-	-	**754.04**
Remeasurements of defined benefit plan transferred to retained earnings	-	4.46	-	-	**4.46**
Premium received on shares issued during the year	4,271.07	-	-	-	**4,271.07**
Premium Utilised during the year for share issue expenses	(2.62)	-	-	-	**(2.62)**
Transfer to securities premium on exercise of options under ESOP	1.35	-	-	(1.35)	**-**
Transfer to statutory reserve as per Section 45-IC of the RBI Act, 1934	-	(150.81)	150.81	-	**-**
Share based payment expense	-	-	-	39.33	**39.33**
As at March 31, 2022	**10,970.72**	**1,462.74**	**394.64**	**116.58**	**12,944.68**
Profit for the year	-	1,764.04	-	-	**1,764.04**
Remeasurements of defined benefit plan transferred to retained earnings	-	(17.07)	-	-	**(17.07)**
Premium received on shares issued during the year	48.17	-	-	-	**48.17**
Transfer to securities premium on exercise of options under ESOP	17.05	-	-	(17.05)	**-**
Transfer to statutory reserve as per Section 45-IC of the RBI Act, 1934	-	(352.81)	352.81	-	**-**
Share based payment expense	-	-	-	30.52	**30.52**
As at March 31, 2023	**11,035.94**	**2,856.90**	**747.45**	**130.05**	**14,770.34**
Profit for the year	-	2,450.52	-	-	**2,450.52**
Remeasurements of defined benefit plan transferred to retained earnings	-	4.37	-	-	**4.37**
Premium received on shares issued during the year	4,721.79	-	-	-	**4,721.79**
Premium on conversion of preference shares issued during the year	69.61	-	-	-	**69.61**
Premium Utilised during the year for share issue expenses	(73.59)	-	-	-	**(73.59)**
Transfer to securities premium on exercise of options under ESOP	58.56	-	-	(58.56)	**-**
Transfer to statutory reserve as per Section 45-IC of the RBI Act, 1934	-	(490.10)	490.10	-	**-**
Share based payment expense	-	-	-	77.31	**77.31**
As at March 31, 2024	**15,812.31**	**4,821.69**	**1,237.55**	**148.80**	**22,020.35**
Profit for the six months period ended 30 September 2024	-	1,331.08	-	-	**1,331.08**
Remeasurements of defined benefit plan transferred to retained earnings	-	(16.20)	-	-	**(16.20)**
Premium received on shares issued during the period	1,381.84	-	-	-	**1,381.84**
Transfer to securities premium on exercise of options under ESOP	3.81	-	-	(3.81)	**-**
Share based payment expense	-	-	-	75.86	**75.86**
Transfer to retained earnings on lapse of options	-	1.40	-	(1.40)	**-**
As at September 30, 2024	**17,197.96**	**6,137.97**	**1,237.55**	**219.45**	**24,792.93**

The accompanying notes form an integral part of the Restated Summary Statements (Annexure V)
As per our report of even date attached

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration no.: 101049W/E300004

per Bharath N S
Partner

ICAI Membership No. : 210934

Place : Chennai
Date : 09 January 2025

for and on behalf of the board of directors of
CIN: U65923TN2015PLC100328
Veritas Finance Limited (formerly known as "Veritas Finance Private Limited ")

Suresh Subramanian
Independent Director

DIN : 02070440

D. Arulmany
Managing Director and Chief Executive Officer

DIN : 00009981

S V Laxmi
Chief Financial Officer

V. Aruna
Company Secretary and Compliance Officer
Membership No. : A60078

Place : Chennai
Date : 09 January 2025

1. Corporate information

Veritas Finance Limited ("the Company") (CIN:U65923TN2015PLC100328) is a Company limited by shares domiciled in India and incorporated on April 30, 2015 under the provisions of the Companies Act, 2013. The Company had received the Certificate of Registration dated October 15, 2015 from Reserve Bank of India ("RBI") to carry on the business of NBFC without accepting public deposits. The debt securities of the Company namely non-convertible debentures are listed on the Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE"). The Company is engaged in extending credit to micro and small enterprises, typically self-employed businesses and salaried segment for the purpose of their business expansion, working capital, construction of houses, and purchase of used commercial vehicles.

2. Basis of preparation

2.1 Statement of compliance

The Restated Summary Statements of the Company comprises of the Restated Summary Statement of Assets and Liabilities of the Company as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 and the Restated Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Summary Statement of Changes in Equity and the Restated Summary Statement of Cash flows for the six months period ended September 30, 2024 and for each of the years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the Summary of Material Accounting Policies and other explanatory information (together referred to as 'Restated Summary Statements'). The Restated Summary Statements have been prepared specifically for inclusion in the draft red herring prospectus to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering ("IPO").

These Restated Summary Statements have been approved by the Board of Directors on January 9, 2025 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, ("the SEBI ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI') on September 11, 2018 as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992; and

(iii) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Note").

The Restated Summary Statements have been compiled by the management from:

a. The audited interim financial statements of the Company as at and for the six months period ended September 30, 2024, 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 January 9, 2025.
b. The audited financial statements of the Company as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 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 April 25, 2024, April 27, 2023 and April 28, 2022 respectively.

The underlying financial six month period ended September 30, 2024, have been 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").

(All amounts are in Indian Rupees in million, except share data and as stated otherwise)

The financial statements for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') as amended from time to time and notified under Section 133 of the Companies Act, 2013 ('the Act') along with other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

The underlying financial statements as at and for the six months period ended September 30, 2024 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 mentioned above, are collectively referred as Historical Audited Financial Statements ("Historical Audited Financial Statements" or "Historical Financial Statements").

The Historical financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value. The historical financial statements are prepared on going concern basis based on ability of the Company to continue its business for the foreseeable future and no material uncertainty exists that may cost significant doubt on the going concern assumption. In making this assessment, the Company has considered wide range of information relating to present and likely future conditions including projections of cash flows, profitability and ability of capital resources.

The Historical Financial Statements comprising of balance sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity are presented in the format prescribed under Division III of Schedule III to the Act and as amended from time to time, for Non-Banking Financial Companies ('NBFC') that are required to comply with Ind AS. The Statement of Cash flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows. The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented separately.

2.2 Functional and presentation currency

These historical financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest million with two decimals, unless otherwise indicated.

2.3 Basis of measurement

These historical financial statements have been prepared on the historical cost basis except for the following items:

Items	**Measurement basis**
Financial assets and liabilities	Fair value / Amortised Cost, as applicable
Liabilities for equity-settled share-based payment arrangements	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

2.4 Use of estimates and judgements

The preparation of the historical financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the historical financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the historical financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the historical financial statements. Information about judgements, estimates and assumptions made in applying accounting policies that have the most significant effects on the amounts recognised in the historical financial statements are set out below:

(i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") 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 and how the managers of the assets are compensated. 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. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

(ii) 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 balance sheet 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.

(iii) 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 product life cycle (including prepayments).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

(iv) Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's criteria for assessing if there has been a significant increase in credit risk and subsequently measuring impairment allowances for financial assets on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

(v) Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(vi) Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent 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, 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 Black Scholes model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 40.

(vii) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available. The Company estimates the IBR to be the interest rate at which the Company has raised borrowings during the time immediately preceding the lease period.

(viii) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, the Company is involved in various litigations, arbitrations and regulatory inspections and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the historical financial statements are prudent and reasonable.

(ix) Other assumptions and estimation uncertainties

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

i. Measurement of defined benefit obligations: key actuarial assumptions;
ii. Estimated useful life of property, plant and equipment and intangible assets other than those taken on lease;
iii. Recognition of deferred taxes.

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3. Summary of material accounting policies

3.1 Revenue Recognition from contracts with customers

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer

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 recognition for different heads of income is as under:

A. Recognition of interest income on loans

Under Ind AS 109, interest income is recorded using the Effective Interest Rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When the financial asset becomes credit impaired, the Company calculated interest income by applying the effective rate of interest to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

B. Interest income on deposits
Interest on bank deposits is accounted on accrual basis on time proportion using effective interest rate.

C. Fee income

Fees income such as instrument bounce charges, delayed payment charges and pre-closure charges (other than fees and costs that are an integral part of EIR) are recognised on a point-in-time basis, and are recorded when realised based on certainty of receipt.

D. Net gain/loss or fair value changes:

The Company designates 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 derecognition of financial asset measured at FVTPL and FVOCI on net basis in profit or loss.

E. Other income

All items of other income are recognized on an accrual basis, when there is no uncertainty in the ultimate realisation / collection.

F. Taxes

All incomes are recognised net of goods and services tax, wherever applicable.

3.2 Financial instrument – Initial recognition

A. Date of recognition

Debt securities issued and borrowings made are initially recognised when the funds reach the Company. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Loans are recognised when fund transfers are transferred to the customers' bank accounts.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through profit and loss (FVTPL), transaction costs are added to or subtracted from this amount.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost
ii) Fair value through other comprehensive income (FVOCI)
iii) Fair value through profit and loss (FVTPL)

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
b) 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.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Solely payments of principal and interest (SPPI) test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet SPPI test.

Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.
In contrast, contractual terms that introduce more than the minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows based on the existing business model:

(i) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans are held to sale and collect contractual cash flows, they are measured at FVTOCI.

(iii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets which do not meet the criteria for categorisation as at amortised cost or as FVOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in the statement of profit and loss. The Company records investments in mutual funds at FVTPL.

B. Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

(ii) Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

(iii) Debt securities and other borrowed funds:

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the instrument.

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the six months period ended 30 September 2024 and the years ended 31 March 2024, 31 March 2023 and 31 March 2022.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Company considers the following factors:

- Introduction of an equity feature
- Change in currency of the loan
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial instruments other than due to substantial modification of terms and conditions

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.
When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). The 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 that result from default events on a financial instrument that are possible within the 12 months after the reporting date. When estimating lifetime expected credit loss (LTECLs) for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Expected credit losses are measured through a loss allowance at an amount equal to:

i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
ii) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1:

When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3 (if completely regularised to zero DPD for stage 3)

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for life time ECL. Stage 2 loans also include where the loans have been re-structured as per extent RBI Regulations.

Stage 3:

Loans considered credit impaired are the loans which are past due for more than 90 days and has not been completely regularised to zero DPD. The Company records an allowance for life time ECL.

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

Probability of Default ('PD'):

PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default ('EAD'):

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest.

Loss Given Default ('LGD'):

LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

Stage 1:

The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12 months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Significant increase in credit risk:

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime LTECLs rather than 12mECLs.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment including forward looking information.

Stage 3:

For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Credit-impaired financial assets
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. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back- stop if amounts are overdue for 90 days or more.

Loan Commitments

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

C. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

3.7 Write-offs

The gross carrying amount of a financial assets is written off when there is no reasonable expectation of recovering the asset. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

The Company writes off all loan accounts which have remained as NPA for a specified period based on its write off policy.

3.8 Determination of fair value

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.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

Level 2 financial instruments: Those where the inputs that are used for valuation are significant and are derived from directly or indirectly observable market data available over the entire period of the instrument’s life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and
Level 3 financial instruments −Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the historical financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations. However, the base models may not fully capture all factors relevant to the valuation of the Company’s financial instruments. Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for financial instruments.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3.9 Property, plant and equipment ('PPE')

(i) Recognition and measurement

Items of PPE are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Cost of an item of PPE 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 and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Any gain or loss on disposal of an item of PPE is recognised in statement of profit and loss.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are classified as capital advances under non-financial assets and the cost of the assets not put to use before such date are disclosed under "Capital work-in-progress".

(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.

(iii) Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight line method and is generally recognised in the statement of profit and loss.

The Company, based on technical assessment made by the technical expert and management estimate, depreciates certain items of vehicle, furniture and fixtures over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. 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.

The estimated useful lives of items of property, plant and equipment for the current and comparative years are as follows:

Asset category	**Useful life**
Furniture and fixtures	5 Years
Office equipment	5 Years
Computers and accessories	3 Years
Vehicles	5 Years

Leasehold improvements are depreciated over the remaining period of lease or 5 years, whichever is lower.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

Property, plant and equipment taken on rent are treated as lease. Refer note 3.14.

3.10 Intangibles

(i) Recognition and measurement

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

(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 the statement of profit and loss as and when it is incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method and is included in depreciation and amortisation in statement of profit and loss.

Asset category	Management estimate of useful life
Computer software	License period or 3 years, whichever is lower

The amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(iv) De-recognition

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from it use or disposal. Any gain or loss upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

3.11 Employee benefits

(i) Post – employment benefits

(a) Defined contribution plan

The Company's contribution to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

(b) Defined benefit plan

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service (‘past service cost’ or ‘past service gain’) or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(ii) Other long-term employee benefit

Compensated absences

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within 12 months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

(iii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences - when employees render services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences - when the absences occur.

(iv) Share based payment

The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

Equity settled plan:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 40.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.12 Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Company 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. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised nor disclosed in the historical financial statements.

3.13 Leases

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 underlying asset or the site on which it is located, less any lease incentives received.
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is 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 remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid as at the commencement date, discounted using the Company’s incremental borrowing rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- 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, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is 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 an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets separately on the face of the balance sheet and lease liability under other financial liabilities.

Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.14 Income tax

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

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. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(iii) Goods and services taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services taxes paid except:

a. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
b. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.15 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the statement of profit and loss.

3.16 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of the asset. Other borrowings costs are recognized as an expense in the statement of profit and loss account on an accrual basis using the effective interest method.

3.17 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.18 Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Ind AS 33 Earnings Per Share. Basic earnings per equity share is computed by dividing net profit / loss after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed and disclosed by dividing the net profit/ loss after tax attributable to the equity shareholders for the year after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

3.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non–cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing, and investing activities of the Company are segregated based on the available information. Cash flows in foreign currencies are accounted at the actual rates of exchange prevailing at the dates of the transactions.

3.20 Changes in accounting policies and disclosures

New and amended standards

(i) Ind AS 117 – Insurance contracts

On August 12, 2024, MCA announced the amendments to the Companies (Indian Accounting Standards) Rules, 2015, applicable from August 12, 2024, as below: The amendment outlines scenarios where Ind AS 117 does not apply. These include warranties from manufacturers, dealers, or retailers related to goods or services and employer obligations from employee benefit plans. It also excludes retirement benefit obligations from defined benefit plans and contractual rights or obligations tied to future use of non-financial items, such as certain license fees and variable lease payments. However, the Company has not entered into insurance contracts, hence do not have any impact on the restated summary statements.

(ii) Accounting for sale and leaseback transaction the books of seller – lessee – Amendments to Ind AS 116

On September 09, 2024, MCA announced the amendments to the Companies (Indian Accounting Standards) Rules, 2015, applicable from September 09, 2024, as below:

The amendment require seller-lessee shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. These rules aim to streamline accounting processes and ensure compliance with the updated Ind AS requirements. However, the Company has not entered into sale and lease back transactions, hence do not have any impact on the restated summary statements.

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	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
4	**Cash and cash equivalents (measured at amortised cost)**				
	Cash on hand	32.75	15.06	19.38	36.68
	Balances with banks				
	In current accounts	4,697.82	3,902.99	2,062.99	1,510.38
	In deposit accounts (Original maturity less than three months) (refer Note 4A)	757.34	856.44	300.17	1,800.33
		5,487.91	**4,774.49**	**2,382.54**	**3,347.39**

Note 4A- Represents short-term deposits made for varying periods between one day and three months depending on the immediate cash requirements of the Company, and earn interest at the respective short term deposit rates.

Note 4B-The Company had available undrawn committed borrowings of INR 8,202.44 million as at September 30, 2024, INR 1,085.02 million as at 31 March 2024, INR 720.00 million as at 31 March 2023, and INR 904.36 million as at 31 March 2022

	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
5	**Bank balances other than cash and cash equivalents (measured at amortised cost)**				
	In deposit accounts (Original maturity more than three months)	3,433.60	1,606.90	2,830.22	1,152.16
	In earmarked bank accounts				
	- Deposits with Banks to the extent held as margin money or security against the borrowings, guarantee and other commitments (refer 5A below)	414.72	212.80	28.12	-
	- Unspent CSR amount in relation to ongoing projects (refer 5B below)	10.13	-	-	-
		3,858.45	**1,819.70**	**2,858.34**	**1,152.16**

5A Deposits amounting to INR 414.72 million, INR 212.80 million, INR 28.12 million and nil have been provided as credit enhancement for securitisation transactions as at 30 September 2024, 31 March 2024, 31 March 2023 and 31 March 2022 respectively.

5B INR 15.13 million was recognised as shortfall as at 31 March 2024 towards the ongoing project approved by the CSR Committee and Board of Directors meeting held on 23 November 2023 and 24 November 2023 respectively.On 03 April 2024 , this unspent amount was transferred to a Designated Unspent Corporate Social Responsibility Account with a scheduled commercial bank as per circular E-file no.CSR-05/01/2021-CSR-MCA dated 25 August 2021 and subsequently out of funds in this earmarked bank account, INR 5 million was incurred by the trust towards the ongoing project during September 2024. Balance of INR 10.13 million is still lying in the Designated Unspent Corporate Social Responsibility Account with scheduled commercial bank as at 30 September 2024.

	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
6	**Other Receivables**				
	Considered Good - Unsecured	13.09	17.01	0.41	0.00
	Less: Impairment Loss Allowance	-	-	-	-
		13.09	**17.01**	**0.41**	**0.00**

6A Other receivables includes receivables against advertisement services

6B No Other Receivables are due from Directors or other officers of the Company either severally or jointly with any other person nor any other receivable are due from firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner, or a director or a member.

	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
7	**Loans**				
	At Amortised cost				
A	**Based on nature**				
	Term Loans	65,172.17	57,237.87	35,337.31	21,873.53
	Less: Impairment loss allowance	(1,166.42)	(892.38)	(581.15)	(552.62)
	Total (A) Net	**64,005.75**	**56,345.49**	**34,756.16**	**21,320.91**
B	**Based on security**				
(i)	**Secured** (refer note 7.1)				
	Secured by tangible assets	59,187.37	51,138.83	31,902.88	20,654.65
	Less: Impairment loss allowance	(905.57)	(769.35)	(545.78)	(536.47)
	Total (B) (i) Net	**58,281.80**	**50,369.48**	**31,357.10**	**20,118.18**
(ii)	**Unsecured** (refer note 7.2)				
	Unsecured loans	5,984.80	6,099.04	3,434.43	1,218.88
	Less: Impairment loss allowance	(260.85)	(123.03)	(35.37)	(16.15)
	Total (B) (ii) Net	**5,723.95**	**5,976.01**	**3,399.06**	**1,202.73**
	Total (B) Net	**64,005.75**	**56,345.49**	**34,756.16**	**21,320.91**
C	**Based on region**				
	(I) Loans in India				
	(i) Public Sector	-	-	-	-
	(ii) Others	65,172.17	57,237.87	35,337.31	21,873.53
	Less: Impairment loss allowance	(1,166.42)	(892.38)	(581.15)	(552.62)
	Total (C) Net	**64,005.75**	**56,345.49**	**34,756.16**	**21,320.91**
	(II) Loans outside India				
	Loans outside India	-	-	-	-
		64,005.75	**56,345.49**	**34,756.16**	**21,320.91**

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7.1 Secured indicates loans secured by way of mortgage of immovable property or hypothecation of vehicles.

7.2 Unsecured loans includes loans amounting to INR 227.42 million as at 30 September 2024 (NIL for March 2024,March 2023 and March 2022) where security creation is in process.

7.3 No loans are granted to the directors, Key Managerial Personnel (KMP) and related parties (as defined under Companies Act. 2013)

7.4 Analysis of changes in the gross carrying amount and the corresponding ECL allowances:

Gross carrying amount - loans

Particulars	As at September 30, 2024				As at March 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount opening balance	**55,380.78**	**831.12**	**1,025.97**	**57,237.87**	**33,779.09**	**785.30**	**772.92**	**35,337.31**
New assets originated/ increase in existing assets (Net)	17,551.11	16.67	44.79	17,612.57	33,413.31	70.63	64.32	33,548.26
Exposure de-recognised/matured/repaid	(8,873.10)	(139.36)	(162.18)	(9,174.64)	(10,796.95)	(251.35)	(46.74)	(11,095.05)
Transfer to Stage 1	65.79	(53.46)	(12.32)	-	50.81	(44.28)	(6.53)	-
Transfer to Stage 2	(876.45)	878.86	(2.42)	-	(490.01)	496.15	(6.14)	-
Transfer to Stage 3	(372.66)	(268.43)	641.09	-	(470.49)	(151.96)	622.45	-
Impact on account of exposures transferred during the period between Stages	(14.52)	(97.81)	14.80	(97.53)	(0.45)	12.36	87.69	99.60
Write off	(52.77)	(71.21)	(282.12)	(406.10)	(104.53)	(85.72)	(462.00)	(652.25)
Gross carrying amount closing balance	**62,808.18**	**1,096.38**	**1,267.61**	**65,172.17**	**55,380.78**	**831.12**	**1,025.97**	**57,237.87**

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount opening balance	**19,901.38**	**1,110.72**	**861.43**	**21,873.53**	**14,396.82**	**808.99**	**421.69**	**15,627.50**
New assets originated/ increase in existing assets (Net)	20,498.49	16.11	59.06	20,573.66	11,001.01	9.66	39.33	11,050.00
Exposure de-recognised/matured/repaid	(6,259.90)	(346.80)	(103.16)	(6,709.86)	(4,263.25)	(146.54)	(40.91)	(4,450.70)
Transfer to Stage 1	190.10	(143.57)	(46.53)	-	65.00	(55.32)	(9.68)	-
Transfer to Stage 2	(288.05)	322.01	(33.96)	-	(786.66)	805.00	(18.34)	-
Transfer to Stage 3	(196.80)	(117.88)	314.68	-	(336.53)	(207.95)	544.48	-
Impact on account of exposures transferred during the period between Stages	(1.01)	1.19	38.71	38.89	(9.11)	11.14	70.51	72.54
Write off	(65.12)	(56.48)	(317.31)	(438.91)	(165.90)	(114.26)	(145.65)	(425.81)
Gross carrying amount closing balance	**33,779.09**	**785.30**	**772.92**	**35,337.31**	**19,901.38**	**1,110.72**	**861.43**	**21,873.53**

Reconciliation of ECL balance is given below:
Impairment loss allowance - loans

Particulars	As at September 30, 2024				As at March 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Impairment loss allowance - Opening balance	**232.97**	**114.24**	**545.17**	**892.38**	**149.20**	**100.98**	**330.97**	**581.15**
New assets originated/ increase in existing assets (Net)	109.05	10.88	102.58	222.51	116.18	(1.08)	100.82	215.92
Exposure de-recognised/matured/repaid	(31.47)	(7.42)	(122.21)	(161.10)	(23.94)	(6.60)	(1.10)	(31.64)
Transfer to Stage 1	12.87	(7.39)	(5.48)	-	12.39	(8.36)	(4.03)	-
Transfer to Stage 2	(5.27)	6.32	(1.05)	-	(3.50)	7.36	(3.86)	-
Transfer to Stage 3	(2.72)	(43.27)	45.99	-	(3.08)	(24.32)	27.40	-
Impact on account of exposures transferred during the period between Stages	(12.11)	163.26	279.83	430.98	(11.93)	67.23	311.60	366.90
Write off	(1.32)	(16.61)	(200.42)	(218.35)	(2.35)	(20.97)	(216.63)	(239.95)
Impairment loss allowance - Closing balance	**302.00**	**220.01**	**644.41**	**1,166.42**	**232.97**	**114.24**	**545.17**	**892.38**

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Impairment loss allowance - Opening balance	**85.42**	**109.97**	**357.23**	**552.62**	**36.57**	**137.62**	**210.96**	**385.15**
New assets originated/ increase in existing assets (Net)	78.17	(0.80)	15.99	93.36	62.33	(13.38)	(3.60)	45.35
Exposure de-recognised/matured/repaid	(11.62)	(7.57)	(4.43)	(23.62)	(6.28)	(3.82)	(3.02)	(13.12)
Transfer to Stage 1	48.81	(18.96)	(29.85)	-	17.21	(10.08)	(7.13)	-
Transfer to Stage 2	(1.93)	21.14	(19.21)	-	(3.96)	14.21	(10.25)	-
Transfer to Stage 3	(1.14)	(13.51)	14.65	-	(1.53)	(43.30)	44.83	-
Impact on account of exposures transferred during the period between Stages	(47.18)	25.44	150.84	129.10	(16.85)	65.79	212.59	261.53
Write off	(1.33)	(14.73)	(154.25)	(170.31)	(2.07)	(37.07)	(87.15)	(126.29)
Impairment loss allowance - Closing balance	**149.20**	**100.98**	**330.97**	**581.15**	**85.42**	**109.97**	**357.23**	**552.62**

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
8	**Investments (At fair value through profit or loss)**				
	Investment in mutual funds	1,000.74	-	-	-
	Investments	**1,000.74**	**-**	**-**	**-**
	Investment outside India	-	-	-	-
	Investments in India	1,000.74	-	-	-
	Gross investments	**1,000.74**	**-**	**-**	**-**
	Aggregate book value of quoted investments	-	-	-	-
	Aggregate market value of quoted investments	-	-	-	-
	Aggregate book value of unquoted investments	1,000.74	-	-	-

The Company held investments in mutual funds during the financial year. The realised and unrealised gains earned are disclosed in the profit and loss statement under "Net gain / (loss) on fair value changes" and the cash proceeds/ outflow are disclosed in the Statement of cash flows under "Cash flows from investing activities".

	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
9	**Other financial assets (at amortised cost)**				
	Unsecured, considered good				
	Security deposits	289.59	232.82	80.36	48.59
	Employee loans and advances	-	4.69	2.60	3.23
	Others*	59.87	-	0.06	17.73
	Total Gross	**349.46**	**237.51**	**83.02**	**69.55**
	Less : Impairment Loss on security deposits and employee loans & advances	(0.74)	(1.74)	(0.88)	(0.27)
	Total Net	**348.72**	**235.77**	**82.14**	**69.28**

* Others include amount receivable from payment aggregators for the period ended 30 September 2024 and prepayments made to lenders prior to due dates for the year ended 31 March 2023 and 31 March 2022.

9.1 Analysis of changes in the gross carrying amount and the corresponding ECL allowance in relation to Impairment Loss on other financial assets

Changes in gross carrying amount

	As at September 30, 2024				As at March 31, 2024			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
As at the beginning of the year/period	**235.24**	**1.06**	**1.21**	**237.51**	**82.40**	**0.12**	**0.50**	**83.02**
New assets originated/ increase in existing assets (Net)	121.04	-	-	121.04	168.40	-	-	168.40
Exposure de-recognised/matured/repaid	(8.71)	-	(0.38)	(9.09)	(13.54)	(0.12)	(0.25)	(13.91)
Transfer to stage 1	1.59	(1.06)	(0.53)	-	-	-	-	-
Transfer to stage 2	(0.13)	0.13	-	-	(1.06)	1.06	-	-
Transfer to stage 3	-	-	-	-	(0.96)	-	0.96	-
Impact on account of exposures transferred during the period between Stages	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year/period	**349.03**	**0.13**	**0.30**	**349.46**	**235.24**	**1.06**	**1.21**	**237.51**

Changes in gross carrying amount

	As at March 31, 2023				As at March 31, 2022			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
As at the beginning of the year/period	**69.05**	**0.50**	**-**	**69.55**	43.16	**-**	**-**	**43.16**
New assets originated/ increase in existing assets (Net)	16.62	-	-	16.62	33.61	-	-	**33.61**
Exposure de-recognised/matured/repaid	(2.90)	(0.25)	-	(3.15)	(7.22)	-	-	**(7.22)**
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	(0.12)	0.12		-	(0.50)	0.50	-	-
Transfer to stage 3	(0.25)	(0.25)	0.50	-	-	-	-	-
Impact on account of exposures transferred during the period between Stages	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year/period	**82.40**	**0.12**	**0.50**	**83.02**	**69.05**	**0.50**	**-**	**69.55**

Reconciliation of ECL Balance:

Particulars	As at September 30, 2024				As at March 31, 2024			
Impairment loss allowance	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
As at the beginning of the year/period	**0.43**	**0.10**	**1.21**	**1.74**	**0.37**	**0.01**	**0.50**	**0.88**
New assets originated/ increase in existing assets (Net)	0.04	-	-	0.04	0.10	-	-	0.10
Exposure de-recognised/matured/repaid	(0.03)	-	(0.38)	(0.41)	(0.04)	(0.01)	(0.25)	(0.30)
Transfer to stage 1	0.01	(0.11)	(0.53)	(0.63)	-	-	-	-
Transfer to stage 2	(0.00)	0.00	-	-	(0.00)	0.10	-	0.10
Transfer to stage 3	-	-	-	-	(0.00)	-	0.96	0.96
Write offs	-	-	-	-	-	-	-	-
As at the end of the year/period	**0.45**	**(0.01)**	**0.30**	**0.74**	**0.43**	**0.10**	**1.21**	**1.74**

Particulars	As at March 31, 2023				As at March 31, 2022			
Impairment loss allowance	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
As at the beginning of the year/period	**0.22**	**0.05**	**-**	**0.27**	**-**	**-**	**-**	**-**
New assets originated/ increase in existing assets (Net)	0.16	-	-	0.16	0.22	0.05	-	0.27
Exposure de-recognised/matured/repaid	(0.01)	(0.03)	-	(0.04)	-	-	-	-
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	(0.00)	0.01	-	0.01	-	-	-	-
Transfer to stage 3	(0.00)	(0.02)	0.50	0.48	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year/period	**0.37**	**0.01**	**0.50**	**0.88**	**0.22**	**0.05**	**-**	**0.27**

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	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
10	**Current tax assets (net)**				
	Advance income tax (net of provisions)	118.02	15.88	5.22	41.26
	Total	**118.02**	**15.88**	**5.22**	**41.26**

11 Deferred tax assets (net)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expenses:

Components of deferred tax asset/ liability	As at March 31, 2024	Statement of profit and loss	Other comprehensive income	As at September 30, 2024
Deferred Tax Asset:				
Difference in depreciation as per Books of Accounts and Income Tax Act, 1961	19.84	5.24	-	25.08
Impairment allowance for financial instruments	242.92	70.42	-	313.34
Provision for compensated absences and gratuity	51.44	30.96	5.45	87.85
Impact of effective interest rate adjustment on financial instruments	236.27	35.36	-	271.63
Recognition of lease liabilities	78.95	6.54	-	85.49
Total (A)	**629.42**	**148.52**	**5.45**	**783.39**
Deferred Tax Liabilities:				
Impact of effective interest rate adjustment on financial instruments	76.30	21.83	-	98.13
Provision for compensated absences and gratuity	1.47	(1.47)	-	-
Recognition of right of use asset	70.69	6.90	-	77.59
Provisions for Bad and Doubtful Debts under Sec 36(1) (viia)	66.83	(24.04)	-	42.79
Total (B)	**215.29**	**3.22**	**-**	**218.51**
Net Deferred Tax Asset (A-B)	**414.13**	**145.30**	**5.45**	**564.88**

Components of deferred tax asset/ liability	As at March 31, 2023	Statement of profit and loss	Other comprehensive income	As at March 31, 2024
Deferred Tax Asset:				
Difference in depreciation as per Books of Accounts and Income Tax Act, 1961	18.55	1.29	-	19.84
Impairment allowance for financial instruments	164.37	78.55	-	242.92
Provision for compensated absences and gratuity	38.00	13.44	-	51.44
Impact of effective interest rate adjustment on financial instruments	143.14	93.13	-	236.27
Recognition of lease liabilities	76.65	2.30	-	78.95
Total (A)	**440.71**	**188.71**	**-**	**629.42**
Deferred Tax Liabilities:				
Impact of effective interest rate adjustment on financial instruments	42.09	34.21	-	76.30
Provision for compensated absences and gratuity	-	-	1.47	1.47
Recognition of right of use asset	69.49	1.20	-	70.69
Provisions for Bad and Doubtful Debts under Sec 36(1) (viia)	17.81	49.02	-	66.83
Total (B)	**129.39**	**84.43**	**1.47**	**215.29**
Net Deferred Tax Asset (A-B)	**311.32**	**104.28**	**(1.47)**	**414.13**

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Components of deferred tax asset/ liability	As at March 31, 2022	Statement of profit and loss	Other comprehensive income	As at March 31, 2023
Deferred Tax Asset:				
Difference in depreciation as per Books of Accounts and Income Tax Act, 1961	17.85	0.70	-	18.55
Impairment allowance for financial instruments	139.21	25.16	-	164.37
Provision for compensated absences and gratuity	19.34	12.91	5.75	38.00
Impact of effective interest rate adjustment on financial instruments	73.52	69.62	-	143.14
Recognition of lease liabilities	44.81	31.84	-	76.65
Total (A)	**294.73**	**140.23**	**5.75**	**440.71**
Deferred Tax Liabilities:				
Impact of effective interest rate adjustment on financial instruments	14.95	27.14	-	42.09
Provision for compensated absences and gratuity	-	-	-	-
Recognition of right of use asset	39.29	30.20	-	69.49
Provisions for Bad and Doubtful Debts under Sec 36(1) (viia)	17.81	-	-	17.81
Total (B)	**72.05**	**57.34**	**-**	**129.39**
Net Deferred Tax Asset (A-B)	**222.68**	**82.89**	**5.75**	**311.32**

Components of deferred tax asset/ liability	As at March 31, 2021	Statement of profit and loss	Other comprehensive income	As at March 31, 2022
Provision for compensated absences and gratuity				
Difference in depreciation as per Books of Accounts and Income Tax Act, 1961	11.59	6.26	-	17.85
Impairment allowance for financial instruments	96.92	42.29	-	139.21
Provision for compensated absences and gratuity	18.53	2.31	(1.50)	19.34
Impact of effective interest rate adjustment on financial instruments	51.20	22.32	-	73.52
Recognition of lease liabilities	35.87	8.94	-	44.81
Deferred Tax Liabilities:	**214.11**	**82.12**	**(1.50)**	**294.73**
Impact of effective interest rate adjustment on financial instruments				
Impact of effective interest rate adjustment on financial instruments	13.68	1.27	-	14.95
Recognition of right of use asset	31.97	7.32	-	39.29
Provisions for Bad and Doubtful Debts under Sec 36(1) (viia)	-	17.81	-	17.81
Net Deferred Tax Asset (A-B)	**45.65**	**26.40**	**-**	**72.05**
	168.46	**55.72**	**(1.50)**	**222.68**

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12.1 Property, plant and equipment (including Right of Use Asset)

Particulars	Property, plant and equipment						Right of Use Asset			Total
	Leasehold Improvements	Furniture and fixtures	Office equipments	Computers and accessories	Vehicles	Sub total	Buildings	Furniture and fixtures	Sub total	
Deemed cost										
Balance as at March 31, 2021	**60.66**	**27.98**	**16.11**	**84.02**	**-**	**188.77**	**225.79**	**-**	**225.79**	**414.56**
Add: Additions	7.82	2.60	1.87	9.88		22.17	109.98	-	109.98	132.15
Less: Disposals	(8.35)	(0.49)	(0.21)	(0.14)	-	(9.19)	(68.51)	-	(68.51)	(77.71)
Balance as at March 31, 2022	**60.12**	**30.09**	**17.77**	**93.76**	**-**	**201.74**	**267.26**	**-**	**267.26**	**469.00**
Add: Additions	10.99	10.41	4.18	57.60	52.67	135.83	211.35	10.72	222.07	357.90
Less: Disposals	(0.01)	(0.27)	(0.76)	(6.89)	(1.89)	(9.81)	(67.92)	-	(67.92)	(77.73)
Balance as at March 31, 2023	**71.10**	**40.23**	**21.18**	**144.47**	**50.78**	**327.76**	**410.69**	**10.72**	**421.41**	**749.17**
Add: Additions	40.67	20.81	8.89	42.58	14.80	127.75	181.09	1.17	182.26	310.02
Less: Disposals	(6.24)	(2.00)	(0.57)	(5.40)	(1.96)	(16.17)	(98.55)	(0.38)	(98.93)	(115.10)
Balance as at March 31, 2024	**105.52**	**59.03**	**29.51**	**181.66**	**63.62**	**439.34**	**493.23**	**11.51**	**504.74**	**944.08**
Add: Additions	4.55	6.20	1.70	25.62	12.50	50.58	116.98	-	116.98	167.56
Less: Disposals	-	(0.09)	(0.74)	(20.47)	(5.47)	(26.77)	(75.62)	-	(75.62)	(102.38)
Balance as at September 30, 2024	**110.07**	**65.14**	**30.48**	**186.81**	**70.65**	**463.15**	**534.60**	**11.51**	**546.11**	**1,009.26**
Accumulated depreciation										
Balance as at March 31, 2021	**44.96**	**19.59**	**6.53**	**52.03**	**-**	**123.10**	**98.76**	**-**	**98.76**	**221.86**
Add: Depreciation for the year	10.35	5.59	3.26	19.25	-	38.45	73.38	-	73.38	111.83
Less: On Disposals	(8.34)	(0.35)	(0.19)	(0.22)	-	(9.10)	(61.01)	-	(61.01)	(70.11)
Balance as at March 31, 2022	**46.97**	**24.83**	**9.60**	**71.05**	**-**	**152.45**	**111.13**	**-**	**111.13**	**263.58**
Add: Depreciation for the year	7.91	9.47	3.90	16.19	6.81	44.29	89.13	0.55	89.68	133.97
Less: On Disposals	(0.01)	(0.27)	(0.62)	(6.46)	(0.14)	(7.49)	(55.55)	-	(55.55)	(63.04)
Balance as at March 31, 2023	**54.87**	**34.03**	**12.89**	**80.78**	**6.67**	**189.25**	**144.72**	**0.55**	**145.27**	**334.51**
Add: Depreciation for the year	17.52	16.72	4.82	32.08	11.72	82.87	131.06	3.67	134.73	217.60
Less: On Disposals	(6.24)	(1.89)	(0.48)	(5.07)	(0.46)	(14.13)	(56.16)	-	(56.16)	(70.30)
Balance as at March 31, 2024	**66.16**	**48.86**	**17.23**	**107.79**	**17.94**	**257.98**	**219.62**	**4.22**	**223.84**	**481.82**
Add: Depreciation for the period	11.10	5.92	2.26	18.91	6.77	44.97	77.59	1.83	79.42	124.39
Less: On Disposals	-	(0.09)	(0.67)	(18.88)	(2.16)	(21.81)	(65.46)	-	(65.46)	(87.27)
Balance as at September 30, 2024	**77.26**	**54.68**	**18.82**	**107.83**	**22.55**	**281.14**	**231.75**	**6.05**	**237.80**	**518.94**
Net block										
As at March 31, 2022	**13.15**	**5.26**	**8.17**	**22.71**	**-**	**49.29**	**156.13**	**-**	**156.13**	**205.42**
As at March 31, 2023	**16.22**	**6.20**	**8.30**	**63.69**	**44.11**	**138.51**	**265.97**	**10.17**	**276.14**	**414.65**
As at March 31, 2024	**39.36**	**10.18**	**12.28**	**73.86**	**45.68**	**181.36**	**273.61**	**7.29**	**280.91**	**462.27**
As at September 30, 2024	**32.81**	**10.46**	**11.66**	**78.98**	**48.11**	**182.02**	**302.85**	**5.47**	**308.31**	**490.33**

Also refer note 17.1
1) All the Lease agreements are in the name of the Company.
2) The Company has elected to include ROU assets pertaining to lease of buildings, furniture & fixtures as part of the Property, plant and equipment as permitted under paragraph 47(a) of Ind AS 116.

3) On transition to Ind AS (i.e. 1 April 2015), 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.

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

12.2 Intangible assets under development

Particulars	Software under development	Total
Balance as at March 31, 2021	**4.36**	**4.36**
Add: Additions	5.74	5.74
Less: Capitalized during the year	(5.52)	(5.52)
Balance as at March 31, 2022	**4.58**	**4.58**
Add: Additions	8.31	8.31
Less: Capitalized during the year	(11.28)	(11.28)
Balance as at March 31, 2023	**1.61**	**1.61**
Add: Additions	3.30	3.30
Less: Capitalized during the year	-	-
Balance as at March 31, 2024	**4.91**	**4.91**
Add: Additions	4.38	4.38
Less: Capitalized during the period	(1.64)	(1.64)
Balance as at September 30, 2024	**7.65**	**7.65**

Intangible assets under development - Ageing Schedule

Balance as at September 30, 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	7.65	-	-	-	7.65
Projects Temporary Suspended	-	-	-	-	-
Total	**7.65**	**-**	**-**	**-**	**7.65**

Balance as at March 31, 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	4.91	-	-	-	4.91
Projects Temporary Suspended	-	-	-	-	-
Total	**4.91**	**-**	**-**	**-**	**4.91**

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Balance as at March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	1.61	-	-	-	1.61
Projects Temporary Suspended	-	-	-	-	-
Total	**1.61**	**-**	**-**	**-**	**1.61**

Balance as at March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	2.33	2.25		-	4.58
Projects Temporary Suspended	-			-	-
Total	**2.33**	**2.25**		**-**	**4.58**

There are no project whose completion is overdue or has exceeded its cost compared to its original plan during the six months period ended September 30, 2024, financial year ended 31 March 2024, 31 March 2023 and 31 March 2022.

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12.3 Other Intangible assets

Particulars	**Computer Softwares**	**Total**
Deemed cost*		
Balance as at March 31, 2021	**93.66**	**93.66**
Add: Additions	10.65	10.65
Less: Disposals	-	-
Balance as at March 31, 2022	**104.31**	**104.31**
Add: Additions	14.76	14.76
Less: Disposals	-	-
Balance as at March 31, 2023	**119.07**	**119.07**
Add: Additions	81.92	81.92
Less: Disposals	-	-
Balance as at March 31, 2024	**200.99**	**200.99**
Add: Additions	6.01	6.01
Less: Disposals	-	-
Balance as at September 30, 2024	**207.00**	**207.00**
Accumulated amortization		
Balance as at March 31, 2021	**51.10**	**51.10**
Add: Amortisation for the year	30.70	30.70
Less: On Disposals	-	-
Balance as at March 31, 2022	**81.80**	**81.80**
Add: Amortisation for the year	17.19	17.19
Less: On Disposals	-	-
Balance as at March 31, 2023	**98.99**	**98.99**
Add: Amortisation for the year	18.02	18.02
Less: On Disposals	-	-
Balance as at March 31, 2024	**117.02**	**117.02**
Add: Amortisation for the period	17.93	17.93
Less: On Disposals	-	-
Balance as at September 30, 2024	**134.95**	**134.95**
Net block		
As at March 31, 2022	**22.51**	**22.51**
As at March 31, 2023	**20.08**	**20.08**
As at March 31, 2024	**83.97**	**83.97**
As at September 30, 2024	**72.05**	**72.05**

*On transition to Ind AS (i.e. 1 April 2015), the Company has elected to continue with the carrying value of all intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
13	**Other non-financial assets**				
	Considered good, unsecured				
	Capital and other advances	1.84	10.26	0.25	0.48
	Prepaid expenses	54.73	32.05	30.09	31.51
	Share issue expenses*	25.43	-	-	-
	Balance with government authorities	7.01	-	-	6.56
	Total	**89.01**	**42.31**	**30.34**	**38.55**

* Share issue expenses as at September 30, 2024 includes amount incurred by the Company towards the proposed initial public offering of equity shares of the Company. The Company expects to recover certain amounts from the selling shareholders and the balance amount would be charged - off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon equity shares being issued. This includes Rs 3.25 million paid/ payable to the statutory auditors (excluding taxes) of the Company.

	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
14	**Trade Payables (refer note 14.1)**				
	- Total outstanding dues of micro enterprises and small enterprises (refer note 39)	9.75	11.47	6.55	1.88
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	62.25	76.52	48.75	31.26
	Total	**72.00**	**87.99**	**55.30**	**33.14**

Trade Payables are non-interest bearing and are normally settled before the end of the subsequent month.
Also refer note 38 for related party transactions

14.1 Trade payables (Ageing Schedule)
The following schedules reflect ageing of trade payables with respect to the date of transactions

As at September 30, 2024
Ageing for trade payables with due date:

Particulars	Current but not due	Outstanding for the following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	4.11	0.13	-	-	-	4.24
(ii) Others	0.79	2.35	-	-	-	3.14
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	**4.90**	**2.48**	**-**	**-**	**-**	**7.38**

Ageing for trade payables without due date:

Particulars	Unbilled and not due	Outstanding for the following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.94	4.56	-	-	-	5.50
(ii) Others	55.08	4.04	-	-	-	59.12
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	**56.02**	**8.60**	**-**	**-**	**-**	**64.62**

As at March 31, 2024
Ageing for trade payables with due date:

Particulars	Current but not due	Outstanding for the following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	11.47	-	-	-	11.47
(ii) Others	63.05	13.47	-	-	-	76.52
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	**63.05**	**24.94**	**-**	**-**	**-**	**87.99**

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

As at March 31, 2024

Ageing for trade payables without due date:

		Outstanding for the following periods from the due date of payment				
Particulars	**Unbilled and not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

As at March 31, 2023

Ageing for trade payables with due date:

		Outstanding for the following periods from the due date of payment				
Particulars	**Current but not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	0.65	-	-	-	0.65
(ii) Others	38.61	16.04	-	-	-	54.65
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	**38.61**	**16.69**	**-**	**-**	**-**	**55.30**

Ageing for trade payables without due date:

		Outstanding for the following periods from the due date of payment				
Particulars	**Unbilled and not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total		**-**	**-**	**-**	**-**	**-**

As at March 31, 2022

Ageing for trade payables with due date:

		Outstanding for the following periods from the due date of payment				
Particulars	**Current but not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	1.88	-	-	-	1.88
(ii) Others	21.11	10.15	-	-	-	31.26
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	**21.11**	**12.03**	**-**	**-**	**-**	**33.14**

Ageing for trade payables without due date:

			Outstanding for the following periods from the due date of payment				
Particulars		**Unbilled and not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	-	-	-	-	-
(ii) Others		-	-	-	-	-	-
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
15	**Debt securities (refer note 15.1)**				
	At amortised cost				
	Secured:				
	Non-convertible debentures	3,822.70	3,081.22	1,792.69	2,420.72
	Total	**3,822.70**	**3,081.22**	**1,792.69**	**2,420.72**
	Debt securities in India	2,280.28	1,538.79	250.58	2,420.72
	Debt securities outside India	1,542.42	1,542.43	1,542.11	-
		3,822.70	**3,081.22**	**1,792.69**	**2,420.72**

15.1 Details of terms of redemption / repayment and security provided in respect of debt securities:

Particulars	Terms of redemption	Security	Earliest instalment date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Series 10 redeemable non-convertible debentures of INR 1 million each	Repayment Terms: 18 months. Tenor: Principal at maturity and Interest Annually. Maturity Date: 11-May-22	1.1 times	11-May-22	-	-	-	518.17
Series 7 redeemable non-convertible debentures of INR 1 million each	Repayment Terms: 36 Months. Tenor: Principal at maturity and Interest Semi-Annually. Maturity Date: 29-Jul-22	1 time	29-Jul-22	-	-	-	425.84
Series 8 redeemable non-convertible debentures of INR 1 million each	Repayment Terms: 72 Months. Tenor: Principal at maturity and Interest Annually. Maturity Date: 20-Aug-25	1.05 times	22-Aug-22	-	-	-	920.37
Series 12 redeemable non-convertible debentures of INR 1 million each	Repayment Terms: 36 Months. Tenor: Principal reduction starts after 18 months, Interest to be paid quarterly. Maturity Date: 12-Jul-24	1 time	12-Jan-23	-	-	-	305.77
Series 13 redeemable non-convertible debentures of INR 1 million each	Repayment Terms: 30 Months. Tenor: Principal at maturity and Interest Quarterly. Maturity Date: 24-Sep-24	1 time	24-Sep-24	-	250.58	250.58	250.57
Series 15 redeemable non-convertible debentures of INR 0.1 million each	Repayment Terms: 42 Months. Tenor: Principal annually and Interest Monthly. Maturity Date: 25-Jun-27	1.1 times	26-Dec-24	548.21	547.57	-	-
Series 16 redeemable non-convertible debentures of INR 0.1 million each	Repayment Terms: 48 Months. Tenor: Principal once every 16 months and Interest Monthly. Maturity Date: 28-Mar-28	1 time	28-Jul-25	742.35	740.64	-	-
Series 14 redeemable non-convertible debentures of INR 1 million each	Repayment Terms: 72 Months. Tenor: Principal at maturity and Interest Semi-Annually. Maturity Date: 23-Jun-28	1 time	23-Jun-28	1,542.42	1,542.43	1,542.11	-
Series 17 redeemable non-convertible debentures of INR 0.1 million each	Repayment Terms: 48 Months. Tenor: Principal at maturity and Interest Monthly. Maturity Date: 27-Jun-28	1.1 times	27-Jun-28	989.72	-	-	-
Total				**3,822.70**	**3,081.22**	**1,792.69**	**2,420.72**

Notes:

a) The range of interest rates for the debt securities is 9.75% p.a to 12.89% p.a., (31 March 2024 : 9.75% p.a to 12.89% p.a, 31 March 2023 : 10.48% p.a to 10.71% p.a., 31 March 2022 : 9.11% p.a to 12.23% p.a.)

b) All the NCDs issued by the company are secured by exclusive charge on specific receivables of the company by way of hypothecation with security cover to the extent of 1.00 times to 1.10 times of both the principal and the interest accrued on the NCDs at any point in time.The average security cover provided for these listed NCDs is at 1.06 times of the principal and interest amount outstanding as at 30 September 2024 (1.06 times as at 31 March 2024, 1.05 times as at 31 March 2023 and 1.10 times as at 31 March 2022)

c) Interest for the above outstanding NCDs are payable on Monthly/ Quarterly / Half yearly basis.

d) The principal repayment for the NCDs is on the date of maturity / amortisation or upon exercise of the option.

e) The quarterly returns/statements of current assets filed by the Company, whenever applicable, are in agreement with the books of accounts.

f) The Company has used the proceeds of NCDs for the purpose for which they have been borrowed.

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
16	**Borrowings (Other than debt securities) (refer note 16.1)**				
	At amortised cost				
	(A) Term loans (secured)				
	From banks	34,994.08	30,391.01	19,602.35	8,289.87
	From other financial institutions	1,604.22	1,288.92	1,763.64	1,050.29
	(B) Borrowings under securitisation (secured)	8,265.62	5,071.94	395.61	-
	(C) Loans repayable on demand (secured)				
	From banks	207.56	124.98	698.95	195.64
	Total	**45,071.48**	**36,876.85**	**22,460.55**	**9,535.80**
	Borrowings in India	45,071.48	36,876.85	22,460.55	9,535.80
	Borrowings outside India	-	-	-	-
	Total	**45,071.48**	**36,876.85**	**22,460.55**	**9,535.80**

Notes:

a) Loans repayable on demand from banks includes cash credit facilities which are secured by specific charge on loans. The range of interest rates across the facilities is 8.85% p.a to 12.82% p.a. (31 March 2024 : 8.75% p.a to 13.10% p.a; 31 March 2023 : 8.45% p.a to 13.10% p.a., 31 March 2022 : 8.06% p.a to 12.40% p.a.)

b) With effect from 01 July 2023, the HDFC Limited was merged into HDFC Bank Limited. Accordingly, appropriate reclassification is done in the current financial year from "Loans from other parties" to "Loans from banks". Previous year disclosure remains as applicable for that period.

c) Borrowings under securitisation represents the net outstanding value (net of investment in pass through certificates) of the proceeds received by the Company from securitisation trust in respect of loan assets transferred by the Company pursuant to Deed of Assignment. The Company has provided credit enhancement to the trust by way of cash collateral. Also refer note 50 for details of securitisation.

d) The quarterly returns/statements of current assets filed by the Company with the banks or financial institutions in relation to the secured borrowings wherever applicable, are in agreement with the books of account.

e) The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

16.1 Details of terms of redemption / repayment and security provided in respect of Borrowings (Other than debt securities):

Particular	Security	Terms of redemption	Earliest instalment date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Term loans from Banks:							
Term loan 1	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (EMI Basis). Tenor: 36 Months Maturity Date: 03-Jun-22	03-Jul-19	-	-	-	15.65
Term loan 2	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal monthly, Interest monthly. Tenor: 36 months Maturity Date: 30-Sep-22	31-Dec-19	-	-	-	35.28
Term loan 3	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (3months Moratorium). Tenor: 39months Maturity Date: 17-May-23	29-Feb-20	-	-	5.31	38.61
Term loan 4	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 36 Months Maturity Date: 31-Jul-22	29-Feb-20	-	-	-	133.37
Term loan 5	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (3months Moratorium). Tenor: 36 months Maturity Date: 31-Oct-22	29-Feb-20	-	-	-	52.99

Veritas Finance Limited
(formerly known as Veritas Finance Private Limited)
Restated Summary Statements
Annexure V - Summary of material accounting policies and other explanatory information
(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particular	Security	Terms of redemption	Earliest instalment date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Term loan 6	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 36 Months Maturity Date: 30-Oct-22	31-May-20	-	-	-	116.70
Term loan 7	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 36 Months Maturity Date: 03-Sep-23	03-Sep-20	-	-	38.65	115.68
Term loan 8	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 60 Months Maturity Date: 29-Sep-25	30-Oct-20	30.24	45.30	74.64	104.29
Term loan 9	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 48 months Maturity Date: 30-Sep-24	31-Oct-20	- -	12.44	37.03	61.22
Term loan 10	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly(EMI Basis). Tenor: 39 Months Maturity Date: 01-Dec-23	01-Jan-21	-	-	28.22	62.54
Term loan 11	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Quarterly, Interest Monthly. Tenor: 36 Months Maturity Date: 05-Oct-23	05-Jan-21	-	-	72.71	169.94
Term loan 12	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (3months Moratorium). Tenor: 60 months Date: 28-Feb-26	31-Mar-21	148.42	200.81	305.58	-
Term loan 13	First and Exclusive charge on the standard receivables with a security cover of 120%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 48 months Maturity Date: 31-Mar-25	30-Apr-21	18.65	37.18	73.78	109.78
Term loan 14	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (3months Moratorium). Tenor: 60 months Maturity Date: 03-Feb-26	03-Jun-21	29.38	40.03	61.13	80.38
Term loan 15	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Quarterly, Interest Monthly . Tenor: 48 months Maturity Date: 31-Mar-25	30-Jun-21	24.97	49.93	99.74	149.43
Term loan 16	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Quarterly, Interest Monthly. Tenor: 48 months Maturity Date: 05-Apr-25	05-Jul-21	84.97	141.57	254.53	367.23
Term loan 17	First and Exclusive charge on the standard receivables with a security cover of 120%.	Repayment Terms: Principal Monthly, Interest Monthly (3 months moratorium). Tenor: 60 months Maturity Date: 15-Mar-26	15-Jul-21	158.74	211.87	316.65	421.37
Term loan 18	First and Exclusive charge on the standard receivables with a security cover of 120%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 48 months Maturity Date: 30-Jun-25	31-Jul-21	18.65	31.00	55.48	79.66

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particular	Security	Terms of redemption	Earliest instalment date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Term loan 19	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 60 months Maturity Date: 11-Aug-26	11-Sep-21	76.31	96.24	136.09	175.90
Term loan 20	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 48 months Maturity Date: 31-Aug-25	30-Sep-21	34.17	52.65	89.29	125.49
Term loan 21	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (2 months Moratorium). Tenor: 48 months. Maturity Date: 31-Jul-25	31-Oct-21	21.73	34.75	60.75	86.70
Term loan 22	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (2 months Moratorium). Tenor: 48 months. Maturity Date: 31-Aug-25	30-Nov-21	35.85	55.37	94.37	133.29
Term loan 23	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Quarterly, Interest Monthly. Tenor: 48 months Maturity Date: 05-Sep-25	05-Dec-21	32.72	49.04	81.65	114.17
Term loan 24	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (2 months Moratorium). Tenor: 48 months. Maturity Date: 14-Sep-25	14-Dec-21	78.21	117.26	195.25	273.08
Term loan 25	First and Exclusive charge on the standard receivables with a security cover of 111%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 36 Months Maturity Date: 30-Nov-24	31-Dec-21	11.11	44.36	110.59	176.43
Term loan 26	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal monthly, Interest Monthly. Tenor: 60 months Maturity Date: 10-Dec-26	10-Jan-22	67.42	82.27	111.86	141.20
Term loan 27	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Quarterly, Interest Monthly. Tenor: 45 months Maturity Date: 15-Aug-25	15-Feb-22	115.17	185.17	332.70	464.43
Term loan 28	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 36 months Maturity Date: 25-Feb-25	25-Mar-22	34.62	76.22	159.01	241.87
Term loan 29	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly(EMI Basis). Tenor: 60 months Maturity Date: 01-Mar-27	01-Apr-22	84.60	98.81	124.96	149.33
Term loan 30	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal monthly, Interest Monthly. Tenor: 60 months Maturity Date: 10-Mar-27	10-Apr-22	49.91	59.82	79.52	99.20
Term loan 31	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 60 months Maturity Date: 31-Mar-27	30-Apr-22	248.56	298.38	397.82	497.51
Term loan 32	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal monthly, Interest Monthly. Tenor: 60 months Maturity Date: 30-Mar-27	30-Apr-22	62.20	74.59	99.25	123.78

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particular	Security	Terms of redemption	Earliest instalment date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Term loan 33	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 60 Months Maturity Date: 30-Mar-27	30-Apr-22	250.08	300.09	400.12	410.35
Term loan 34	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 36 Months Maturity Date: 03-Apr-25	03-May-22	58.80	109.15	209.54	298.50
Term loan 35	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 45 months Maturity Date: 26-Jan-26	28-May-22	89.48	122.92	187.98	-
Term loan 36	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (2 months Moratorium). Tenor: 48 months. Maturity Date: 29-Mar-26	29-Jun-22	58.63	78.13	117.09	149.44
Term loan 37	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal monthly, Interest Monthly. Tenor: 60 months Maturity Date: 30-May-27	30-Jun-22	66.33	78.70	103.34	-
Term loan 38	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 60 Months Maturity Date: 31-May-27	30-Jun-22	133.38	158.38	208.39	-
Term loan 39	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal monthly, Interest monthly. Tenor: 48 months Maturity Date: 30-Jun-26	30-Jul-22	87.14	112.06	161.79	-
Term loan 40	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal monthly, Interest Monthly. Tenor: 48 months Maturity Date: 29-Jul-26	29-Aug-22	182.87	232.60	331.87	-
Term loan 41	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 24 months Maturity Date: 30-Jul-24	30-Aug-22	-	33.33	133.21	-
Term loan 42	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 60 Months Maturity Date: 30-Jul-27	31-Aug-22	425.13	500.15	650.17	-
Term loan 43	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Revolving Facility with yearly payout. Tenor: 12 months Maturity Date: 31-Aug-22	31-Aug-22	-	-	-	99.92
Term loan 44	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 48 months Maturity Date: 31-Aug-26	30-Sep-22	237.83	299.40	421.80	-
Term loan 45	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Monthly, Interest Monthly (6 months moratorium). Tenor: 60 months Maturity Date: 01-Mar-27	01-Oct-22	138.59	167.81	223.36	248.94
Term loan 46	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 40 months Maturity Date: 26-Jan-26	28-Oct-22	80.45	110.53	169.08	-
Term loan 47	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 48 months Maturity Date: 29-Sep-26	29-Oct-22	149.28	186.79	261.27	-

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particular	Security	Terms of redemption	Earliest instalment date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Term loan 48	First and Exclusive charge on the standard receivables with a security cover of 111%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 36 Months Maturity Date: 30-Sep-25	31-Oct-22	166.45	249.49	415.21	-
Term loan 49	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Quarterly, Interest Monthly (6months Moratorium). Tenor: 60 months Maturity Date: 31-Mar-27	31-Oct-22	597.00	695.76	892.72	989.01
Term loan 50	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Monthly, Interest Monthly (6months Moratorium). Tenor: 60 months Maturity Date: 31-Mar-27	31-Oct-22	149.23	173.91	223.13	-
Term loan 51	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Monthly, Interest Monthly (6months Moratorium). Tenor: 60 months Maturity Date: 31-Mar-27	31-Oct-22	149.18	173.87	223.07	-
Term loan 52	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 36 months Maturity Date: 30-Sep-25	31-Oct-22	149.87	224.60	373.85	-
Term loan 53	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Quarterly, Interest Monthly (6months Moratorium). Tenor: 36 months Maturity Date: 31-Mar-23	01-Nov-22	-	-	-	79.61
Term loan 54	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 36 Months Maturity Date: 03-Oct-25	03-Nov-22	127.19	185.82	302.73	-
Term loan 55	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Quarterly, Interest Monthly (6months Moratorium). Tenor: 45 months Maturity Date: 31-Mar-24	31-Dec-22	-	-	199.35	397.84
Term loan 56	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: 20 Quarterly instalments, Interest Monthly (3months Moratorium). Tenor: 60 months Maturity Date: 30-Sep-27	31-Dec-22	149.81	174.73	224.53	-
Term loan 57	First and Exclusive charge on the standard receivables with a security cover of 120%.	Repayment Terms: Principal Monthly, Interest Monthly (3 months moratorium). Tenor: 60 months Maturity Date: 01-Sep-27	01-Jan-23	254.03	295.81	379.47	-
Term loan 58	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 38 months Maturity Date: 26-Jan-26	28-Jan-23	130.43	179.19	274.06	-

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Particular	Security	Terms of redemption	Earliest instalment date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Term loan 59	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Quarterly, Interest Monthly (3months Moratorium). Tenor: 60 months Maturity Date: 28-Jul-27	01-Feb-23	472.57	556.04	708.15	-
Term loan 60	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: 11 Quarterly instalments, Interest Monthly. Tenor: 36 Months Maturity Date: 24-Aug-25	24-Feb-23	91.38	136.15	226.46	-
Term loan 61	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 48 months Maturity Date: 31-Jan-27	28-Feb-23	232.81	282.76	382.40	-
Term loan 62	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (3months Moratorium). Tenor: 24 months Maturity Date: 31-Oct-24	28-Feb-23	11.90	83.18	225.03	-
Term loan 63	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 60 Months Maturity Date: 30-Jan-28	28-Feb-23	333.43	383.45	483.47	-
Term loan 64	First and Exclusive charge on the standard receivables with a security cover of 120%.	Repayment Terms: 57 Monthly instalments, Interest Monthly (3months Moratorium). Tenor: 60 months Maturity Date: 30-Oct-27	28-Feb-23	323.16	375.46	479.54	-
Term loan 65	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Revolving Facility with yearly payout. Tenor: 12 months Maturity Date: 02-Mar-23	02-Mar-23	-	-	-	199.59
Term loan 66	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 36 Months Maturity Date: 09-Feb-26	09-Mar-23	235.53	318.40	483.75	-
Term loan 67	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 48 months Maturity Date: 13-Feb-27	13-Mar-23	120.45	145.30	194.89	-
Term loan 68	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 60 Months Maturity Date: 29-Mar-28	29-Apr-23	350.10	400.12	500.14	-
Term loan 69	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: 15 Quarterly instalments, Interest Monthly (3months Moratorium). Tenor: 48 months Maturity Date: 31-Oct-26	30-Apr-23	119.12	145.73	198.78	-
Term loan 70	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 48 months Maturity Date: 30-Mar-27	30-Apr-23	941.75	1,129.31	1,492.50	-
Term loan 71	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 60 months Maturity Date: 31-Mar-28	30-Apr-23	209.28	239.06	-	-

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Particular	Security	Terms of redemption	Earliest instalment date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Term loan 72	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Monthly, Interest Monthly (6months Moratorium). Tenor: 60 months Maturity Date: 31-Oct-27	31-May-23	1,425.77	1,623.30	1,983.98	-
Term loan 73	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Monthly, Interest Monthly (6months Moratorium). Tenor: 58 months Maturity Date: 31-Oct-27	31-May-23	285.07	324.55	396.64	-
Term loan 74	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (3months Moratorium). Tenor: 36 months Maturity Date: 28-Feb-26	30-Jun-23	189.71	256.88	368.23	-
Term loan 75	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 48 months Maturity Date: 31-May-27	30-Jun-23	330.04	391.20	-	-
Term loan 76	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (3 months moratorium). Tenor: 48 months Maturity Date: 27-Apr-27	30-Jul-23	336.00	400.80	-	-
Term loan 77	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Revolving Facility with yearly payout. Tenor: 12 months Maturity Date: 10-Aug-23	10-Aug-23	-	-	299.91	-
Term loan 78	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Monthly, Interest Monthly (6months Moratorium). Tenor: 60 months Maturity Date: 31-Jan-28	31-Aug-23	228.69	258.30	297.40	-
Term loan 79	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Monthly, Interest Monthly (6months Moratorium). Tenor: 60 months Maturity Date: 31-Jan-28	31-Aug-23	228.66	258.26	297.33	-
Term loan 80	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 48 months Maturity Date: 27-Sep-27	30-Sep-23	798.88	935.17	-	-
Term loan 81	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 60 Months Maturity Date: 30-Aug-28	30-Sep-23	391.79	441.79	-	-
Term loan 82	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 48 months Maturity Date: 31-Aug-27	30-Sep-23	360.66	421.71	-	-
Term loan 83	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Quarterly, Interest Monthly (3months Moratorium). Tenor: 24 months Maturity Date: 25-Apr-25	26-Oct-23	107.01	178.16	-	-

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particular	Security	Terms of redemption	Earliest instalment date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Term loan 84	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Quarterly, Interest Monthly (3months Moratorium). Tenor: 60 months Maturity Date: 25-Apr-28	01-Nov-23	788.34	900.51	-	-
Term loan 85	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (3 months moratorium). Tenor: 48 months Maturity Date: 21-Aug-27	21-Nov-23	75.84	88.79	-	-
Term loan 86	First and Exclusive charge on the standard receivables with a security cover of 111%.	Repayment Terms: Principal Quarterly, Interest Monthly. Tenor: 60 months Maturity Date: 30-Aug-28	30-Nov-23	398.56	448.28	-	-
Term loan 87	First and Exclusive charge on the standard receivables with a security cover of 111%.	Repayment Terms: Principal Quarterly, Interest Monthly. Tenor: 60 months Maturity Date: 30-Aug-28	30-Nov-23	398.51	448.22	-	-
Term loan 88	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal monthly, Interest Monthly. Tenor: 48 months Maturity Date: 30-Oct-27	30-Nov-23	383.85	445.82	-	-
Term loan 89	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 24 months Maturity Date: 30-Nov-25	31-Dec-23	146.93	208.01	-	-
Term loan 90	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 48 Months Maturity Date: 29-Dec-27	29-Jan-24	242.90	280.17	-	-
Term loan 91	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 48 months Maturity Date: 28-Dec-27	29-Jan-24	814.28	939.02	-	-
Term loan 92	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 48 months Maturity Date: 30-Dec-27	31-Jan-24	200.69	231.13	-	-
Term loan 93	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Quarterly, Interest monthly. Tenor: 24 months Maturity Date: 29-Oct-25	31-Jan-24	156.09	218.46	-	-
Term loan 94	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 60 Months Maturity Date: 10-Jan-29	10-Feb-24	433.46	483.47	-	-

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particular	Security	Terms of redemption	Earliest instalment date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Term loan 95	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 60 Months Maturity Date: 14-Feb-29	14-Mar-24	349.04	293.85	-	-
Term loan 96	First and Exclusive charge on the standard receivables with a security cover of 115%.	Repayment Terms: 19 equal quarterly instalments, Interest Monthly (3 months moratorium). Tenor: 58 months Maturity Date: 19-Sep-28	19-Mar-24	422.83	475.57	-	-
Term loan 97	First and Exclusive charge on the standard receivables with a security cover of 115%.	Repayment Terms: 19 equal quarterly instalments, Interest Monthly (3 months moratorium). Tenor: 58 months Maturity Date: 19-Sep-28	19-Mar-24	211.43	237.80	-	-
Term loan 98	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 60 Months Maturity Date: 26-Feb-29	26-Mar-24	441.80	491.81	-	-
Term loan 99	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (2 months moratorium). Tenor: 48 months Maturity Date: 27-Dec-27	27-Mar-24	211.19	243.53	-	-
Term loan 100	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 48 months Maturity Date: 28-Feb-28	29-Mar-24	854.80	979.14	-	-
Term loan 101	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 48 months Maturity Date: 29-Feb-28	31-Mar-24	210.86	241.27	-	-
Term loan 102	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 48 Months Maturity Date: 22-Mar-28	22-Apr-24	263.75	398.42	-	-
Term loan 103	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Semi Annually, Interest monthly. Tenor: 18 months Maturity Date: 29-Apr-25	29-Apr-24	166.57	249.77	-	-

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particular	Security	Terms of redemption	Earliest instalment date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Term loan 104	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Quarterly, Interest monthly. Tenor: 24 months Maturity Date: 29-Jan-26	30-Apr-24	187.26	249.60	-	-
Term loan 105	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Quarterly, Interest Monthly (9months Moratorium). Tenor: 60 months Maturity Date: 31-Jul-28	30-Apr-24	442.56	496.92	-	-
Term loan 106	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Quarterly, Interest Monthly (9months Moratorium). Tenor: 58 months Maturity Date: 31-Jul-28	30-Apr-24	884.83	993.47	-	-
Term loan 107	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Quarterly, Interest Monthly (9months Moratorium). Tenor: 56 months Maturity Date: 31-Jul-28	30-Apr-24	442.24	496.52	-	-
Term loan 108	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Quarterly, Interest Monthly (9months Moratorium). Tenor: 60 months Maturity Date: 31-Jul-28	30-Apr-24	882.55	993.12	-	-
Term loan 109	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Quarterly, Interest Monthly (9months Moratorium). Tenor: 59 months Maturity Date: 31-Jul-28	30-Apr-24	441.17	496.43	-	-
Term loan 110	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Quarterly, Interest Monthly (9months Moratorium). Tenor: 58 months Maturity Date: 31-Jul-28	30-Apr-24	882.18	992.65	-	-
Term loan 111	First and Exclusive charge on the standard receivables with a security cover of 127%.	Repayment Terms: Principal Quarterly, Interest Monthly (9months Moratorium). Tenor: 84 months Maturity Date: 31-Jul-30	30-Apr-24	456.85	496.29	-	-
Term loan 112	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 60 Months Maturity Date: 29-Apr-29	29-May-24	458.47	-	-	500.17
Term loan 113	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 60 months Maturity Date: 30-Apr-29	31-May-24	665.30	-	-	-
Term loan 114	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 36 months Maturity Date: 30-Apr-27	31-May-24	300.44	-	-	-

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particular	Security	Terms of redemption	Earliest instalment date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Term loan 115	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Quarterly, Interest Monthly. Tenor: 48 months Maturity Date: 29-Mar-28	29-Jun-24	870.63	-	-	-
Term loan 116	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Semi Annually, Interest monthly. Tenor: 18 months Maturity Date: 30-Jul-25	31-Jul-24	99.88	149.77	-	-
Term loan 117	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Semi Annually, Interest monthly. Tenor: 18 months Maturity Date: 30-Jul-25	31-Jul-24	66.59	99.84	-	-
Term loan 118	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal monthly, Interest Monthly. Tenor: 60 months Maturity Date: 30-Jul-29	30-Aug-24	289.24	-	-	-
Term loan 119	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 84 Months Maturity Date: 30-Jul-31	30-Aug-24	485.23	-	-	-
Term loan 120	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 48 months Maturity Date: 29-Aug-28	30-Sep-24	490.29	-	-	-
Term loan 121	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 48 months Maturity Date: 29-Aug-28	30-Sep-24	241.85	-	-	-
Term loan 122	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 48 Months Maturity Date: 25-Sep-28	25-Oct-24	497.02	-	-	-
Term loan 123	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Quarterly, Interest Monthly (3months Moratorium). Tenor: 24 months Maturity Date: 28-Apr-26	28-Oct-24	498.51	-	-	-
Term loan 124	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal monthly, Interest Monthly. Tenor: 60 months Maturity Date: 30-Sep-29	31-Oct-24	348.35	-	-	-
Term loan 125	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 48 months Maturity Date: 22-Sep-28	31-Oct-24	247.09	-	-	-
Term loan 126	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly . Tenor: 48 months Maturity Date: 26-Sep-28	31-Oct-24	247.01	-	-	-

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particular	Security	Terms of redemption	Earliest instalment date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Term loan 127	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Quarterly, Interest Monthly (3months Moratorium). Tenor: 60 months Maturity Date: 01-Oct-29	01-Nov-24	497.75	-	-	-
Term loan 128	First and Exclusive charge on the standard receivables with a security cover of 111%.	Repayment Terms: Principal Quarterly, Interest Monthly. Tenor: 60 months Maturity Date: 28-Aug-29	28-Nov-24	497.99	-	-	-
Term loan 129	First and Exclusive charge on the standard receivables with a security cover of 111%.	Repayment Terms: Principal Quarterly, Interest Monthly. Tenor: 60 months Maturity Date: 28-Aug-29	28-Nov-24	497.91	-	-	-
Term loan 130	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Quarterly, Interest Monthly. Tenor: 60 months Maturity Date: 25-Sep-29	25-Dec-24	1,488.01	-	-	-
Term loan 131	First and Exclusive charge on the standard receivables with a security cover of 125%.	Repayment Terms: Principal Quarterly, Interest Monthly. Tenor: 60 months Maturity Date: 25-Sep-29	25-Dec-24	496.00	-	-	-
Term loan 132	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (2 months moratorium). Tenor: 48 months Maturity Date: 27-Sep-28	27-Dec-24	497.64	-	-	-
				34,994.08	**30,391.01**	**19,602.35**	**8,289.87**

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particular	Security	Terms of redemption	Earliest instalment date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
From other financial institutions ("FIs"):							
Term loan from FIs 1	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (EMI Basis). Tenor: 36 months Maturity Date: 05-May-22	05-Jun-19	-	-	-	3.42
Term loan from FIs 2	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal monthly, Interest monthly(EMI Basis). Tenor: 36 months Maturity Date: 01-Jul-22	01-Aug-19	-	-	-	12.94
Term loan from FIs 3	First and Exclusive charge on the standard receivables with a security cover of 115%.	Repayment Terms: Principal Quarterly, Interest monthly . Tenor: 36 months Maturity Date: 01-Jun-22	01-Sep-19	-	-	-	9.10
Term loan from FIs 4	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal monthly, Interest monthly(EMI Basis). Tenor: 36 months Maturity Date: 30-Jan-23	01-Mar-20	-	-	-	34.21
Term loan from FIs 5	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (EMI Basis). Tenor: 36 months Maturity Date: 05-Feb-23	05-Mar-20	-	-	-	37.57
Term loan from FIs 6	First and Exclusive charge on the standard receivables with a security cover of 105%.	Repayment Terms: Principal Monthly, Interest Monthly (3 months moratorium). Tenor: 24 months Maturity Date: 31-Jan-23	30-Apr-20	-	-	-	73.43
Term loan from FIs 7	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal and interest Quarterly. Tenor: 24 months Maturity Date: 27-Jan-23	30-Apr-21	-	-	-	126.68
Term loan from FIs 8	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal monthly, Interest monthly. Tenor: 36 months Maturity Date: 30-Mar-24	30-Apr-21	-	-	83.79	167.31
Term loan from FIs 9	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 30 months Maturity Date: 03-Oct-23	03-May-21	-	-	90.82	231.66
Term loan from FIs 10	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (EMI Basis). Tenor: 48 months Maturity Date: 10-Apr-25	10-May-21	29.20	54.40	104.50	154.47
Term loan from FIs 11	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Quarterly, Interest monthly . Tenor: 36 months Maturity Date: 01-Mar-25	01-Jun-22	75.48	150.93	301.60	199.50
Term loan from FIs 12	First and Exclusive charge on the standard receivables with a security cover of 118%.	Repayment Terms: Principal Monthly, Interest Monthly (EMI Basis). Tenor: 36 months Maturity Date: 22-Feb-26	22-Mar-23	254.32	335.44	486.11	-

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particular	Security	Terms of redemption	Earliest instalment date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Term loan from FIs 13	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly. Tenor: 60 months Maturity Date: 31-Mar-28	30-Apr-23	-	-	298.54	-
Term loan from FIs 14	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (EMI Basis). Tenor: 48 months Maturity Date: 10-Apr-27	10-May-23	258.85	308.79	398.29	-
Term loan from FIs 15	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal Monthly, Interest Monthly (EMI Basis). Tenor: 48 months Maturity Date: 10-Apr-27	10-May-23	64.70	77.19	-	-
Term loan from FIs 16	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal monthly, Interest monthly. Tenor: 36 months Maturity Date: 02-May-26	05-Jun-23	278.78	362.17	-	-
Term loan from FIs 17	First and Exclusive charge on the standard receivables with a security cover of 110%.	Repayment Terms: Principal monthly, Interest monthly. Tenor: 36 months Maturity Date: 30-May-27	05-Jul-24	642.89	-	-	-
				1,604.22	**1,288.92**	**1,763.64**	**1,050.29**

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particular	Terms of redemption	Earliest instalment date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Borrowings under securitisation:						
Borrowing under securitisation 1	Repayment Terms: 36 months. Tenor: Monthly principal repayment, Interest Monthly, Turbo EIS. Maturity Date: 20-Sep-25	20-Oct-22	86.39	171.16	395.61	-
Borrowing under securitisation 2	Repayment Terms: 29 months. Tenor: Monthly principal repayment, Interest Monthly, Turbo EIS. Maturity Date: 20-Feb-26	20-Oct-23	448.84	711.53	-	-
Borrowing under securitisation 3	Repayment Terms: 29 months. Tenor: Monthly principal repayment, Interest Monthly, Turbo EIS. Maturity Date: 20-Apr-26	20-Dec-23	206.78	319.07	-	-
Borrowing under securitisation 4	Repayment Terms: 37 months. Tenor: Monthly principal repayment, Interest Monthly, Turbo EIS. Maturity Date: 20-Jan-27	20-Jan-24	1,030.26	1,397.39	-	-
Borrowing under securitisation 5	Repayment Terms: 38 months. Tenor: Monthly principal repayment, Interest Monthly, Turbo EIS. Maturity Date: 20-April 27	20-Mar-24	747.39	980.96	-	-
Borrowing under securitisation 6	Repayment Terms: 39 months. Tenor: Monthly principal repayment, Interest Monthly, Turbo EIS. Maturity Date: 20-Jun-27	20-Apr-24	394.73	497.22	-	-
Borrowing under securitisation 7	Repayment Terms: 35 months. Tenor: Monthly principal repayment, Interest Monthly, Turbo EIS. Maturity Date: 20-Jun-27	20-Apr-24	770.42	994.61	-	-
Borrowing under securitisation 8	Repayment Terms: 43 months. Tenor: Monthly principal repayment, Interest Monthly, Turbo EIS. Maturity Date: 20-Jan-28	20-Jul-24	2,683.23	-	-	-
Borrowing under securitisation 9	Repayment Terms: 48 months. Tenor: Monthly principal repayment, Interest Monthly, Turbo EIS. Maturity Date: 20-Jun-28	20-Jul-24	450.17	-	-	-
Borrowing under securitisation 10	Repayment Terms: 37 months. Tenor: Monthly principal repayment, Interest Monthly, Turbo EIS. Maturity Date: 20-Sep-27	20-Sep-24	479.05	-	-	-
Borrowing under securitisation 11	Repayment Terms: 42 months. Tenor: Monthly principal repayment, Interest Monthly, Turbo EIS. Maturity Date: 20-Feb-28	20-Sep-24	968.36	-	-	-
			8,265.62	**5,071.94**	**395.61**	**-**

Refer Note No 50 for security and credit enhancement details pertaining to borrowings from securitisation arrangements.

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
17	**Other financial liabilities (including lease liabilities)**				
	Lease liabilities (refer note 17.1)	330.01	304.03	295.15	173.42
	Employee benefits payable	380.96	369.49	192.22	105.68
	Other liabilities**	52.62	55.39	33.36	13.45
	Total	**763.59**	**728.91**	**520.73**	**292.55**

** Represents amount deducted from customers in respect of insurance and CERSAI, yet to be paid to the vendors as at reporting date.

17.1 Disclosures under Ind AS 116

The Company has entered into leasing arrangements for premises as well as for furnitures and fixtures. ROU has been included under 'Property, Plant and Equipment' and Lease liability has been included under 'Other Financial Liabilities' in the Balance Sheet.

Lease liabilities are recognised at weighted average incremental borrowing rate ranging between 9.60% and 12.23%.

(i) Maturity analysis of undiscounted lease payments

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Less than 1 year	179.17	152.14	134.14	74.21
1-2 years	128.20	125.63	103.69	60.92
2-3 years	49.64	45.22	69.13	28.47
3-4 years	9.46	14.72	18.61	17.76
4-5 years	3.86	6.35	12.36	15.97
> 5 years	1.59	2.44	6.47	13.43

(ii) Movement of Lease Liabilities

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening balance	304.03	295.15	173.42	138.44
Additions during the period/ year	111.32	175.92	213.20	105.76
Interest on lease liabilities	16.80	31.85	22.78	19.00
Rent payment	(90.75)	(154.58)	(101.40)	(81.64)
Derecognition on termination of lease	(11.39)	(44.31)	(12.85)	(8.14)
Closing balance	**330.01**	**304.03**	**295.15**	**173.42**

(iii) For movement in carrying value of right of use assets, refer note 12.1.

(iv) Amounts recognised in the Statement of Profit and Loss

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Depreciation charge for right-of-use assets	79.42	134.73	89.68	73.38
b) Interest expense (included in finance cost)	16.79	31.85	22.78	19.00
c) Expense relating to short-term leases	-	-	-	-

(v) Cash Flows

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
The total cash outflow of leases	92.62	151.80	106.80	79.87

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
18	**Provisions**				
	Provision for employee benefits				
	Provision for gratuity (refer note 34.2)	27.54	3.44	53.39	25.20
	Provision for compensated absences	133.97	83.17	28.96	16.42
	Impairment loss allowance for undrawn commitments	5.27	-	-	-
	Total	**166.78**	**86.61**	**82.35**	**41.62**

Analysis of changes in the gross carrying amount and the corresponding ECL allowance in relation to Impairment Loss on undrawn commitments
Gross exposure reconciliation

Particulars	As at September 30, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
As at the beginning of the period/ year	-	-	-	-
Additions during the period/ year	1,318.17	-	-	**1,318.17**
Deletions during the period/ year	-	-	-	-
As at the end of the period/ year	**1,318.17**	**-**	**-**	**1,318.17**

Particulars	As at March 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
As at the beginning of the period/ year	-	-	-	-
Additions during the period/ year	-	-	-	-
Deletions during the period/ year	-	-	-	-
As at the end of the period/ year	**-**	**-**	**-**	**-**

Particulars	As at March 31, 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
As at the beginning of the period/ year	-	-	-	-
Additions during the period/ year	-	-	-	-
Deletions during the period/ year	-	-	-	-
As at the end of the period/ year	**-**	**-**	**-**	**-**

Particulars	As at March 31, 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
As at the beginning of the period/ year	-	-	-	-
Additions during the period/ year	-	-	-	-
Deletions during the period/ year	-	-	-	-
As at the end of the period/ year	**-**	**-**	**-**	**-**

Reconciliation of ECL Balance

Particulars	As at September 30, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
As at the beginning of the period/ year	-	-	-	-
Additions during the period/ year	5.27	-	-	**5.27**
Deletions during the period/ year	-	-	-	
As at the end of the period/ year	**5.27**	**-**	**-**	**5.27**

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022

Particulars	As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the period/ year	-	-	-	-
Additions during the period/ year	-	-	-	-
Deletions during the period/ year	-	-	-	
As at the end of the period/ year	-	-	-	-

Particulars	As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the period/ year	-	-	-	-
Additions during the period/ year	-	-	-	-
Deletions during the period/ year	-	-	-	
As at the end of the period/ year	-	-	-	-

Particulars	As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the period/ year	-	-	-	-
Additions during the period/ year	-	-	-	-
Deletions during the period/ year	-	-	-	
As at the end of the period/ year	-	-	-	-

19 Other non-financial liabilities

Statutory dues payable	50.77	55.78	38.62	20.44
Others*	2.77	3.03	-	-
	53.54	**58.81**	**38.62**	**20.44**

*Others represents fee income (net) with respect to loans which are sanctioned but not disbursed.

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

	Particulars	**As at September 30, 2024**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
20	**Equity share capital**				
	Authorised				
	202,000,000 (March 31, 2024: 136,980,000, March 31, 2023 : 64,980,000 and March 31, 2022 : 64,980,000) equity shares of INR 10 each	2,020.00	1,369.80	649.80	649.80
	Nil (March 31, 2024 : 44,136,448, March 31, 2023 : 44,136,448 and March 31, 2022: 44,136,448) compulsory convertible preference shares of INR 10 each	-	441.36	441.36	441.36
	Nil (March 31, 2024: 13,922,368, March 31, 2023: 13,922,368 and March 31, 2022: 13,922,368) compulsory convertible preference shares of INR 15 each	-	208.84	208.84	208.84
		2,020.00	**2,020.00**	**1,300.00**	**1,300.00**
	Issued, subscribed and paid-up				
	Fully paid-up				
	Equity Shares				
	131,278,209 (March 31, 2024: 127,017,947, March 31, 2023: 47,874,975 and March 31, 2022: 47,230,975) equity shares of INR 10 each	1,312.78	1,270.18	478.75	472.31
	Instruments entirely Equity in nature - compulsory convertible preference shares				
	Nil (March 31, 2024: Nil, March 31, 2023: 23,655,716 and March 31, 2022: 23,655,716) 0.01% compulsory convertible preference shares of INR 10 each	-	-	236.56	236.56
	Nil (March 31, 2024: Nil, March 31, 2023: 20,480,732 and March 31, 2022: 20,480,732) 0.0001% compulsory convertible preference shares of INR 10 each	-	-	204.81	204.81
	Nil (March 31, 2024: Nil, March 31, 2023: 13,921,801 and March 31, 2022: 13,921,801) 0.0001% compulsory convertible preference shares of INR 15 each	-	-	208.82	208.82
	Issued, subscribed, called and paid-up				
	Partly paid-up				
	Equity Shares				
	Nil (March 31, 2024: 5,013,262, March 31, 2023: 13,298,744 and March 31, 2022: 13,298,744) equity shares of INR 10 each, Re. 1 paid up	-	5.01	13.30	13.30
	Forfeited share capital (refer note 20.9)				
	800,000 (March 31, 2024: Nil, March 31, 2023: Nil and March 31, 2022: Nil) equity shares	0.80	-	-	-
		1,313.58	**1,275.19**	**1,142.24**	**1,135.80**

Note: 1) During the Financial year 2023-24, in accordance with the memorandum of association, articles of association, and amended and restated shareholders agreement dated 21 June 2023, executed among the Company and the shareholders, all Compulsory convertible preference shares (CCPS) as mentioned in note 20.1 were converted into Equity shares of INR 10 each at a ratio of 1:1. The same was approved via board resolution dated 15 September 2023.
2) During the six months period ended September 30, 2024, the authorised share capital of the Company amounting to INR 650.19 million , was reclassified from CCPS to equity share capital, vide board resolution dated June 10, 2024.

20.1 Reconciliation of shares outstanding at the beginning and at the end of the period/ year

	As at September 30, 2024		**As at March 31, 2024**		**As at March 31, 2023**		**As at March 31, 2022**	
	No. of shares	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Equity shares of INR 10 each								
At the commencement of the period/ year	13,20,31,209	1,275.19	6,11,73,719	492.05	6,05,29,719	485.61	4,71,27,752	351.59
Add: Equity shares issued during the period/ year- ESOP*	47,000	0.47	18,73,000	18.73	6,44,000	6.44	67,500	0.68
Add: Equity shares issued during the period/ year- fully paid up	-	-	82,36,723	82.38	-	-	1,33,34,467	133.34
Add: Equity shares issued during the period/ year- partly paid up (refer note 20.9)	-	-	26,89,518	2.69	-	-	-	-
Add: Proceeds on conversion of partly paid equity shares to fully paid equity shares	-	37.92	-	98.77	-	-	-	-
Less: Forfeited during the period/ year (refer note 20.9)	(8,00,000)	(0.80)	-	-	-	-	-	-
Add: Converted during the period/ year	-	-	5,80,58,249	580.58	-	-	-	-
At the end of the period/ year**	**13,12,78,209**	**1,312.78**	**13,20,31,209**	**1,275.19**	**6,11,73,719**	**492.05**	**6,05,29,719**	**485.61**
Forfeited Equity shares of INR 10 each	**No. of shares**	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**
At the commencement of the period/ year	-	-	-	-	-	-	-	-
Add: Forfeited during the period/ year	8,00,000	0.80	-	-	-	-	-	-
At the end of the period/ year	**8,00,000**	**0.80**	**-**	**-**	**-**	**-**	**-**	**-**

* Shares reserved for issue under option:
Information relating to Employee Stock Option Schemes including details of options issued, exercised and lapsed during the reporting period/ year and options outstanding at the end of the reporting period/ year, is set out in note 40
During the six months period ended 30 September 2024, the Company allotted 47,000 equity shares (during the year ended 31 March 2024: 18,73,000, March 31, 2023 : 644,000 and March 31, 2022 : 67,500) to employees who exercised their options under ESOP scheme.

**Includes partly paid up shares to the extent of Nil as at 30 September 2024, 5,013,262 as at 31 March 2024, 13,298,744 as at 31 March 2023 and 13,298,744 as at 31 March 2022 equity shares of INR 10 each, INR 1 paid up

Series B: 0.01% CCPS of INR 10 each								
At the commencement of the period/ year	-	-	2,36,55,716	236.56	2,36,55,716	236.56	2,36,55,716	236.56
Add: Issued during the period/ year	-	-	-	-	-	-	-	-
Less: Converted into equity shares during the period/ year	-	-	2,36,55,716	236.56	-	-	-	-
At the end of the period/ year	**-**	**-**	**-**	**-**	**2,36,55,716**	**236.56**	**2,36,55,716**	**236.56**
Series C& E: 0.0001% CCPS of INR 10 each								
At the commencement of the period/ year	-	-	2,04,80,732	204.81	2,04,80,732	204.81	2,04,80,732	204.81
Add: Issued during the period/ year	-	-	-	-	-	-	-	-
Less: Converted into equity shares during the period/ year	-	-	2,04,80,732	204.81	-	-	-	-
At the end of the period/ year	**-**	**-**	**-**	**-**	**2,04,80,732**	**204.81**	**2,04,80,732**	**204.81**
Series D: 0.0001% CCPS of INR 15 each								
At the commencement of the period/ year	-	-	1,39,21,801	208.83	1,39,21,801	208.83	1,39,21,801	208.83
Add: Issued during the period/ year	-	-	-	-	-	-	-	-
Less: Converted into equity shares during the period/ year	-	-	1,39,21,801	139.22	-	-	-	-
Less: Transfer to securities premium on conversion of CCPS during the period/ year	-	-	-	69.61				
At the end of the period/ year	**-**	**-**	**-**	**-**	**1,39,21,801**	**208.83**	**1,39,21,801**	**208.83**

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

20.2 Details of Promoter Holdings

The Company had identified Mr. D. Arulmany and Ms. Vidya Arulmany as the promoters of the Company. Pursuant to the resolution passed by the Board of Directors on December 19, 2024 considering the extant regulations of Securities Exchange Board of India, the Company does not have any identifiable promoter in terms of Companies Act, 2013.

Consequent to the above, on December 20, 2024, the Company has revised the annual return filed with Ministry of Corporate Affairs for the year ended March 31, 2024. Accordingly, there are no promoter holding as at and for the period ended September 30, 2024. For disclosures relating to the year ended March 31, 2024, March 31, 2023 and March 31, 2022, refer below tables:

Details as at 31 March 2024

Name of the Promoter	No of Shares as at April 01, 2023	Opening % of Shares	Movement during the year	No of Shares as at March 31, 2024	Closing % of Shares	% of Change during the year
Equity Shares						
Fully paid up shares						
D. Arulmany	33,50,000	2.81%	78,86,229	**1,12,36,229**	8.51%	5.70%
Vidya Arulmany	5,00,000	0.42%	-	**5,00,000**	0.38%	-0.04%
Partly paid up shares						
D. Arulmany	1,32,98,744	11.15%	(95,85,482)	**37,13,262**	2.81%	-8.34%

Details as at 31 March 2023

Name of the Promoter	No of Shares as at April 01, 2022	Opening % of Shares	Movement during the year	No of Shares as at March 31, 2023	Closing % of Shares	% of Change during the year
Equity Shares						
Fully paid up shares						
D. Arulmany	33,50,000	2.82%	-	**33,50,000**	2.81%	-0.01%
Vidya Arulmany	5,00,000	0.42%	-	**5,00,000**	0.42%	0.00%
Partly paid up shares						
D. Arulmany	1,32,98,744	11.21%	-	**1,32,98,744**	11.15%	-0.06%

Details as at 31 March 2022

Name of the Promoter	No of Shares as at April 01, 2021	Opening % of Shares	Movement during the year	No of Shares as at March 31, 2022	Closing % of Shares	% of Change during the year
Equity Shares						
Fully paid up shares						
D. Arulmany	33,50,000	**3.18%**	-	**33,50,000**	2.82%	-
Vidya Arulmany	5,00,000	**0.48%**	-	**5,00,000**	0.42%	-
Partly paid up shares						
D. Arulmany	1,32,98,744	**12.64%**	-	**1,32,98,744**	11.21%	-

20.3 Details of shareholders holding more than 5% shares of each class of shares

	As at September 30, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
Equity shares of INR 10*	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding	No. of shares	No. of shares
Norwest Venture Partners X Mauritius	2,87,50,308	21.90%	2,87,50,308	21.78%	1,62,96,868	26.64%	1,62,96,868	26.92%
Kedaara Capital Fund II LLP	2,00,87,374	15.30%	2,00,87,374	15.21%	92,03,102	15.04%	92,03,102	15.20%
British International Investment Plc.**	1,37,60,568	10.48%	1,37,60,568	10.42%	100	0.00%	-	-
D. Arulmany	1,24,49,491	9.48%	1,49,49,491	11.32%	1,66,48,744	27.22%	1,66,48,744	27.51%
Lok Capital Growth Fund	1,07,57,276	8.19%	1,07,57,276	8.15%	15,100	0.02%	-	-
Multiples Private Equity Fund III	1,02,95,904	7.84%	1,02,95,904	7.80%	-	-	-	-
Venus Investments Private Limited	1,02,95,904	7.84%	1,02,95,904	7.80%	-	-	-	-
Sheela Pai Cole	-	-	33,64,247	2.55%	36,64,247	5.99%	36,64,247	6.05%
Sunaina Pai Ocalan	-	-	32,61,518	2.47%	35,61,518	5.82%	35,61,518	5.88%
Evolvence India Fund III Limited	-	-	30,81,474	2.33%	30,81,474	5.04%	22,42,424	3.70%
0.01% CCPS of INR 10 each #								
British International Investment Plc.**	-	-	-	-	1,39,78,396	59.09%	1,39,78,396	59.09%
Lok Capital Growth Fund	-	-	-	-	86,02,051	36.36%	86,02,051	36.36%
0.0001% CCPS of INR 10 each #								
Lok Capital Growth Fund	-	-	-	-	53,56,803	26.16%	53,56,803	26.16%
British International Investment Plc. **	-	-	-	-	22,29,081	10.88%	22,29,081	10.88%
Kedaara Capital Fund II LLP	-	-	-	-	1,04,18,028	50.87%	1,04,18,028	50.87%
Norwest Ventures X Mauritius	-	-	-	-	24,76,820	12.09%	24,76,820	12.09%
0.0001% CCPS of INR 15 each #								
British International Investment Plc.**	-	-	-	-	45,54,206	32.71%	45,54,206	32.71%
Norwest Ventures X Mauritius	-	-	-	-	93,67,595	67.29%	93,67,595	67.29%

* includes Nil (March 2024: 37,13,262, March 2023: 13,298,744 and March 2022: 13,298,744) partly paid up equity shares of INR 10 each (INR 1 paid up)

** Previously known as CDC Group Plc, renamed as British International Investment Plc with effect from 4 April 2022

#During the Financial year 2023-24, in accordance with the Memorandum of Association, Articles of Association, and amended and restated shareholders agreement dated 21 June 2023, executed among the Company and the shareholders, all types of CCPS were converted into Equity shares of INR 10 each at a ratio of 1:1. The same was approved via board resolution dated 15 September 2023.

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20.4 Rights, preferences and restrictions attached to each class of shares

A. Equity shares

The Company has a single class of equity shares. Each holder is entitled to one vote per equity share. Accordingly all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. Dividends are paid in Indian Rupees. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the General Meeting, except in the case of interim dividend.

The holders of partly paid equity shares are entitled to one vote on every partly paid equity share in the same manner as if the shares were fully paid up.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

B. i) Series B : 0.01% Compulsory Convertible Preference Shares

Series B 0.01% CCPS having a par value of INR 10 is convertible in the ratio of 1:1 and are treated pari-passu with equity shares on all voting rights. The issued terms offered for conversion at the option of the preference shareholders. The CCPS if not converted by the preference shareholders were compulsorily converted into equity shares upon any of the following events:

a. In connection with an IPO, immediately prior to the filing of an offer document (or equivalent document, by whatever name called) with the competent authority or such later date as may be permitted under applicable Law at the relevant time; or

b. Prior to an exit if required by the purchaser pursuant to a financial or strategic sale under Clause 9 of the Shareholders Agreement ; and

c. The final conversion date is 3 May 2036.

Till conversion, the holders of CCPS were entitled to a dividend of 0.01%, if any, declared upon profits of the Company and a proportionate dividend, if any declared on equity shares on 'as converted' basis.

During the financial year 2017-18, 2,150,539 out of 25,806,255, Series B 0.01% Compulsory Convertible Preference Shares (CCPS) were converted into equity shares on 13 July 2017.

During the financial year 2023-24, the balance outstanding in Series B of 23,655,716, 0.01% CCPS were converted into equity shares of INR 10 each at a ratio of 1:1. The same was approved via board resolution dated 15 September 2023.

ii) Series C : 0.0001% Compulsory Convertible Preference Shares

Series C 0.0001% CCPS having a par value of INR 10 is convertible in the ratio of 1:1 and are treated pari-passu with equity shares on all voting rights. The issued terms offered for conversion at the option of the preference shareholders. The CCPS if not converted by the preference shareholders were compulsorily converted into equity shares upon any of the following events:

a. In connection with an IPO, immediately prior to the filing of an offer document (or equivalent document, by whatever name called) with the competent authority or such later date as may be permitted under applicable Law at the relevant time; or

b. Prior to an exit if required by the purchaser pursuant to a financial or strategic sale under Clause 9 of the Shareholders Agreement ; and

c. The final conversion date is 10 May 2037.

Till conversion, the holders of CCPS were entitled to a dividend of 0.0001%, if any, declared upon profits of the Company and a proportionate dividend, if any declared on equity shares on 'as converted' basis.

During the financial year 2023-24, the entire outstanding shares of 5,494,514 in Series C, 0.0001% CCPS were converted into equity shares of INR 10 each at a ratio of 1:1. The same was approved via board resolution dated 15 September 2023.

iii) Series D : 0.0001% Compulsory Convertible Preference Shares

Series D 0.0001% Compulsory Convertible Preference Shares (CCPS) having a par value of INR 15 is convertible in the ratio of 1:1 and are treated pari-passu with equity shares on all voting rights. The issued terms offered for conversion at the option of the preference shareholders. The CCPS if not converted by the preference shareholders were compulsorily converted into equity shares upon any of the following events:

a. In connection with an IPO, immediately prior to the filing of an offer document (or equivalent document, by whatever name called) with the competent authority or such later date as may be permitted under applicable Law at the relevant time; or

b. Prior to an exit if required by the purchaser pursuant to a financial or strategic sale under Clause 9 of the Shareholders Agreement; and

c. The final conversion date is 19 September 2038.

Till conversion, the holders of CCPS were entitled to a dividend of 0.0001%, if any, declared upon profits of the Company and a proportionate dividend, if any declared on equity shares on 'as converted' basis.

During the financial year 2023-24, the entire outstanding shares of 13,921,801 in Series D, 0.0001% CCPS were converted into equity shares of INR 10 each at a ratio of 1:1. The same was approved via board resolution dated 15 September 2023.

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20.4 Rights, preferences and restrictions attached to each class of shares (continued)

iv) Series E : 0.0001% Compulsory Convertible Preference Shares

Series E 0.0001% Compulsory Convertible Preference Shares (CCPS) having a par value of INR 10 is convertible in the ratio of 1:1 and are treated pari-passu with equity shares on all voting rights. The issued terms offered for conversion at the option of the preference shareholders. The CCPS if not converted by the preference shareholders were compulsorily converted into equity shares upon any of the following events:

a. In connection with an IPO, immediately prior to the filing of an offer document (or equivalent document, by whatever name called) with the competent authority or such later date as may be permitted under applicable Law at the relevant time; or

b. Prior to an exit if required by the purchaser pursuant to a financial or strategic sale under Clause 9 of the Shareholders Agreement ; and

c. The final conversion date is 26 February 2039.

Till conversion, the holders of CCPS were entitled to a dividend of 0.0001%, if any, declared upon profits of the Company and a proportionate dividend, if any declared on equity shares on 'as converted' basis.

During the financial year 2023-24, the entire outstanding shares of 14,986,218 in Series E, 0.0001% CCPS were converted into equity shares of INR 10 each at a ratio of 1:1. The same was approved via board resolution dated 15 September 2023.

20.5 Employee Stock Option Scheme

Refer note 40 for details of Employee Stock Option Scheme issued by the Company

20.6 Preferential offer to Mr. D. Arulmany, Managing Director and Chief Executive Officer

During the year 2023-24, the Company has issued 1,389,518 partly paid equity shares of INR 10 each at a premium of INR 475.63 per share each paid up to the extent of INR 1 per share to Mr. D. Arulmany, Managing Director and Chief Executive Officer through preferential allotment and private placement. The unpaid amount of INR 484.63 per share including premium was called for during July 2024.

20.7 There are no bonus shares, non-cash shares issued in the last 5 years

20.8 Share warrants to certain employees

The Company vide its Investment Agreement dated 1 June 2017 read with amended agreement dated 12 October 2018 has provided certain preferential rights to certain employees of the Company, to subscribe to an aggregate of 266,667 equity shares of the Company at a pre-determined price of INR 75 per share, not later than 30 November 2023 (the Board of Directors and shareholders of the Company had extended the last date from 30 November 2022 to 30 November 2023, vide resolutions passed at board meeting and extraordinary general meeting dated 10 August 2022 and 02 September 2022 respectively).

Further, the Company vide its first amendment agreement dated 30 November 2023 to the amended and restated shareholders agreement dated 21 June 2023 and resolution passed at the extraordinary general meeting dated 23 December 2023, had extended the last date from 30 November 2023 to 31 March 2024.

Subsequently, the warrants were not exercised by the employees and the same stands extinguished as at 31 March 2024.

20.9 Partly paid shares

As at March 31, 2023, the Company had 1,32,98,744 partly up paid shares of INR 1 per share . During the year ended 31 March 2024, the Company issued additional partly paid equity shares of 2,689,518 of INR 1 per share and converted 10,975,000 partly paid equity shares to fully paid equity share pursuant to the board resolution passed on 05 July 2023 resulting in 50,13,262 partly paid up share as at 31 March 2024.

During the six months period ended 30 September 2024, the Board of Directors of the Company at its meeting held on 16 July 2024 has called for money payable on 50,13,262 partly paid equity shares of the Company. Consequently, Company collected INR 37.92 million towards equity capital and INR 1,375.48 million towards securities premium aggregating to INR 1413.40 million on the partly paid-up equity shares and converted the same to fully paid-up equity shares. Further, 800,000 partly paid-up equity shares were forfeited pursuant to the provision in Articles of Association of the Company and in accordance with the applicable provisions and rules of the Companies Act, 2013 for non-payment of call money.

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
21	**Other equity**				
	Securities premium	17,197.96	15,812.31	11,035.94	10,970.72
	Retained earnings	6,137.97	4,821.69	2,856.90	1,462.74
	Statutory reserve as per Section 45-IC of the RBI Act, 1934	1,237.55	1,237.55	747.45	394.64
	Share options outstanding account	219.45	148.80	130.05	116.58
		24,792.93	**22,020.35**	**14,770.34**	**12,944.68**
i.	**Securities premium**				
	Opening balance	15,812.31	11,035.94	10,970.72	6,700.92
	Add: Premium on shares issued during the period/ year	1,381.84	4,721.79	48.17	4,271.07
	Add: Premium on conversion of preference shares issued during the period/ year (refer note below)	-	69.61	-	-
	Add: Transfer from share options outstanding account on exercise of options	3.81	58.56	17.05	1.35
	Less: Utilised during the period/ year for share issue expenses	-	(73.59)	-	(2.62)
	Closing balance	**17,197.96**	**15,812.31**	**11,035.94**	**10,970.72**

Note: During the Financial year 2023-24, in accordance with the memorandum of association, articles of association, and amended and Shareholder's agreement dated 21 June 2023, executed among the Company and the shareholders, all Compulsory convertible preference shares (CCPS) as mentioned in note 20.1 were converted into Equity shares of INR 10 each at a ratio of 1:1. The same was approved via board resolution dated 15 September 2023.

ii.	**Retained earnings**				
	Opening balance	4,821.69	2,856.90	1,462.74	855.05
	Add: Net Profit for the period/ year	1,331.08	2,450.52	1,764.04	754.04
	Less : Appropriations				
	- Transfer to statutory reserve as per Section 45-IC of the RBI Act, 1934	-	(490.10)	(352.81)	(150.81)
	Add: Transfer from other comprehensive income	(16.20)	4.37	(17.07)	4.46
	Add: Transfer from Share options outstanding account on lapse of options	1.40			
	Closing balance	**6,137.97**	**4,821.69**	**2,856.90**	**1,462.74**
iii.	**Statutory reserve as per Section 45-IC of the RBI Act, 1934**				
	Opening balance	1,237.55	747.45	394.64	243.83
	Add: Amount transferred from Retained earnings	-	490.10	352.81	150.81
	Closing balance	**1,237.55**	**1,237.55**	**747.45**	**394.64**
iv.	**Share options outstanding account**				
	Opening balance	148.80	130.05	116.58	78.60
	Add: Share based payment expense	75.86	77.31	30.52	39.33
	Less : Transfer to securities premium on allotment of shares	(3.81)	(58.56)	(17.05)	(1.35)
	Less : Transfer to retained earnings on lapse of options	(1.40)	-	-	-
	Closing balance	**219.45**	**148.80**	**130.05**	**116.58**

The Company has established equity-settled share based payment plans for certain categories of employees of the Company. Also refer note 40 for further details of these plans.

Notes:

a. Securities premium reserve is used to record the premium on issue of shares. The premium received during the year represents the premium received towards allotment of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares, buy back of its own shares and securities in accordance with the provisions of the Companies Act, 2013.

b. Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend pay-outs, transfers to general reserve or any such other appropriations to specific reserves.

c. Statutory reserve represents the reserve created as per Section 45-IC of the RBI Act, 1934 pursuant to which a Non-Banking Financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit annually as disclosed in the Statement of Profit and Loss account.

d. Share options outstanding account represents reserve created to the extent of granted options based on the Employees Stock Option Schemes. Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

Veritas Finance Limited
(formerly known as Veritas Finance Private Limited)
Restated Summary Statements
Annexure V - Summary of material accounting policies and other explanatory information
(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

	Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
22	**Interest income**				
	(On financial assets measured at amortised cost)				
	Interest income on loans	6,731.06	10,293.31	6,336.98	4,093.00
	Interest income on term deposits	141.04	269.71	184.79	165.75
	Interest income on security deposits	8.67	7.62	2.86	2.41
		6,880.77	**10,570.64**	**6,524.63**	**4,261.16**
23	**Fee and commission income**				
	Legal and documentation fees	13.64	86.82	53.95	24.47
	Instrument bounce charges	56.62	93.05	60.28	32.17
	Preclosure charges	74.78	106.98	54.23	26.83
	Penal charges	11.07	24.78	14.81	8.80
	Others*	3.42	7.00	3.66	3.53
		159.53	**318.63**	**186.93**	**95.80**
	* Income in the nature of statement of accounts, cancellation charges, tranche disbursement charges are included.				
	Timing of revenue recognition:				
	- That are recognised over a period of time	-	-	-	-
	- That are recognised at a point of time	159.53	318.63	186.93	95.80
	Geographical Market				
	- In India	159.53	318.63	186.93	95.80
	- Outside India	-	-	-	-
	Contract Balances				
	- Trade receivables (net of ECL)	-	-	-	-
24	**Net gain / (loss) on fair value changes**				
	Net gain on financial instruments at fair value through profit or loss				
	On trading portfolio				
	-Mutual fund investments - Realised	125.67	222.05	90.65	64.05
	-Mutual fund investments - Unrealised	0.79	-	-	(0.16)
		126.46	**222.05**	**90.65**	**63.89**
25	**Sale of services**				
	Service fees for management of securitised loans	1.78	0.71	0.10	-
		1.78	**0.71**	**0.10**	**-**
	Timing of revenue recognition:				
	- That are recognised over a period of time	-	-	-	-
	- That are recognised at a point of time	1.78	0.71	0.10	-
	Geographical Market				
	- In India	1.78	0.71	0.10	-
	- Outside India	-	-	-	-
	Contract Balances				
	- Trade receivables (net of ECL)	-	-	-	-
26	**Other income**				
	Profit on:				
	- Sale of property, plant and equipment (net)	-	1.11	-	0.43
	- Disposal of right of use asset	1.59	3.07	1.03	0.99
	Interest on income tax refund	-	-	4.60	-
	Interest Income - Others	-	0.00	0.03	-
	Advertisement income	30.99	58.72	-	-
		32.58	**62.90**	**5.66**	**1.42**

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

	Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
27	**Finance costs**				
	On financial liabilities measured at amortised cost				
	Interest on borrowings other than debt securities				
	- term loans from banks	1,591.22	2,549.64	1,279.87	548.24
	- cash credits and overdraft from banks	0.14	0.43	0.42	0.19
	- term loans from others	82.05	167.50	105.11	155.09
	- securitisation	343.22	141.63	22.42	-
	Interest on debt securities	212.16	253.11	254.28	561.35
	Interest expenses on lease liabilities	16.79	31.85	22.78	19.00
		2,245.58	**3,144.16**	**1,684.88**	**1,283.87**
28	**Fees and commission expense**				
	Fees and commission expense	8.61	43.52	19.99	7.26
		8.61	**43.52**	**19.99**	**7.26**
29	**Impairment on financial instruments**				
	At amortised cost				
	Impairment loss allowance:				
	- on loans - measured at amortised cost	274.02	311.23	28.53	167.47
	- on receivables and other financial assets - measured at amortised cost	(0.96)	0.85	0.61	0.27
	- on undrawn commitments	5.27	-	-	-
	Loans written off	406.10	652.25	438.91	425.81
	Recovery on loans written off	(40.10)	(62.67)	(14.04)	(14.00)
		644.33	**901.66**	**454.01**	**579.55**
30	**Employee benefits expenses**				
	Salaries, bonus and wages	1,669.06	2,472.93	1,477.89	956.61
	Contribution to provident fund and ESI	92.57	147.71	94.31	65.23
	Expenses related to gratuity (refer note 34)	36.67	96.94	7.38	9.17
	Expenses related to compensated absences	61.30	60.08	15.67	2.60
	Share based payment expense (refer note 40)	75.86	77.31	30.52	39.33
	Staff welfare expenses	50.87	61.13	43.93	25.49
		1,986.33	**2,916.10**	**1,669.70**	**1,098.43**
31	**Depreciation and amortization**				
	Depreciation of property, plant and equipment (including right of use asset)	124.09	217.60	133.96	111.84
	Amortisation of intangible assets	17.94	18.03	17.18	30.70
		142.03	**235.63**	**151.14**	**142.54**

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

	Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
32	**Other expenses**				
	Energy costs	10.42	17.28	11.52	8.35
	Rates and taxes	45.90	66.22	42.85	24.71
	Repairs and maintenance	21.76	37.27	25.74	19.05
	Communication costs	18.28	46.95	39.45	25.76
	Printing and stationery	9.56	19.09	15.19	8.54
	Advertisement and business promotion	18.68	13.75	6.15	2.39
	Directors fees, allowances and expenses	1.43	9.70	6.10	5.93
	Auditors' fees and expenses (refer note 32.1)	13.64	5.37	4.10	3.30
	Legal and professional charges	90.03	142.91	85.26	55.56
	Insurance	1.81	2.00	1.94	0.86
	Corporate social responsibility expenses (refer note 32.3)	47.57	30.43	18.47	12.66
	Travel and conveyance expenses	51.62	213.84	158.35	72.36
	Information technology expenses	56.88	76.66	67.44	50.33
	Cash Management Services	12.85	22.20	15.22	6.81
	Bank Charges	0.10	0.24	0.04	0.33
	Donation	-	-	1.00	-
	Loss on sale of property, plant and equipment (net)	1.20	-	0.34	-
	Other expenses*	0.51	0.31	0.59	0.05
		402.24	**704.22**	**499.75**	**296.99**

* Represents expenses towards periodical expenses, CERSAI charges, etc.

32.1	**Payments to auditors (including accruals)**				
	Statutory audit including interim audits, limited reviews and certificates (refer note 1 & 2 below)	13.11	5.00	4.10	3.30
	Tax audit	0.10	-	-	-
	Reimbursement of expenses	0.43	0.37	-	-
		13.64	**5.37**	**4.10**	**3.30**

Note 1: During the six months period ended 30 September 2024, the payment to auditors excludes remuneration to current auditor in connection with proposed initial public offer of equity shares of the Company which is included under share issue expenses (refer note 13). These costs will also be recovered from selling shareholders as a part of agreement.

Note 2: Payment to auditors for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 represents amount paid to predecessor auditors.

32.2 Expenditure and earnings in foreign currency (on accrual basis)

	Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	**Expenditure in foreign currency**				
	Advertisement Expenses	0.02	-	-	-
(b)	**Remittances in Foreign Currency**				
	Offer expenses in connection with the proposed Initial Public Offer *	6.48	-	-	-
(c)	There are no dividend paid in foreign currency				

* Represents expense incurred in connection with proposed initial public offer of equity shares of the Company, recoverable from investors as part of the agreement included in share issue expenses (refer note 13).

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

	Particulars	**For the six months period ended September 30, 2024**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
32.3	**Details of expenditure on corporate social responsibility (CSR)**				
	(a) Gross amount required to be spent by the Company during the year*	47.57	30.43	18.47	12.66
	(b) Amount approved by the Board to be spent during the year*	47.57	30.43	18.47	12.66
	(c) Amount spent during the year (in cash) :				
	(i) Construction/ acquisition of any asset	-	-	-	-
	(ii) On purposes other than (i) above	10.37	15.30	18.47	8.91
	(d) Details of related party transactions out of the above-contribution to a trust - Veritas Foundation	47.57	10.00	18.47	-

*Represents the amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 and amount approved by the Board for the year 31 March 2025, 31 March 2024, 31 March 2023 and 31 March 2022

The primary nature of expenses include education, health care and sanitation and transfer of funds to the Veritas Foundation from where the ultimate spend would be monitored.

(e) (i) In case of S. 135(5) (other than ongoing project)**

Opening balance	-	-	3.75	-
Amount required to be spent during the period/ year	10.00	15.30	18.47	12.66
Less: amount spent during the period/ year	(10.00)	(15.30)	(22.22)	(8.91)
Closing balance	**-**	**-**	**-**	**3.75**

(e) (ii) In case of S. 135(6) (ongoing project)**

From 01 April 2024 to 30 September 2024	**Opening Balance**		**Amount required to be spent during the period**	**Spent during the period from**		**Closing Balance**	
	With Company	**In Separate CSR Unspent AC**		**Company's Bank AC**	**In Separate CSR Unspent AC**	**With Company**	**In Separate CSR Unspent AC**
	-	15.13	37.57	0.37	5.00	37.20	10.13

From 01 April 2023 to 31 March 2024	**Opening Balance**		**Amount required to be spent during the period**	**Spent during the year from**		**Closing Balance**	
	With Company	**In Separate CSR Unspent AC**		**Company's Bank AC**	**In Separate CSR Unspent AC**	**With Company**	**In Separate CSR Unspent AC**
	-	-	15.13	-	-	-	15.13

From 01 April 2022 to 31 March 2023	**Opening Balance**		**Amount required to be spent during the period**	**Spent during the year from**		**Closing Balance**	
	With Company	**In Separate CSR Unspent AC**		**Company's Bank AC**	**In Separate CSR Unspent AC**	**With Company**	**In Separate CSR Unspent AC**
	-	-	-	-	-	-	-

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particulars	**For the six months period ended September 30, 2024**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**

	Opening Balance		**Amount required to be spent during the period**	**Spent during the year from**		**Closing Balance**	
From 01 April 2021 to 31 March 2022	**With Company**	**In Separate CSR Unspent AC**		**Company's Bank AC**	**In Separate CSR Unspent AC**	**With Company**	**In Separate CSR Unspent AC**
	-	-	-	-	-	-	-

Notes:

1 As at 31 March 2022: The Company has contributed on 21 April 2022 an amount of INR 3.75 million to PM CARES FUND, as it could not identify any specific project before 31 March 2022

2 INR 15.13 million was recognised as shortfall as at 31 March 2024 towards the ongoing project approved by the CSR Committee and Board of Directors meeting held on 23 November 2023 and 24 November 2023 respectively.On 03 April 2024 , this unspent amount was transferred to a Designated Unspent Corporate Social Responsibility Account with scheduled commercial bank as per circular E-file no.CSR-05/01/2021-CSR-MCA dated 25 August 2021 and subsequently out of funds in this earmarked bank account, INR 5 million was incurred by the trust towards the ongoing project during the six months period ended 30 September 2024 resulting in an outstanding balance of INR 10.13 million as at 30 September 2024.

Amount spent during the six months period ended 30 September 2024 represents INR 5 million transferred to trust pertaining to the aforementioned ongoing project of FY 2023-24 and INR 47.57 million towards the identified projects of the current FY 2024-25.

** During the six months period ended 30 September 2024, the company has transferred INR 47.57 million to veritas foundation out of which the foundation has utilised INR 10.37 million as at september 30, 2024.

33 Income tax

The component of income tax expenses:				
Current income tax:				
Current income tax charge	586.22	883.40	653.70	315.30
Current tax - in respect of prior years	-	-	(6.34)	-
Deferred tax:				
Relating to origination and reversal of temporary differences:				
Deferred tax expense reported in the statement of profit and loss	(145.30)	(104.28)	(82.90)	(55.71)
	440.92	**779.12**	**564.46**	**259.59**
Income tax expense recognised in the statement of profit and loss				
Deferred tax expense recognised in OCI Section				
Deferred tax related to items recognised in OCI during in the period/ year:				
Net (loss)/gain on remeasurements of defined benefit plans	(5.45)	1.47	(5.74)	1.50
Deferred tax charged to OCI	**(5.45)**	**1.47**	**(5.74)**	**1.50**

33.1 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Accounting profit before tax	1,772.00	3,229.64	2,328.50	1,013.63
Applicable income tax rate	25.17%	25.17%	25.17%	25.17%
Computed income tax expense	445.98	812.83	586.04	255.11
Tax effect of :				
Permanent differences:	**(5.06)**	**(33.72)**	**(15.24)**	**4.48**
- Impact deduction u/s 80JJAA	(18.96)	(47.95)	(29.33)	-
- Expenses /provisions not deductible in determining taxable profit	-	1.85	1.51	-
- Impact of difference in tax base for donations and CSR expense	11.98	7.66	4.90	-
- Share based payment expense – No deduction claimed under tax	-	4.73	7.68	-
- Others	1.92	-	-	-
Income tax expense recognised in statement of profit and loss excluding change in estimates relating to previous years	**440.92**	**779.12**	**570.80**	**259.59**

Note: 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. Accordingly, the Company has recognised provision for income tax and remeasured its net deferred tax asset at concessional rate for the above period/ years with effect from 23 October 2020.

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

34 Employee benefits

34.1 Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as expense towards contribution to provident fund for the period ended 30 September 2024 aggregated to INR 82.6 million (31 March 2024- INR 127.69 million, 31 March 2023- INR 80.86 million and 31 March 2022 - INR 54.98 million).

34.2 Defined benefit plans

Gratuity

The defined benefit plans expose the Company to risks such as Actuarial risk, Liquidity risk, Market risk, Legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefit will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Details of Actuarial valuation of gratuity pursuant to Ind AS 19:

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit asset (liability) and its components

	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
A. Change in present value of defined benefit of obligations				
Change in defined benefit obligations during the period/ year				
Present value of defined benefit obligation at the beginning of the period/ year	139.33	53.39	25.20	23.02
Current service cost	14.20	16.24	6.20	8.04
Past Service Cost	22.94	79.49	-	
Interest cost	4.66	3.59	1.18	1.13
Benefits paid and Charges deducted from the fund	(9.54)	(2.56)	-	(1.03)
Direct benefits paid by the Company	-	(4.60)	(2.02)	
Impact of Change in Assumptions on Plan Liabilities-loss/(gain)	-	(47.97)	11.59	(6.93)
-changes in financial assumptions	1.21			
-changes in demographic assumptions	(5.20)			
Experience adjustments on plan liabilities -loss	25.63	41.75	11.24	0.97
Present value of defined benefit obligation at the end of the period/ year	**193.23**	**139.33**	**53.39**	**25.20**
B. Change in fair value of plan assets during the period/ year				
Fair value of plan assets at the beginning of the period/ year	135.89	-	-	-
Expected return on plan assets	5.14	2.38	-	-
Contributions to the fund	34.23	136.45	-	-
Direct Contributions to meet direct benefit payments	-	4.60	2.02	1.03
Benefits paid and Charges deducted from the fund	(9.56)	(2.57)	-	-
Direct benefits paid by the Company	-	(4.60)	(2.02)	(1.03)
Actuarial (loss)/ gain recognised in other comprehensive income	(0.01)	(0.37)	-	-
Fair value of plan assets at the end of the period/ year	**165.69**	**135.89**	**-**	**-**
C. Actual return on plan assets				
Expected return on plan assets	5.14	2.38	-	-
Actuarial gain / (loss) on plan assets	(0.01)	(0.37)	-	-
Actual return on plan assets	**5.13**	**2.01**	**-**	**-**

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
D. Reconciliation of present value of the defined benefit obligation and the fair value of the plan assets				
Present value of defined benefit obligations at the end of the period/ year	193.23	139.33	53.39	25.20
Fair value of plan assets	(165.69)	(135.89)	-	-
Net liability recognised in balance sheet	**27.54**	**3.44**	**53.39**	**25.20**
The liability in respect of the gratuity plan comprises of the following non-current and current portions:				
Current	27.54	3.44	12.41	8.65
Non-current	-	-	40.97	16.55
	27.54	**3.44**	**53.38**	**25.20**

	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
E. Expense recognised in statement of profit and loss				
Current service cost	14.20	16.24	6.20	8.04
Past Service Cost	22.94	79.49	-	
Interest cost	4.66	3.59	1.18	1.13
Expected return on plan assets	(5.13)	(2.38)	-	-
Net cost recognized in the statement of profit and loss	**36.67**	**96.94**	**7.38**	**9.17**
F. Remeasurements recognised in other comprehensive income				
Actuarial loss / (gain) on defined benefit obligation	21.64	(6.21)	22.83	(5.96)
Actuarial loss/ (gain) on plan assets	0.01	0.37	-	-
	21.65	**(5.84)**	**22.83**	**(5.96)**

G. Assumptions at balance sheet date	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Discount rate (refer note (c))	6.53%	6.93%	7.12%	4.87%
Interest rate (rate of return on assets)	6.53%	6.93%	NA	NA
Future salary increase (refer note (a))	13.79%	13.80%	15.25%	11.73%
Mortality table	Indian Assured Lives (2012 - 14)	Indian Assured Lives (2012 - 14)	Indian Assured Lives (2012 - 14)	Indian Assured Lives (2012 - 14)
Attrition rate (refer note (a))	52.47%	49.41%	30.00%	45.40%

Notes:

a) The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors. Further, the Management re-visits the assumptions such as attrition rate, salary escalation etc., taking into account, the business conditions, various external / internal factors affecting the Company.

b) During the Financial year 2023-24, the Company established a trust for the purpose of covering the gratuity payable to employees as per Payment of Gratuity Act, 1972 in association with SBI Life Insurance Company Limited.

c) Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

d) Experience adjustments:

	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation	193.23	139.33	53.39	25.20
Fair value of plan assets	165.69	135.89	-	-
Surplus / (deficit)	(27.54)	(3.44)	(53.39)	(25.20)
Experience adjustments on plan liabilities - (loss) / gain	(25.63)	(41.75)	(11.24)	(0.97)
Impact of Change in Assumptions on Plan Liabilities-(loss)/gain	3.98	47.97	(11.60)	-
Actuarial gain / (loss) on plan assets	(0.01)	(0.37)	-	-

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

e) 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:

	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Discount rate				
-0.5% increase	(1.56)	(1.59)	(0.97)	(0.29)
-0.5% decrease	1.59	1.63	1.01	0.29
Future salary growth	-			
-0.5% increase	1.86	1.59	1.00	0.33
-0.5% decrease	(1.84)	(1.59)	(0.97)	(0.32)
Attrition rate	-	-	-	
-0.5% increase	(0.82)	(0.64)	(0.47)	(0.18)
-0.5% decrease	0.83	0.65	0.49	0.18

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Additional disclosures under Ind AS 19

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Average Duration of Defined Benefit Obligations (in years)	2.30	2.50	4.50	2.90
Projected undiscounted expected benefit outgo				
Year 1	88.55	58.59	11.04	7.58
Year 2	51.92	34.80	9.65	6.26
Year 3	28.96	23.24	8.32	5.20
Year 4	20.04	16.56	7.65	3.40
Year 5	12.74	11.68	7.27	2.35
Next 5 Years	14.14	14.55	19.77	3.34
Expected benefit payments for the next annual reporting year	88.55	58.59	11.04	7.58

35 Segment information

An operating segment is a Component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Managing Director and Chief Executive Officer ('MD & CEO') to make decisions about resource to be allocated to the segments and assess their performance. The MD & CEO is considered to be the Chief Operating Decision Maker ('CODM') within the purview of Ind AS 108 Operating Segments.

The CODM considers the entire business of the Company on a holistic basis to make operating decisions and thus there are no segregated reporting segments. The Company is primarily engaged in extending credit to micro and small enterprises typically self-employed business and salaried segment. The CODM of the Company reviews the operating results of the Company as a whole and therefore not more than one reportable segment is required to be disclosed by the Company as envisaged by Ind AS 108 Operating Segments. Accordingly, amounts appearing in these historical financial statements relates to extending credit to micro and small enterprises typically self-employed business and salaried segment.

The Company does not have any separate geographic segment other than India. As such there are no separate reportable segments as per Ind AS 108 Operating Segments.

No single customer accounts for the revenue, which is equal or more than ten percent of the total revenue of the entity, hence no such segment could be identified.

	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
36.1 Contingent liabilities				
Claims against the Company not acknowledged as debt	0.99	1.67	0.48	-
Income tax and GST related matters (refer note 1 and note 2)	-	26.92	6.53	5.47
Bank Guarantee	2.50	2.50	2.50	2.50

Note:

1 The Income tax and GST related matters of the Financial Year 2023-24, includes INR 21.45 million with respect to show cause notice received from the GST authorities, against which representation has been made by the Company and subsequently dropped by the GST authority vide order dated 31 May 2024.

2 The Income tax and GST related matters of the financial year 2023-24, includes INR 5.47 million with respect to the assessment proceedings for FY 2017-18. In this regard, the Company received a favourable order from the CIT(A) on 25 September 2024.

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

36.2 Commitments

Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	**As at September 30, 2024**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
-Future lease payments for non cancellable lease contracts- also refer note 17.1	78.39	44.13	85.59	32.32
-Commitment to purchase property, plant and equipment and intangible assets	9.23	2.14	2.00	2.20
Undrawn committed sanctions to borrowers	1,318.17	2,289.18	425.17	158.92

37 Earnings per share (EPS)

	For the six months period ended September 30, 2024	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Profit for the period/ year	1,331.08	2,450.52	1,764.04	754.04
Weighted average number of shares outstanding during the year for calculation of basic EPS**	**13,17,68,608**	**12,86,80,821**	**11,88,27,834**	**11,16,49,718**
Effect of dilutive potential shares:				
Employee stock options and share warrants	10,12,671	12,44,692	26,36,268	26,74,486
Weighted average number of shares outstanding during the year for calculation of diluted EPS**	**13,27,81,279**	**12,99,25,513**	**12,14,64,102**	**11,43,24,204**
Face value per share	10.00	10.00	10.00	10.00
Earnings per share (in INR)				
- Basic*	10.10	19.04	14.85	6.75
- Diluted*	10.02	18.86	14.52	6.60

** Not annualised for the period ended 30 September 2024*

Note: Basic earnings per share and diluted earnings per share disclosed for the year ended 31 March 2024, 31 March 2023 and 31 March 2022 respectively is now computed to include ordinary shares to be issued upon conversion of compulsorily convertible preference shares as per the requirements of IndAS 33 – Earnings per share, as compared to the basic earnings per share and diluted earnings per share reported earlier by the Company in the respective historical financial statements.

**The weighted average number of shares includes equity shares and compulsorily convertible preference shares.

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

38 Related party transactions

38.1 Names of related parties and nature of relationship

Key Managerial Personnel	Mr. Abhijit Sen, Independent Director (Upto 21 May 2024)
	Mr. M Sivaraman, Independent Director (Upto 21 May 2024)
	Mr. N Mohan Raj, Independent Director (Upto 21 May 2024)
	Mr. Suresh Subramanian , Independent Director (effective from 23 December 2023) (additional director for the period 24 November 2023 to 22 December 2023)
	Mr. Mathew Joseph, Independent Director (effective from 23 December 2023) (additional director for the period 24 November 2023 to 22 December 2023)
	Mr. Sankarson Banerjee, Independent Director (effective from 20 April 2024) (additional director for the period 27 March 2024 to 19 April 2024)
	Mr. Raj Vikash Verma, Non- Executive Chairman & Independent Director (effective from 30 September 2024) (additional director for the period 16 July 2024 to 29 September 2024)
	Ms. Susan Thomas, Independent Director (effective from 30 September 2024) (additional director for the period 16 July 2024 to 29 September 2024)
	Mr. D. Arulmany, Managing Director and Chief Executive Officer
	Mr. V.G. Suchindran, Chief Financial Officer (Upto 13 September 2024)
	Ms. S V Laxmi, Chief Financial Officer (Effective from 16 September 2024)
	Ms. V. Aruna, Company Secretary and Compliance Officer (effective from 4 February 2022)
	Ms. N.A Madhavi, Company Secretary and Compliance Officer (Upto 3 February 2022)
Entity with significant influence by key management personnel	-Veritas Foundation
Post Employment Benefit Funds	-Veritas Employees Gratuity Trust

38.2 Transactions during the period/ years

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Veritas Foundation				
Donation towards Corpus	-	-	1.00	-
CSR contribution	52.57	10.00	18.47	-
Remuneration to Key Managerial Personnel *				
Short-term employee benefits				
Mr. D. Arulmany	10.82	22.20	17.67	13.21
Mr. V.G. Suchindran	7.01	16.36	13.15	10.22
Ms. S V Laxmi	0.19	-	-	-
Ms. V. Aruna	0.81	1.36	1.03	0.16
Ms. N.A Madhavi	-	-	-	1.17
Post employment benefits				
Ms. N.A Madhavi	-	-	-	0.03
Mr. V.G. Suchindran	9.32	-	-	-
Share based payments				
Mr. V.G. Suchindran	-	0.80	-	-
Ms. S V Laxmi	0.36	-	-	-
Ms. V. Aruna	0.24	0.71	0.13	-
Ms. N.A Madhavi	-	-	-	0.03
Director sitting fees - Short term				
Mr. Abhijit Sen	0.10	0.73	0.55	0.48
Mr. M Sivaraman	0.08	0.53	0.45	0.43
Mr. N Mohan Raj	0.13	0.85	0.60	0.53
Mr. Suresh Subramanian	0.35	0.13	-	-
Mr. Mathew Joseph	0.40	0.13	-	-
Mr. Sankarson Banerjee	0.23	-	-	-
Mr. Raj Vikash Verma	0.05	-	-	-
Ms. Susan Thomas	0.10	-	-	-

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Commission to Directors - Short term				
Mr. Abhijit Sen	-	2.00	1.50	1.50
Mr. M Sivaraman	-	2.00	1.50	1.50
Mr. N Mohan Raj	-	2.00	1.50	1.50
Mr. Suresh Subramanian	-	0.65	-	-
Mr. Mathew Joseph	-	0.65	-	-
Mr. Sankarson Banerjee	-	0.05	-	-
Mr. Raj Vikash Verma	-	-	-	-
Ms. Susan Thomas	-	-	-	-
Receipt of money on account of exercise of ESOP				
Ms. N.A Madhavi, Company Secretary and Compliance Officer (Upto 3 February 2022)	-	-	-	0.02
Receipt of call money from issue of partly paid up shares				
Mr. D. Arulmany	-	1.39	-	-
Mr. V.G. Suchindran	-	0.80	-	-
Forfeiture of partly paid up shares				
Mr. V.G. Suchindran	0.80	-	-	-
Receipt of pending call money of partly paid up shares				
Mr. D. Arulmany	33.42	98.78	-	-
Receipt of securities premium **				
Mr. D. Arulmany	1,137.66	688.06	-	-
Ms. N.A Madhavi	-	-	-	0.30

* Amount attributable to post employment benefits have not been disclosed as the same cannot be identified distinctly in the actuarial valuation
** Amount excludes transfer from Share Based Payment reserve to Securities Premium on exercise of employee stock option

38.3 Balances as at the period/ year-end:

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Employee Benefits Payable				
Mr. D. Arulmany	-	5.00	4.00	3.00
Mr. V.G. Suchindran	-	4.25	3.50	2.50
Ms. V. Aruna	-	0.15	0.13	0.05
Director Commission Payable	-			
Mr. Abhijit Sen	-	2.00	1.50	1.50
Mr. M Sivaraman	-	2.00	1.50	1.50
Mr. N Mohan Raj	-	2.00	1.50	1.50
Mr. Suresh Subramanian	-	0.65	-	-
Mr. Mathew Joseph	-	0.65	-	-
Mr. Sankarson Banerjee	-	0.05	-	-

38.4 Terms and conditions of transactions with related parties

All the transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances as at the period/year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

39 Micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('MSMED Act, 2006'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2024 has been made in the historical financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year				
- Principal	9.75	11.47	6.55	1.88
- Interest	-	-	-	-
The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act, 2006	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-	-	-

Based on information received from the suppliers, the management has identified the enterprises which have provided services to the Company and which qualify under the definition of micro, medium and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). Such determination / identification for the purpose of presentation under this disclosure has been done on the basis of information received and available with the Company which has been solely relied upon by the auditors.

40 Employee Stock Option Scheme (ESOS)

On 8 January 2016, the shareholders of the Company have approved the Veritas Employees Stock Option Scheme (Veritas ESOS A), 2016. Under the plan, the Company is authorized to issue 3,000,000 equity shares of INR 10 each to eligible employees. Employees covered by the plan are granted an option to purchase shares of the Company subject to certain vesting conditions. The plan is administered by the 'Nomination and Remuneration Committee' constituted by the Board of Directors of the Company.

On 26 February 2018, the shareholders of the Company have approved the Veritas Employees Stock Option Scheme (Veritas ESOS B), 2018. Under the plan, the Company is authorized to issue 1,000,000 equity shares of INR 10 each to eligible employees. Employees covered by the plan are granted an option to purchase shares of the Company subject to certain vesting conditions. The plan is administered by the 'Nomination and Remuneration Committee' constituted by the Board of Directors of the Company.

On 6 December 2018, the shareholders of the Company have approved the Veritas Employees Stock Option Scheme (Veritas ESOS C), 2018. Under the plan, the Company is authorized to issue 2,000,000 equity shares of INR 10 each to eligible employees. Employees covered by the plan are granted an option to purchase shares of the Company subject to certain vesting conditions. The plan is administered by the 'Nomination and Remuneration Committee' constituted by the Board of Directors of the Company.

On 11 February, 2021, the shareholders of the Company have approved the Veritas Employees Stock Option Scheme, 2021 (Veritas ESOS, 2021). Under the plan, the Company is authorized to issue 1,000,000 equity shares of INR 10/- each to eligible employees. Employees covered by the plan are granted an option to purchase shares of the Company subject to certain vesting conditions. The plan is administered by the 'Nomination and Remuneration Committee' constituted by the Board of Directors of the Company.

On 15 March, 2024, the shareholders of the Company have approved the Veritas Employees Stock Option Scheme, 2024 (Veritas ESOS, 2024). Under the plan, the Company is authorized to issue 2,000,000 equity shares of INR 10/- each to eligible employees. Employees covered by the plan are granted an option to purchase shares of the Company subject to certain vesting conditions. The plan is administered by the 'Nomination and Remuneration Committee' constituted by the Board of Directors of the Company.

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

The table below summarises the movement of options across various schemes of the Company:

Particulars	Veritas ESOS A, 2016	Veritas ESOS B, 2018	Veritas ESOS C, 2018	Veritas ESOS, 2021	Veritas ESOS, 2024	Total
Total size of the options granted	30,00,000	10,00,000	20,00,000	10,00,000	20,00,000	90,00,000
Granted options	30,50,000	11,62,500	25,47,500	11,05,000	8,76,667	87,41,667
Options cancelled and added back to the scheme	88,500	1,63,400	5,60,850	1,07,500	1,33,333	10,53,583
Net options granted	29,61,500	9,99,100	19,86,650	9,97,500	7,43,334	76,88,084
Balance options available for future grants	38,500	900	13,350	2,500	12,56,666	13,11,916
Options exercised	29,61,500	8,35,350	10,47,650	24,500	-	48,69,000
Options vested but yet to be exercised	-	65,250	5,51,500	2,28,500	-	8,45,250

The Company uses fair value to account for the compensation cost of stock options to employees in the historical financial statements. The following are the vesting pattern of ESOS:

Particulars	Veritas ESOS A, 2016	Veritas ESOS B, 2018	Veritas ESOS C, 2018	Veritas ESOS 2021	Veritas ESOS 2024
At the end of one year of service from grant date	30%	20%	20%	20%	20%
At the end of two years	35%	25%	25%	25%	25%
At the end of three years	35%	25%	25%	25%	25%
At the end of four years	-	30%	30%	30%	30%

Note: As per the respective scheme document, unless otherwise determined by the Board or set out in the letter of grants, all options granted shall vest as above.
As at 30 September 2024 and 31 March 2024, the Company has ESOS 2024 Batch 1 scheme with a varied vesting period of 1 year.

40.1 Options outstanding under Veritas ESOS

As at 30 September 2024, the outstanding options under the Veritas ESOS, 2021, Veritas ESOS, October 2018, Veritas ESOS, 2018, Veritas ESOS, 2016 and Veritas ESOS, 2024 are as follows:

Plan	Grant date	Number of options	Exercise price in INR	Weighted average remaining contractual life including exercise period (in years)	Vesting period	Vesting condition
ESOS 2018 C Batch 2	26-Apr-19	97,500	125.00	1.56	1 to 4 years	Time and performance based vesting
ESOS 2018 B Batch 2	15-Jun-20	41,250	160.00	2.7	1 to 4 years	Time and performance based vesting
ESOS 2018 C Batch 3	15-Jun-20	3,74,000	160.00	2.7	1 to 4 years	Time and performance based vesting
ESOS 2021 Batch 1	05-Aug-21	1,28,000	225.00	3.84	1 to 4 years	Time and performance based vesting
ESOS 2021 Batch 2	19-Sep-22	3,00,000	350.00	4.97	1 to 4 years	Time and performance based vesting
ESOS 2018 B Batch 3	30-Jan-23	1,20,000	375.00	5.33	1 to 4 years	Time and performance based vesting
ESOS 2018 C Batch 4	30-Jan-23	4,00,000	375.00	5.33	1 to 4 years	Time and performance based vesting
ESOS 2021 Batch 3	30-Jan-23	45,000	375.00	5.33	1 to 4 years	Time and performance based vesting
ESOS 2018 C Batch 5	26-Oct-23	40,000	475.00	6.07	1 to 4 years	Time and performance based vesting
ESOS 2021 Batch 4	26-Oct-23	1,55,000	475.00	6.07	1 to 4 years	Time and performance based vesting
ESOS 2021 Batch 5	30-Jan-24	2,50,000	475.00	6.33	1 to 4 years	Time and performance based vesting
ESOS 2024 Batch 1	27-Mar-24	1,33,334	75.00	3.49	1 year	Time and performance based vesting
ESOS 2024 Batch 2	16-Jul-24	1,00,000	600.00	6.79	1 to 4 years	Time and performance based vesting
ESOS 2021 Batch 6	16-Jul-24	50,000	600.00	6.79	1 to 4 years	Time and performance based vesting
ESOS 2021 Batch 7	06-Sep-24	45,000	600.00	6.93	1 to 4 years	Time and performance based vesting
ESOS 2018 B Batch 4	06-Sep-24	2,500	600.00	6.93	1 to 4 years	Time and performance based vesting
ESOS 2018 C Batch 6	06-Sep-24	27,500	600.00	6.93	1 to 4 years	Time and performance based vesting
ESOS 2024 Batch 3	06-Sep-24	5,10,000	600.00	6.93	1 to 4 years	Time and performance based vesting
		28,19,084				

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

As at 31 March 2024, the outstanding options under the Veritas ESOS, 2021, Veritas ESOS, October 2018, Veritas ESOS, 2018, Veritas ESOS, 2016 and Veritas ESOS, 2024 are as follows:

Plan	Grant date	Number of options	Exercise price in INR	Weighted average remaining contractual life including exercise period (in years)	Vesting period	Vesting condition
ESOS 2018 C Batch 2	26-Apr-19	1,23,000	125.00	2.07	1 to 4 years	Time and performance based vesting
ESOS 2018 B Batch 2	15-Jun-20	41,250	160.00	3.21	1 to 4 years	Time and performance based vesting
ESOS 2018 C Batch 3	15-Jun-20	4,07,000	160.00	3.21	1 to 4 years	Time and performance based vesting
ESOS 2021 Batch 1	05-Aug-21	1,28,000	225.00	4.35	1 to 4 years	Time and performance based vesting
ESOS 2021 Batch 2	19-Sep-22	3,00,000	350.00	5.47	1 to 4 years	Time and performance based vesting
ESOS 2018 B Batch 3	30-Jan-23	1,20,000	375.00	5.83	1 to 4 years	Time and performance based vesting
ESOS 2018 C Batch 4	30-Jan-23	4,10,000	375.00	5.83	1 to 4 years	Time and performance based vesting
ESOS 2018 C Batch 5	26-Oct-23	40,000	475.00	6.57	1 to 4 years	Time and performance based vesting
ESOS 2021 Batch 3	30-Jan-23	55,000	375.00	5.83	1 to 4 years	Time and performance based vesting
ESOS 2021 Batch 4	26-Oct-23	1,55,000	475.00	6.57	1 to 4 years	Time and performance based vesting
ESOS 2021 Batch 5	30-Jan-24	2,50,000	475.00	6.83	1 to 4 years	Time and performance based vesting
ESOS 2024 Batch 1	27-Mar-24	2,66,667	75.00	3.99	1 year	Time and performance based vesting
		22,95,917				

As at 31 March 2023, the outstanding options under the Veritas ESOS, 2021, Veritas ESOS, October 2018, Veritas ESOS, 2018 and Veritas ESOS, 2016 are as follows:

Plan	Grant date	Number of options	Exercise price in INR	Weighted average remaining contractual life including exercise period (in years)	Vesting period	Vesting condition
ESOS 2016 A Batch 1	18-Jan-16	5,25,000	10.00	0.29	1 to 3 years	Time and performance based vesting
ESOS 2016 A Batch 3	20-Mar-17	5,250	20.00	0.22	1 to 3 years	Time and performance based vesting
ESOS 2018 B Batch 1	22-Mar-18	6,37,750	40.00	1.97	1 to 4 years	Time and performance based vesting
ESOS 2018 C Batch 1	06-Dec-18	-	120.00		1 to 4 years	Time and performance based vesting
ESOS 2018 C Batch 2	27-Apr-19	4,27,000	125.00	3.07	1 to 4 years	Time and performance based vesting
ESOS 2016 A	15-Jun-20	-	160.00		1 to 3 years	Time and performance based vesting
ESOS 2018 B	15-Jun-20	75,000	160.00	4.21	1 to 4 years	Time and performance based vesting
ESOS 2018 C	15-Jun-20	7,75,000	160.00	4.21	1 to 4 years	Time and performance based vesting
ESOS 2021	05-Aug-21	1,70,000	225.00	5.35	1 to 4 years	Time and performance based vesting
ESOS 2021 Batch 2	19-Sep-22	3,00,000	350.00	6.47	1 to 4 years	Time and performance based vesting
ESOS B 2018 Batch 3	30-Jan-23	1,20,000	375.00	6.84	1 to 4 years	Time and performance based vesting
ESOS C 2018 Batch 4	30-Jan-23	4,40,000	375.00	6.84	1 to 4 years	Time and performance based vesting
ESOS 2021 Batch 3	30-Jan-23	55,000	375.00	6.84	1 to 4 years	Time and performance based vesting
		35,30,000				

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

As at 31 March 2022, the outstanding options under the Veritas ESOS, 2021, Veritas ESOS, 2018 and Veritas ESOS, 2016 are as follows:

Plan	Grant date	Number of options	Exercise price in INR	Weighted average remaining contractual life including exercise period (in years)	Vesting period	Vesting condition
ESOS 2016 A Batch 1	18-Jan-16	5,25,000	10.00	1.29	1 to 3 years	Time and performance based vesting
ESOS 2016 A Batch 2	10-Nov-16	1,32,500	20.00	0.61	1 to 3 years	Time and performance based vesting
ESOS 2016 A Batch 3	20-Mar-17	14,000	20.00	0.97	1 to 3 years	Time and performance based vesting
ESOS 2018 B Batch 1	22-Mar-18	7,94,000	40.00	2.60	1 to 4 years	Time and performance based vesting
ESOS 2018 C Batch 1	06-Dec-18	4,00,000	120.00	3.68	1 to 4 years	Time and performance based vesting
ESOS 2018 C Batch 2	27-Apr-19	4,80,000	125.00	4.07	1 to 4 years	Time and performance based vesting
ESOS 2016 A	15-Jun-20	50,000	160.00	4.21	1 to 3 years	Time and performance based vesting
ESOS 2018 B	15-Jun-20	67,000	160.00	5.21	1 to 4 years	Time and performance based vesting
ESOS 2018 C	15-Jun-20	8,87,000	160.00	5.21	1 to 4 years	Time and performance based vesting
ESOS 2021	05-Aug-21	1,70,000	225.00	6.35	1 to 4 years	Time and performance based vesting
		35,19,500				

40.2 Reconciliation of outstanding options

The details of options granted under the above schemes are as follows.

Particulars	As at September 30, 2024		As at March 31, 2024	
	Weighted average exercise price per option	Number of options	Weighted average exercise price per option	Number of options
Outstanding at beginning of period/ year	292.54	22,95,917	168.23	35,30,000
Forfeited during the period/ year	116.06	(1,64,833)	297.92	(87,750)
Exercised during the period/ year	145.48	(47,000)	71.98	(18,73,000)
Granted during the period/ year	600.00	7,35,000	328.21	7,26,667
Outstanding as at end of period/ year	**385.47**	**28,19,084**	**292.54**	**22,95,917**
Vested and exercisable as at end of period/ year	**221.55**	**8,45,250**	**224.11**	**5,52,000**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Weighted average exercise price per option	Number of options	Weighted average exercise price per option	Number of options
Outstanding at beginning of period/ year	87.68	35,19,500	92.79	35,97,500
Forfeited during the period/ year	129.51	(2,60,500)	143.23	(2,45,500)
Exercised during the period/ year	85.20	(6,44,000)	69.81	(67,500)
Granted during the period/ year	366.80	9,15,000	225.00	2,35,000
Outstanding as at end of period/ year	**168.23**	**35,30,000**	**87.68**	**35,19,500**
Vested and exercisable as at end of period/ year	**72.76**	**18,82,500**	**61.36**	**21,62,500**

The weighted average share price on the date of exercise of options during the period ended 30 September 2024 is Rs.643.71 (for the year ended 31 March 2024 is INR 485.63 , 31 March 2023: INR 404.03 and 31 March 2022: 331.19)

40.3 Expense recognised in the statement of profit and loss	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Expense arising from equity-settled share-based payment transactions	75.86	77.31	30.52	39.33

40.4 Fair value methodology

The fair value of options have been estimated on the dates of each grant using the Black Scholes model. The various inputs considered in computation of fair value are as follows:

	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Share price on Grant date (In INR)	643.71	9.51 - 498.59	9.51 - 405.00	9.51 - 251.28
Exercise price (In INR)	600.00	10.00 - 475.00	10.00 - 375.00	10.00 - 225.00
Fair value of options at grant date	189.91 - 302.65	2.48 - 435.83	2.48 - 190.88	2.48 - 111.57
Expected volatility	29.31% - 34.55%	22.00% - 41.60%	22.00% - 41.60%	22.00% - 41.60%
Option term	2.56 - 5.56 years	2.00 - 5.63 years	2.00 - 5.63 years	2.00 - 5.50 years
Expected dividends	Nil	Nil	Nil	Nil
Risk free interest rate	6.64% - 6.86%	4.53% - 7.79%	4.53% - 7.79%	4.53% - 7.79%
Weighted average remaining contractual life (in years)	4.39	4.94	3.78	3.45

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

41 Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the regulator, Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reporting period.

Capital Management

The primary objectives of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to the changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

RBI scale based regulations:

Being a Middle layer NBFC (NBFC-ML), the company's Internal Capital Adequacy Assessment Process (ICAAP) takes a structured approach towards the identification, assessment, and management of all risks that may have a materially adverse impact on our business, financial position, and capital adequacy. The ICAAP framework is guided by the Company's Board approved ICAAP Policy, which is in line with regulatory expectations. Also, the company has enhanced its framework for Enterprise Risk Management (ERM) to a comprehensive and holistic approach to risk management. In this regard, the Company has completed assessment of its risks to ensure availability of adequate capital to cover all risks applicable to the Company for financial year ended 31 March 2023 which include the Stress Test Scenario while assessing ICAAP.

i Net Debt to Equity Ratio

Consistent with the others in industry, the Company monitors the capital on the basis of gearing ratio (Net debt divided by equity). Under the terms of the major borrowing facilities, the Company is required to maintain the gearing ratio in line with the RBI guidelines or in a slightly more conservative manner. The actual gearing stipulated differs between the various lending agreements. The Company has complied with this covenant through out the period/ year.

		As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	Equity	**26,106.51**	**23,295.54**	**15,912.57**	**14,080.47**
a.	Debt securities	3,822.70	3,081.22	1,792.69	2,420.72
b.	Borrowings (other than debt securities)	45,071.48	36,876.85	22,460.55	9,535.80
c.	Cash and Cash equivalents	5,487.91	4,774.49	2,382.54	3,347.39
	Net Debt (a+b-c)	**43,406.27**	**35,183.58**	**21,870.70**	**8,609.13**
	Net Debt to Equity Ratio	1.66	1.51	1.37	0.61

ii Capital Adequacy ratio

The Company has to mandatorily comply with the capital adequacy requirements stipulated by Reserve Bank of India from time to time. Capital adequacy ratio or capital-to-risk weighted assets ratio (CRAR) is computed by dividing company's Tier I and Tier II capital by risk weighted assets.

Tier I capital comprised of share capital, share premium, retained earnings including current period/ year profit and Tier II capital comprises of provision on standard assets. Risk weighted assets represents the weighted sum of Company's credit exposures based on their risk. Also refer note 46.01

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

42 Fair Value Measurement

a. Financial instruments by category

The carrying value and fair value of financial instruments by categories as of September 30, 2024 were as follows:

	Carrying amount		
Particulars	**Amortised cost**	**Fair value through profit and loss**	**Total carrying value**
Financial Assets:			
Cash and cash equivalents	5,487.91	-	5,487.91
Bank balances other than cash and cash equivalents	3,858.45	-	3,858.45
Receivables	13.09		13.09
Loans	64,005.75	-	64,005.75
Investments		1,000.74	1,000.74
Other financial assets	348.72	-	348.72
Total	**73,713.92**	**1,000.74**	**74,714.67**
Financial Liabilities:			
Trade payables	72.00	-	72.00
Debt securities	3,822.70	-	3,822.70
Borrowings (Other than debt securities)	45,071.48	-	45,071.48
Other financial liabilities (including lease liabilities)	763.59	-	763.59
Total	**49,729.77**	**-**	**49,729.77**

The carrying value and fair value of financial instruments by categories as of March 31, 2024 were as follows:

	Carrying amount		
Particulars	**Amortised cost**	**Fair value through profit and loss**	**Total carrying value**
Financial Assets:			
Cash and cash equivalents	4,774.49	-	4,774.49
Bank balances other than cash and cash equivalents	1,819.70	-	1,819.70
Receivables	17.01		17.01
Loans	56,345.49	-	56,345.49
Investments	-	-	-
Other financial assets	235.77	-	235.77
Total	**63,192.46**	**-**	**63,192.46**
Financial Liabilities:			
Trade payables	87.99	-	87.99
Debt securities	3,081.22	-	3,081.22
Borrowings (Other than debt securities)	36,876.85	-	36,876.85
Other financial liabilities (including lease liabilities)	728.91	-	728.91
Total	**40,774.97**	**-**	**40,774.97**

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

The carrying value and fair value of financial instruments by categories as of March 31, 2023 were as follows:

Particulars	Carrying amount		
	Amortised cost	**Fair value through profit and loss**	**Total carrying value**
Financial Assets:			
Cash and cash equivalents	2,382.54	-	2,382.54
Bank balances other than cash and cash equivalents	2,858.34	-	2,858.34
Receivables	0.41	-	0.41
Loans	34,756.16	-	34,756.16
Investments	-	-	-
Other financial assets	82.14	-	82.14
Total	**40,079.59**	**-**	**40,079.59**
Financial Liabilities:			
Trade payables	55.30	-	55.30
Debt securities	1,792.69	-	1,792.69
Borrowings (Other than debt securities)	22,460.55	-	22,460.55
Other financial liabilities (including lease liabilities)	520.73	-	520.73
Total	**24,829.27**	**-**	**24,829.27**

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows:

Particulars	Carrying amount		
	Amortised cost	**Fair value through profit and loss**	**Total carrying value**
Assets:			
Cash and cash equivalents	3,347.39	-	3,347.39
Bank balances other than cash and cash equivalents	1,152.16	-	1,152.16
Loans	21,320.91	-	21,320.91
Investments	-	-	-
Other financial assets	69.28	-	69.28
Total	**25,889.74**	**-**	**25,889.74**
Liabilities:			
Trade payables	33.14	-	33.14
Debt securities	2,420.72	-	2,420.72
Borrowings (Other than debt securities)	9,535.80	-	9,535.80
Other financial liabilities (including lease liabilities)	292.55	-	292.55
Total	**12,282.21**	**-**	**12,282.21**

For all the assets and liabilities of the Company which are not carried at fair value, separate disclosure is not made as the carrying amounts approximates the fair value, except as stated below:
-the fair value of loans, investments, debt securities and borrowings other than debt securities as at September 30, 2024 amounted to INR 64,763.23 million, INR 1,000.74 million, INR 4,264.13 million and INR 45,179.02 million respectively,(As at March 31, 2024 amounted to INR 56,345.49 million, Nil, INR 3,081.22 million and INR 36,876.86 million respectively), (As at March 31, 2023 amounted to INR 34,756.16 million, Nil ,INR 1,792.69 million and INR 22,460.56 million respectively) and (As at March 31, 2022 amounted to INR 21,320.91 million, Nil, INR 2,420.72 million and INR 9,535.80 million respectively).
There are no transfers between different levels during the year.
This estimation is determined based on inputs where one or more unobservable input is significant to the measurement of the instrument as a whole (level 3), except for cash and cash equivalents and bank balances other than cash and cash equivalents where such estimation is determined based on unadjusted quoted prices from active markets for identical assets (level 1).

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

43 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks, as listed below apart from various operating and business risks.

Market risk
Credit risk and
Liquidity risk
This note explains the sources of risks arising from financial instruments which the entity is exposed to and how the Company manages the risk.

Risk management framework

The Company's board of directors and risk committee have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors and risk management council along with the top management are responsible for developing and monitoring the Company's risk management policies.

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 the 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.

The Company's risk management council oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographical region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political and other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

(i) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and other prices will affect the Company's income or the value of holdings of financial instruments. The Company does not have exposure to currency risk and security price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Interest rate risk

Interest rate risk primarily arises from borrowings with variable rates. The Company's borrowings are carried at amortised cost. The borrowings with fixed rate are therefore not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The interest rate profile of the Company's interest bearing financial instruments based on loan outstanding is as follows:

	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Fixed rate instruments				
Financial assets	58,296.55	51,671.03	37,551.50	24,826.02
Financial liabilities	12,237.74	8,416.90	3,225.84	3,948.42
Variable rate instruments				
Financial assets	11,481.28	8,242.99	944.32	-
Financial liabilities	36,656.44	31,541.17	21,027.40	8,008.10

Cash flow sensitivity analysis for variable-rate instruments:

	Profit / loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
September 30, 2024				
Variable-rate instruments	(112.69)	112.69	(84.33)	84.33
Cash flow sensitivity (net)	**(112.69)**	**112.69**	**(84.33)**	**84.33**
March 31, 2024				
Variable-rate instruments	(232.98)	232.98	(174.34)	174.34
Cash flow sensitivity (net)	**(232.98)**	**232.98**	**(174.34)**	**174.34**
March 31, 2023				
Variable-rate instruments	200.83	(200.83)	150.29	(150.29)
Cash flow sensitivity (net)	**200.83**	**(200.83)**	**150.29**	**(150.29)**
March 31, 2022				
Variable-rate instruments	(80.08)	80.08	(59.93)	59.93
Cash flow sensitivity (net)	**(80.08)**	**80.08**	**(59.93)**	**59.93**

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

43 Financial risk management objectives and policies (continued)

(ii) Credit risk

Loans

Credit risk is the risk of 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 loans, advances and other financial assets. The carrying amount of financial assets represents the maximum credit exposure. The Company has credit policy approved by the Board of Directors which is subject to annual review. 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 geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions, as defined in the Credit policy. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. 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 disclosure of maximum exposure to credit risk without taking into account any collateral held or other credit enhancements has not been provided for financial assets, as their carrying amount best represent the maximum exposure to credit risk. All the loans provided are secured against mortgage of land and/or building except for working capital loans which are unsecured. The fair value of the collateral is determined on the guidelines prescribed in the collateral management policy as approved by the Board of Directors.

Impairment assessment - Expected credit loss ("ECL"):

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - Financial Instruments.

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Marginal probability of default ("MPD")
b. Loss given default ("LGD")
c. Exposure at default ("EAD")
d. Discount factor ("D")

Probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from the internal data which is calibrated with forward looking macroeconomic factors.

For computation of probability of default ("PD"), Vaseick Model was used to forecast the PD term structure over lifetime of loans. As per given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. The Company has worked out on PD based on the last five years historical data.

Marginal probability:

The PDs derived from the model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

Conditional marginal probability:

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.
The probability of default was calculated for 3 scenarios: best, worst and base. This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

Staging of loans:

Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the loan becomes zero days past due on its contractual obligations. Such cured loans are classified as Stage 1 after such cure has taken place.

As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. Company has staged the assets based on the day past dues criteria and other market factors which significantly impacts the portfolio.

Days past dues status	Stage	Provisions
Current	Stage 1	12 Months Provision
1-30 Days	Stage 1	12 Months Provision
31-90 Days#	Stage 2	Life time Provision
90+ Days*	Stage 3	Life time Provision

includes loans which have significant increase in credit risk

(*Includes loans which crossed DPD of 90 days, but did not come back to zero DPD at the time of reporting)

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

43 Financial risk management objectives and policies (continued)

Exposure at default
The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are taken into account.

The Company determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The PDs are then assigned to each economic scenario based on the outcome of models.

Loss given default
The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

The Company segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.

Further recent data and forward-looking economic scenarios are used in order to determine the LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in, collateral values including property prices for mortgages, commodity prices, payment status or other factors that are indicative of losses in the group.

Under Ind AS 109, LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI Ind AS 109 segment of each asset class. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries. These are repeated for each economic scenario as appropriate.

Discounting
As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

Significant increase in credit risk
The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers the credit risk to be directly proportional to the delinquency status i.e. days past due of the loan under consideration. No further adjustments are made in the PD.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Grouping financial assets measured on a collective basis
The Company calculates ECL on a collective basis for all asset classes.
The Company combines these exposure into smaller homogeneous portfolios, based on the characteristics of the loans, as described below:
Loan type
Ticket size

ECL computation
Conditional ECL at DPD pool level was computed with the following method:
Conditional ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

	Provisions	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Stage 1	12 month provision	0.48%	0.42%	0.44%	0.43%
Stage 2	Life time provision	20.06%	13.75%	12.86%	9.90%
Stage 3	Life time provision	50.84%	53.14%	42.82%	41.47%

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in note 7.3

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

43 Financial risk management objectives and policies (continued)

Cash and bank balances

The Company held cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12 month expected loss basis. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

Other financial assets

This balance is primarily constituted by security deposits, other receivables and employee loans. The Company does not expect any losses from non-performance by these counter-parties.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company is bound to comply with the Asset Liability Management guidelines issued by Reserve Bank of India. The Company has Asset Liability Management policy approved by the board and has constituted Asset Liability Committee to oversee the liquidity risk management function of the Company. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

The Company's principal sources of liquidity are borrowings, cash and cash equivalents and the cash flow that is generated from operations.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the Company maintains the following undrawn borrowing facilities :

	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Cash credit facilities	852.44	985.02	720.00	754.36
Working capital demand loans	-	100.00	-	150.00
Term loans	7,350.00			
Total	**8,202.44**	**1,085.02**	**720.00**	**904.36**

The Cash credit facilities may be overdrawn anytime and may be terminated any time without notice.

Exposure to liquidity risk

The table below provides details regarding the contractual maturities of financial liabilities and financial assets including interest as at 30 September 2024:

	Carrying amount	Less than 1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade payables	72.00	72.00	-	-	-
Debt securities	3,822.70	796.34	2,876.30	1,534.49	-
Borrowings (other than debt securities)	45,071.48	20,059.61	26,155.77	6,181.44	232.14
Other financial liabilities (including lease liabilities)	763.59	537.15	253.43	13.32	1.59
Total financial liabilities	**49,729.77**	**21,465.10**	**29,285.50**	**7,729.25**	**233.73**
Financial assets					
Cash and cash equivalents	5,487.91	5,494.32	-	-	-
Bank balances other than cash and cash equivalents	3,858.45	3,558.02	342.23	43.89	-
Receivables	13.09	13.09	-	-	-
Loans	64,005.75	27,886.74	38,568.16	22,989.88	16,616.03
Investments	1,000.74	1,000.74	-	-	-
Other financial assets	348.72	173.02	146.50	64.01	1.92
Total financial assets	**74,714.66**	**38,125.93**	**39,056.89**	**23,097.78**	**16,617.95**

The table below provides details regarding the contractual maturities of financial liabilities and financial assets including interest as at 31 March 2024:

	Carrying amount	Less than 1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade payables	87.99	87.99	-	-	-
Debt securities	3,081.22	722.66	2,830.30	713.22	-
Borrowings (other than debt securities)	36,876.85	15,791.30	21,556.47	5,471.91	106.62
Other financial liabilities (including lease liabilities)	728.91	577.02	170.86	21.06	2.44
Total financial liabilities	**40,774.97**	**17,178.97**	**24,557.63**	**6,206.19**	**109.06**
Financial assets					
Cash and cash equivalents	4,774.49	4,774.49	-	-	-
Bank balances other than cash and cash equivalents	1,819.70	1,606.90	173.08	-	39.72
Receivables	17.01	17.01	-	-	-
Loans	56,345.49	23,873.41	33,962.93	20,147.52	13,568.93
Other financial assets	235.77	13.53	157.15	73.76	3.15
Total financial assets	**63,192.46**	**30,285.34**	**34,293.16**	**20,221.28**	**13,611.80**

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

The table below provides details regarding the contractual maturities of financial liabilities and financial assets including interest as at 31 March 2023:

	Carrying amount	Less than 1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade payables	55.30	55.30	-	-	-
Debt securities	1,792.69	440.79	341.66	1,581.88	-
Borrowings (other than debt securities)	22,460.55	9,394.71	12,691.11	4,444.44	-
Other financial liabilities (including lease liabilities)	520.73	359.72	172.82	30.96	6.47
Total financial liabilities	**24,829.27**	**10,250.52**	**13,205.59**	**6,057.28**	**6.47**
Financial assets					
Cash and cash equivalents	2,382.54	2,382.54	-	-	-
Bank balances other than cash and cash equivalents	2,858.34	2,830.26	-	28.08	-
Receivables	0.41	0.41	-	-	-
Loans	34,756.16	15,817.12	22,594.28	12,285.67	4,169.35
Other financial assets	82.14	15.63	71.75	3.99	2.77
Total financial assets	**40,079.59**	**21,045.96**	**22,666.03**	**12,317.74**	**4,172.12**

The table below provides details regarding the contractual maturities of financial liabilities and financial assets including interest as at 31 March 2022:

	Carrying amount	Less than 1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade payables	33.14	33.14	-	-	-
Debt securities	2,420.72	2,176.82	243.90	-	-
Borrowings (other than debt securities)	9,535.80	3,624.92	4,209.40	1,701.47	-
Other financial liabilities (including lease liabilities)	292.55	193.34	89.39	33.72	13.43
Total	**12,282.21**	**6,028.22**	**4,542.69**	**1,735.19**	**13.43**
Financial assets					
Cash and cash equivalents	3,347.39	3,347.39	-	-	-
Bank balances other than cash and cash equivalents	1,152.16	1,152.16	-	-	-
Loans	21,320.91	5,261.94	8,931.77	5,660.23	1,466.95
Other financial assets	69.28	29.82	32.72	2.16	4.58
Total	**25,889.74**	**9,791.31**	**8,964.49**	**5,662.39**	**1,471.53**

The table has been drawn up based on the undiscounted contractual maturities of the financial assets and financial liabilities as at the reporting date. Loans, debt securities and borrowings (other than debt securities) includes estimated interest receipts / payments upto maturity.

The amounts disclosed in the table above are estimated expected undiscounted cash flows. Balances due within a year equals their carrying amounts as the impact of discounting is not significant.

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

44 Gold loan portfolio

The Company has not provided loan against gold during the period/ year ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022.

	45 Movement of Non-Performing Assets (NPAs) (Stage 3 assets) (Credit impaired loans)	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a)	**Net NPA to net advances (%)**				
	(Net of provision for credit impaired loans excluding assets written off)	0.97%	0.85%	1.26%	2.34%
(b)	**Movement of NPAs (Gross)**				
	Opening balance	1,025.98	772.92	861.42	421.69
	Additions during the period/ year	712.78	1,087.31	882.31	2,125.05
	Reductions during the period/ year	(471.14)	(834.26)	(970.81)	(1,685.33)
	Closing balance	**1,267.62**	**1,025.97**	**772.92**	**861.42**
(c)	**Movement of Net NPAs**				
	Opening balance	480.82	441.96	504.20	210.74
	Additions during the period/ year	405.37	647.49	700.82	1,871.23
	Reductions during the period/ year	(262.99)	(608.63)	(763.06)	(1,577.77)
	Closing balance	**623.20**	**480.82**	**441.96**	**504.20**
(d)	**Movement of provisions for NPAs**				
	Opening balance	545.18	330.97	357.22	210.96
	Additions during the period/ year	307.40	439.83	181.49	253.82
	Reductions during the period/ year	(7.73)	(8.99)	(53.49)	(107.56)
	Utilised /write off during the period/ year	(200.42)	(216.63)	(154.25)	-
	Closing balance	**644.43**	**545.18**	**330.97**	**357.22**

46 Disclosure Pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 .

46.01 Capital adequacy ratio

The Company's capital adequacy ratio, calculated in accordance with the Reserve Bank of India guidelines, is as follows:

Particulars	**As at September 30, 2024**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Tier I Capital	23,335.15	21,868.85	15,518.51	13,799.22
Tier II Capital	-	-	116.49	85.43
Total Capital	**23,335.15**	**21,868.85**	**15,635.00**	**13,884.65**
Risk weighted assets	57,092.84	52,706.00	34,740.64	21,551.27
Capital Ratios				
Tier I Capital (%)	40.87%	41.49%	44.67%	64.03%
Tier II Capital (%)	0.00%	0.00%	0.33%	0.40%
CRAR (%)	**40.87%**	**41.49%**	**45.00%**	**64.43%**
Amount of subordinated debt raised as Tier-II capital	-	-	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-	-	-

Note 1: Tier I capital consists of shareholders' equity and retained earnings. Tier II Capital consists of general provision and loss reserve against stage 1 assets. Credit enhancement relating to securitisation has 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 has been reported on the basis of Ind AS financial information. Risk weighted assets represents the weighted sum of company's credit exposures based on their risk as prescribed by RBI guidelines.

Note 2: As on 30 September 2024 and 31March 2024, the first loss credit enhancement on securitisation transactions exceeded the provisions for Standard Assets (which forms part of tier II capital). Consequently, the excess amount of first loss credit enhancement has been adjusted against tier 1 capital.

46.02 Exposure to real estate sector

Particulars	**As at September 30, 2024**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
The Company does not have any direct or indirect exposure to the real estate sector other than properties mortgaged as collateral by its customers				
Direct Exposure				
i) 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 limits	58,582.97	51,136.66	31,902.88	20,654.65
ii) Commercial Real Estate				
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	-	-	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures				
a) Residential	-	-	-	-
b) Commercial Real Estate	-	-	-	-
Indirect Exposure				
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-	-	
Total exposure to real estate sector	**58,582.97**	**51,136.66**	**31,902.87**	**20,654.65**

The above information is based on the data available with the Company and filed with the Reserve Bank of India, which has been relied upon by the auditors.

46.03 Exposure to capital market

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
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) All exposures to Venture Capital Funds (both registered and unregistered)	-	-	-	-
ix) 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	-	-	-	-
x) Financing to stockbrokers for margin trading	-	-	-	-
xi) All exposures to Alternative Investment Funds (AIF)-in categories I, II and III	-	-	-	-
Total exposure to capital market	-	-	-	-

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

		As at September 30, 2024			As at March 31, 2024			As at March 31, 2023			As at March 31, 2022		
		Total Exposure (includes on balance sheet and off balance sheet exposure)	**Gross NPAs**	**Percentage of Gross NPAs to total exposure in that sector**	**Total Exposure (includes on balance sheet and off balance sheet exposure)**	**Gross NPAs**	**Percentage of Gross NPAs to total exposure in that sector**	**Total Exposure (includes on balance sheet and off balance sheet exposure)**	**Gross NPAs**	**Percentage of Gross NPAs to total exposure in that sector**	**Total Exposure (includes on balance sheet and off balance sheet exposure)**	**Gross NPAs**	**Percentage of Gross NPAs to total exposure in that sector**
46.04	**Sectoral exposure**												
	1. Agriculture and Allied Activities	9,223.79	149.17	1.62%	8,477.08	109.16	1.29%	5,386.18	67.99	1.26%	70.73	0.21	0.29%
	2. Industry (2.1 to 2.4)												
	2.1 Micro and Small	3,144.46	45.31	1.44%	2,581.80	22.03	0.85%	1,241.03	6.33	0.51%	269.58	1.27	0.47%
	2.2 Medium	-	-	-	-	-	-	-	-	-	-	-	-
	2.3 Large	-	-	-	-	-	-	-	-	-	-	-	-
	2.4 Others, if any, please specify	-	-	-	-	-	-	-	-	-	-	-	-
	3. Services (3.1 to 3.10 equals 3.a to 3.d)												
	3.1 Transport Operators	121.37	0.51	0.42%	80.19	0.51	0.64%	33.45	-	0.00%	11.32	-	0.00%
	3.2 Computer Software	-	-	-	-	-	-	-	-	-	-	-	-
	3.3 Tourism, Hotel and Restaurants	751.58	17.24	2.29%	763.60	10.70	1.40%	344.58	1.55	0.45%	67.51	-	0.00%
	3.4 Shipping	-	0	-	-	-	-	-	-	-	-	-	-
	3.5 Professional Services	751.31	8.96	1.19%	763.18	5.19	0.68%	461.71	0.23	0.05%	131.89	-	0.00%
	3.6 Trade	-	0										
	3.6.1 Wholesale Trade (other than Food Procurement)	618.04	20.51	3.32%	452.91	15.74	3.47%	348.12	4.53	1.30%	34.74	-	0.00%
	3.6.2 Retail Trade	7,073.93	155.17	2.19%	6,697.54	92.75	1.38%	3,539.18	18.15	0.51%	659.96	2.30	0.35%
	3.7 Commercial Real Estate	-	-	-	-	-	-	-	-	-	-	-	-
	3.8 NBFCs	-	-	-	-	-	-	-	-	-	-	-	-
	3.9 Aviation	-	-	-	-	-	-	-	-	-	-	-	-
	3.10 Other Services	219.03	5.29	2.42%	216.71	4.28	1.97%	84.81	2.14	2.53%	7.38	-	0.00%
	Total 3.a to 3.d												
	3.a Micro and Small	**9,535.26**	**207.68**	**2.18%**	**8,974.13**	**129.17**	**1.44%**	**4,811.85**	**26.60**	**0.55%**	**912.80**	**2.30**	**0.25%**
	3.b Medium	-	-	-	-	-	-				-		-
	3.c Large	-	-	-	-	-	-				-		-
	3.d Others, if any, Please specify	-	-	-	-	-	-				-		-
	4. Personal loans	-	-	-	-	-	-				-		-
	5. Retail loans (including home & Vehicle loans)	43,268.67	865.47	2.00%	37,204.87	765.61	2.06%	23,898.27	671.99	2.81%	20,620.42	857.64	4.16%

The above sector-wise NPA and advances is based on the data available with the Company which has been relied upon by the auditors.

46.05	**Intra-group exposures**	**As at September 30, 2024**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
	1. Total amount of intra-group exposures	-	-	-	-
	2. Total amount of top 20 intra-group exposures and	-	-	-	-
	3. Percentage of intra group exposures to total exposure of the NBFC on borrower/ customers.	-	-	-	-

46.06 Unhedged foreign currency exposure

The Company did not have any unhedged foreign currency exposure as on the balance sheet date and did not enter into any derivative contracts at any time during the year and none were outstanding as at 30 September 2024, 31 March 2024, 31 March 2023 and 31 March 2022.

46.07 Related party disclosures

The related party disclosures pursuant to scale based regulations disclosure guidelines issued by RBI has been disclosed in note 38.

46.08 Breach of a covenant

There are no breaches and the Company is compliant with all the covenants including affirmative, informative and negative covenants as at and for the six months period ended 30 September 2024 and for the years ended 31 March 2024, 31 March 2023 and , 31 March 2022.

46.09 Divergence in asset classification

This disclosure is not applicable to the Company since the RBI has not identified any divergence in gross NPA reported by the Company for the six months period ended 30 September 2024 and for the years ended 31 March 2024, 31 March 2023 and , 31 March 2022.

46.10	**Provisions and contingencies shown under the head expenditure in profit and loss account (including other comprehensive income)**	**For the six months period ended September 30, 2024**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
	Provisions for depreciation on Investment	-	-	-	
	Provision towards NPA	99.26	214.20	(26.26)	146.26
	Provision for Standard Assets	174.79	97.02	54.78	21.20
	Other Provision and Contingencies:				
	Provision for gratuity (refer note 34.2)	36.67	96.94	7.38	9.17
	Provision for compensated absences	61.30	60.08	15.67	2.60
	Provision made towards income taxes:				
	- in respect of current year	586.22	883.40	653.70	315.30
	- in respect of prior years	-	-	(6.34)	-

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

		As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
46.11	**Concentration of advances**				
	Total advances to twenty largest borrowers	99.41	63.73	59.78	43.60
	Percentage of advances to twenty largest borrowers to total advances	0.15%	0.11%	0.17%	0.20%
46.12	**Concentration of exposures**				
	Total exposures to twenty largest borrowers	99.84	63.73	59.78	43.60
	Percentage of exposures to twenty largest borrowers to total exposures	0.15%	0.11%	0.17%	0.20%
46.13	**Concentration of NPAs (Stage 3 assets)**				
	Total exposure to top four NPA accounts	8.08	6.99	8.39	7.60

46.14 Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

46.15 Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's profit and loss.

46.16 Ratings assigned by credit rating agencies :

The credit rating details of the Company are as follows:

Rating Agency	Term	Type	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
CARE Ratings Limited	Long term	Bank loans	CARE A+; (Positive)	CARE A+; (Stable)	CARE A; (Stable)	CARE A-; (Stable)
CARE Ratings Limited	Short term	Bank loans	CARE A1+	CARE A1+	CARE A1+	-
CARE Ratings Limited	Long term	Non-convertible debentures	CARE A+; (Positive)	CARE A+; (Stable)	CARE A; (Stable)	CARE A-; (Stable)
CARE Ratings Limited	Short term	Commercial Paper	CARE A1+	CARE A1+	CARE A1+	-

46.17 Instances of fraud

There are no instances of fraud reported during the period ended 30 September 2024 and the year ended 31 March 2024. Subsequently, in October 2024, the Company has identified one instance of fraudulent misrepresentation by customer involving amount of INR 1.66 million and has duly reported the same to RBI.

Instances of fraud for the year ended 31 March 2023

Nature of fraud	No of cases	Amount of fraud	Amount written off
Cash misappropriation by employee	1	0.86	0.10
Fraudulent misrepresentation by employee	-	-	-
Fraudulent representation by customers	-	-	-

Instances of fraud for the year ended 31 March 2022

Nature of fraud	No of cases	Amount of fraud	Amount written off
Cash misappropriation by employee	-	-	-
Fraudulent misrepresentation by employee	1	0.15	0.15
Fraudulent representation by customers	-	-	-

The above summary with respect to fraud is based on the information available with the Company which has been relied upon by the auditors.

46.18 Registration / license / authorization obtained from financial sector regulators

Registration / license	Authority issuing the registration / license	Registration / License reference
Certificate of Registration	Reserve Bank of India	N-07.00810 dated 15 October 2015

46.19 Investments

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Value of investments				
(i) Gross value of investments				-
(a) In India	1,000.74	-	-	
(b)Outside India	-	-	-	
(ii) Provision for Depreciation				
(a) In India	-	-	-	
(b)Outside India	-	-	-	
(iii) Net value of investments				
(a) In India	1,000.74	-	-	
(b)Outside India	-	-	-	
Movement of provisions held towards depreciation on investments				
(i) Opening balance	-	-	-	
(ii) Add: Provisions made during the year	-	-	-	
(iii) Less: Write-off/write-back of excess provisions during the year	-	-	-	
(iv) Closing balance	-	-	-	

46.20 Derivatives

The Company has not entered into any derivative contracts during the year.

46.21 Details of non- performing financial assets purchases and sold

The Company has neither purchased nor sold any non-performing financial assets during any period/ financial years.

46.22 Details of financing of Parent Company products

The Company does not have a parent Company and so the details required under this note is not applicable.

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

46.23 Details of Single Borrower Limits (SBL) / Group Borrower Limits (GBL) exceeded

The Company has not exceeded the single borrower limit as set by Reserve Bank of India for the period/ year ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022.

46.24 Advances against intangible securities

The Company has not given any loans against intangible securities

46.25 Penalties imposed by RBI and other regulators

The following are the list of penalties imposed by RBI and other regulators:

Regulator name	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Employees' Provident Fund Organisation, India**	-	0.00	0.00	-
Assessment Unit, Income Tax Department	-	-	1.06	-
BSE Limited	-	-	0.01	-
Employees' State Insurance Corporation##	0.00	-	-	-

**Represents penalty amount to the extent of INR 136 charged by Employees Provident Fund Organisation during the financial year ended March 31, 2024

Represents penalty amount to the extent of INR 1,554 charged by Employees' State Insurance Corporation during the period ended September 30, 2024

46.26 Draw down from reserves

The Company has made no drawdown from existing reserves.

46.27 Overseas assets (for those with joint ventures and subsidiaries abroad)

There are no overseas assets owned by the Company.

46.28 Off-balance sheet SPVs sponsored

There are no SPVs which are required to be consolidated as per accounting norms.

46.29 Customer complaints

	Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	Complaints received by the NBFC from its customers (refer note below)				
(1)	Number of complaints pending at the beginning of the period/ year	-	-	1	-
(2)	Number of complaints received during the period/ year	34	16	7	8
(3)	Number of complaints disposed during the period/ year	32	16	8	7
(3.1)	Of which, number of complaints rejected by the NBFC	-	-	-	1
(4)	Number of complaints pending at the end of the period/ year	2	-	-	
	Maintainable complaints received by the NBFC from Office of Ombudsman (refer note below)				
(5)	Number of maintainable complaints received by the NBFC from Office of Ombudsman	11	28	20	10
(5.1)	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	9	28	20	10
(5.2)	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	9	28	-	-
(5.3)	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-	-	-
(6)	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-	-	-

Note: The above details are based on the information available with the Company regarding the complaints received from the customers both directly and indirectly including through RBI portal, which has been relied upon by the auditors.

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

46.30 Top five grounds of complaints received by the NBFCs from customers:

Top five grounds of complaints received by the NBFCs from customers for the six months period ended September 30, 2024

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Staff interaction / collection related	-	22	100% increase	2	-
Loan & advances - change of terms		6	14% decrease		
Foreclosure, closure and NOC related	-	12	14% decrease	-	-
Others	-	5	Newly Added ground	-	-

Top five grounds of complaints received by the NBFCs from customers for the FY 23-24

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Staff interaction / collection related	-	11	1000% increase	-	-
Loan & advances - change of terms	-	7	53% decrease	-	-
Foreclosure, closure and NOC related	-	14	100% increase	-	-
Others	-	12	Newly Added ground	-	-

Top five grounds of complaints received by the NBFCs from customers for the FY 22-23

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Staff interaction / collection related	-	1	75% decrease	-	-
Loan & advances - change of terms	-	15	400% increase	-	-
Foreclosure, closure and NOC related	-	7	133% increase	-	-
Others	-	4	Newly Added ground	-	-

Top five grounds of complaints received by the NBFCs from customers for the FY 21-22

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Staff interaction / collection related		4	Newly Added ground	-	-
Loan & advances - change of terms		3	Newly Added ground	-	-
Foreclosure, closure and NOC related		3	Newly Added ground	-	-
Others	-	8	Newly Added ground	-	-

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

47 Asset Liability Management

(a) Maturity pattern of certain items of Assets and Liabilities as at September 30, 2024:

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Advances	1,595.47	187.35	369.81	1,297.05	1,348.41	3,854.36	7,002.15	21,966.47	16,382.48	10,002.20	64,005.75
Investments	-	699.56	301.18	-	-	-	-	-	-	-	1,000.74
Fixed Deposits with Banks	1.39	-	1,266.94	2,521.03	401.58	-	57.29	317.70	39.73	-	4,605.66
Borrowings (other than debt securities)	148.99	63.02	1,446.34	1,248.31	1,279.37	4,106.41	8,163.19	22,863.69	5,534.92	217.25	45,071.48
Debt securities	-	-	1.65	-	180.47	-	250.00	2,162.50	1,228.08	-	3,822.70

(b) Maturity pattern of certain items of Assets and Liabilities as at March 31, 2024:

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Advances	1,370.57	261.18	306.15	1,218.73	1,156.62	3,565.17	6,386.83	19,540.70	14,492.56	8,046.98	56,345.49
Investments	-	-	-	-	-	-	-	-	-	-	-
Fixed Deposits with Banks	-	-	105.08	1,005.56	1,352.71	-	-	173.08	-	39.72	2,676.14
Borrowings (other than debt securities)	144.35	63.21	1,234.51	1,002.33	914.32	3,208.74	6,483.34	18,787.89	4,938.17	99.98	36,876.85
Debt securities	-	-	0.82	-	43.73	250.00	137.50	2,275.00	374.17	-	3,081.22

(c) Maturity pattern of certain items of Assets and Liabilities as at March 31, 2023:

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Advances	847.17	156.88	118.73	756.16	727.47	2,208.54	4,278.01	13,777.70	9,495.89	2,389.61	34,756.16
Investments	-	-	-	-	-	-	-	-	-	-	-
Fixed Deposits with Banks	-	253.70	1,013.65	1,411.41	451.67	-	-	-	28.08	-	3,158.51
	-	-	-	-	-	-	-	-	-	-	
Borrowings (other than debt securities)	228.09	37.96	590.01	510.69	844.26	2,005.43	3,375.17	10,825.10	4,043.84	-	22,460.55
Debt securities	-	-	-	-	292.69	-	-	-	1,500.00	-	1,792.69

(d) Maturity pattern of certain items of Assets and Liabilities as at March 31, 2022:

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Advances	623.86	21.99	43.66	408.49	416.40	1,244.26	2,503.30	8,931.77	5,660.23	1,466.95	21,320.91
Investment in mutual funds	-	-	-	-	-	-	-	-	-	-	-
Fixed Deposits with Banks	-	-	1,300.21	500.12	-	1,152.16	-	-	-	-	2,952.49
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	
Borrowings (other than debt securities)	102.10	20.52	183.50	246.95	331.56	894.98	1,845.32	4,209.40	1,701.47	-	9,535.80
Debt securities	-	-	-	518.35	0.58	1,357.89	300.00	243.90	-	-	2,420.72

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

48 Disclosure Pursuant to paragraph 31 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 .:

Particulars	As at September 30, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
<u>Liabilities side:</u>								
1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:								
(a) Debentures								
- Secured	3,822.70	-	3,081.22	-	1,792.69	-	2,420.72	-
- Unsecured	-	-	-	-	-	-	-	-
(other than falling within the meaning of public deposits)								
(b) Deferred credits	-	-	-	-	-	-	-	-
(c) Term loans	36,598.30	-	31,679.93	-	21,365.99	-	9,340.16	-
(d) Inter-corporate loans and borrowings	-	-	-	-	-	-	-	-
(e) Commercial Paper	-	-	-	-	-	-	-	-
(f) Public Deposits	-	-	-	-	-	-	-	-
(g) Borrowings under securitisation	8,265.62		5,071.94		395.61		-	
(h) Other Loans *	207.56	-	124.98	-	698.95	-	195.64	-
*Represents Cash Credit from banks								
2) Break-up of (1)(f)above (outstanding public deposits inclusive of interest accrued thereon but not paid)								
(a) In the form of Unsecured debentures	-	-	-	-	-	-	-	-
(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	-	-	-	-	-	-	-	-
(c) Other public deposits	-	-	-	-	-	-	-	-

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<u>Assets side:</u>				
3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :				
(a) Secured (refer note 7)	58,281.80	50,369.48	31,357.10	20,118.18
(b) Unsecured (refer note 7)	5,723.95	5,976.01	3,399.06	1,202.73
4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities				
(i) Lease assets including lease rentals under sundry debtors:				
a) Financial lease	-	-	-	-
b) Operating lease	-	-	-	-
(ii) Stock on hire including hire charges under sundry debtors:	-			
a) Assets on Hire	-	-	-	-
b) Repossessed Assets	-	-	-	-
(iii) Other loans counting towards asset financing activities:	-			
a) Loans where Assets have been repossessed	-	-	-	-
b) Loans other than (a) above	-	-	-	-

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
5) Break-up of Investments:				
Current Investments:				
I. Quoted:				
i. Shares				
a) Equity	-	-	-	-
b) Preference	-	-	-	-
ii. Debentures and Bonds	-	-	-	-
iii. Units of Mutual Funds	1,000.74	-	-	-
iv. Government Securities	-	-	-	-
v. Others (please specify)	-	-	-	-
II. Unquoted:				
i. Shares	-	-	-	-
a) Equity	-	-	-	-
b) Preference	-	-	-	-
ii. Debentures and Bonds	-	-	-	-
iii. Units of Mutual Funds	-	-	-	-
iv. Government Securities	-	-	-	-
v. Others (please specify)	-	-	-	-
Long Term Investments:				
I. Quoted:				
i. Shares	-	-	-	-
a) Equity	-	-	-	-
b) Preference	-	-	-	-
ii. Debentures and Bonds	-	-	-	-
iii. Units of Mutual Funds	-	-	-	-
iv. Government Securities	-	-	-	-
v. Investment in equity tranche PTCs	1,285.55	652.09	33.79	-
II. Unquoted:				
i. Shares	-	-	-	-
a) Equity	-	-	-	-
b) Preference	-	-	-	-
ii. Debentures and Bonds	-	-	-	-
iii. Units of Mutual Funds	-	-	-	-
iv. Government Securities	-	-	-	-
v. Others (please specify)	-	-	-	-

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

6) Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	As at September 30, 2024 (Net of Provisions)		As at March 31, 2024 (Net of Provisions)		As at March 31, 2023 (Net of Provisions)		As at March 31, 2022 (Net of Provisions)	
	Secured	**Unsecured**	**Secured**	**Unsecured**	**Secured**	**Unsecured**	**Secured**	**Unsecured**
1. Related parties								
(a) Subsidiaries	-	-	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-	-	-
2. Other than related parties	58,281.80	5,723.95	50,369.48	5,976.01	31,357.10	3,399.06	20,118.18	1,202.73
	58,281.80	**5,723.95**	**50,369.48**	**5,976.01**	**31,357.10**	**3,399.06**	**20,118.18**	**1,202.73**

7) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted) :

Category	Market Value / Break up or fair value or Net Asset Value as on September 30, 2024	Book Value as on September 30, 2024 (Net of provisions)	Market Value / Break up or fair value or Net Asset Value as on March 31, 2024	Book Value as on March 31, 2024 (Net of provisions)	Market Value / Break up or fair value or Net Asset Value as on March 31, 2023	Book Value as on March 31, 2023 (Net of provisions)	Market Value / Break up or fair value or Net Asset Value as on March 31, 2022	Book Value as on March 31, 2022 (Net of provisions)
1. Related parties								
(a) Subsidiaries	-	-	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-	-	-
2. Other than related parties	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

8) Other Information

	Particulars	As at September 30, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
		Related Parties	**Other than Related Parties**	**Related Parties**	**Other than Related Parties**	**Related Parties**	**Other than Related Parties**	**Related Parties**	**Other than Related Parties**
(i)	Gross Non-Performing Assets (Stage 3 assets)	-	1,267.61	-	1,025.97	-	772.92	-	861.43
(ii)	Net Non-Performing Assets (Stage 3 assets)	-	623.21	-	480.80	-	441.95	-	504.20
(iii)	Assets Acquired in Satisfaction of Debt	-	-	-	-	-	-	-	-

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

49 Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019- 20 dated 13 March 2020 pertaining to Asset Classification as per RBI Norms

As at 30 September 2024

Asset Classification as per RBI norms	Asset Classification as per IND AS 109	Gross Carrying amount as per IND AS 109	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
1	2	3	4	(5) = (3)-(4)	6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	62,808.18	302.00	**62,506.18**	255.49	46.51
	Stage 2	1,096.38	220.01	**876.37**	12.68	207.33
Subtotal for Standard		**63,904.56**	**522.01**	**63,382.55**	**268.17**	**253.84**
Non-performing assets (NPA)						
Substandard	Stage 3	934.99	447.77	**487.22**	150.44	**297.33**
Doubtful						
- up to 1 year	Stage 3	332.62	196.64	**135.98**	92.23	**104.41**
-1 to 3 years	Stage 3	-	-	**-**	-	**-**
-More than 3 years	Stage 3	-	-	**-**	-	**-**
Subtotal for doubtful		**332.62**	**196.64**	**135.98**	**92.23**	**104.41**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,267.61**	**644.41**	**623.20**	**242.67**	**401.74**
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	1,318.17	5.27	1,312.89	5.27	**-**
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage 1**	**62,808.18**	**302.00**	**62,506.18**	**255.49**	**46.51**
	Stage 2	**1,096.38**	**220.01**	**876.37**	**12.68**	**207.33**
	Stage 3	**1,267.61**	**644.41**	**623.20**	**242.67**	**401.74**
		65,172.17	**1,166.42**	**64,005.75**	**510.84**	**655.58**

As at 31 March 2024

Asset Classification as per RBI norms	Asset Classification as per IND AS 109	Gross Carrying amount as per IND AS 109	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
1	2	3	4	(5) = (3)-(4)	6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	55,380.78	232.97	**55,147.81**	225.35	7.62
	Stage 2	831.12	114.24	**716.88**	17.27	96.97
Subtotal for Standard		**56,211.90**	**347.21**	**55,864.69**	**242.62**	**104.59**
Non-performing assets (NPA)						
Substandard	Stage 3	746.57	357.78	**388.79**	162.08	**195.70**
Doubtful						
- up to 1 year	Stage 3	279.40	187.39	**92.01**	110.57	**76.82**
-1 to 3 years	Stage 3	-	-	**-**	-	**-**
-More than 3 years	Stage 3	-	-	**-**	-	**-**
Subtotal for doubtful		**279.40**	**187.39**	**92.01**	**110.57**	**76.82**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,025.97**	**545.17**	**480.80**	**272.65**	**272.52**
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**	**55,380.78**	**232.97**	**55,147.81**	**225.35**	**7.62**
	Stage 2	**831.12**	**114.24**	**716.88**	**17.27**	**96.97**
	Stage 3	**1,025.97**	**545.17**	**480.80**	**272.65**	**272.52**
		57,237.87	**892.38**	**56,345.49**	**515.26**	**377.11**

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

49 Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019- 20 dated 13 March 2020 pertaining to Asset Classification as per RBI Norms

As at 31 March 2023

Asset Classification as per RBI norms	Asset Classification as per IND AS 109	Gross Carrying amount as per IND AS 109	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
1	2	3	4	(5) = (3)-(4)	6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	33,779.09	149.20	33,629.89	138.06	11.14
	Stage 2	785.30	100.98	684.32	37.45	63.53
Subtotal for Standard		**34,564.39**	**250.18**	**34,314.21**	**175.51**	**74.67**
Non-performing assets (NPA)						
Substandard	Stage 3	382.89	160.48	222.41	84.82	75.66
Doubtful						
- up to 1 year	Stage 3	389.63	170.29	219.34	154.37	15.92
-1 to 3 years	Stage 3	0.40	0.20	0.20	0.20	-
-More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**390.03**	**170.49**	**219.54**	**154.57**	**15.92**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**772.92**	**330.97**	**441.95**	**239.39**	**91.58**
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**	**33,779.09**	**149.20**	**33,629.89**	**138.06**	**11.14**
	Stage 2	**785.30**	**100.98**	**684.32**	**37.45**	**63.53**
	Stage 3	**772.92**	**330.97**	**441.95**	**239.39**	**91.58**
		35,337.31	**581.15**	**34,756.16**	**414.90**	**166.25**

As at 31 March 2022

Asset Classification as per RBI norms	Asset Classification as per IND AS 109	Gross Carrying amount as per IND AS 109	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
1	2	3	4	(5) = (3)-(4)	6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	19,901.38	85.42	19,815.96	80.95	4.47
	Stage 2	1,110.72	109.97	1,000.75	66.70	43.27
Subtotal for Standard		**21,012.10**	**195.39**	**20,816.71**	**147.65**	**47.74**
Non-performing assets (NPA)						
Substandard	Stage 3	664.39	276.90	387.49	142.24	134.66
Doubtful					-	
- up to 1 year	Stage 3	197.04	80.33	116.71	78.56	1.77
-1 to 3 years	Stage 3	-	-	-	-	-
-More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**197.04**	**80.33**	**116.71**	**78.56**	**1.77**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**861.43**	**357.23**	**504.20**	**220.80**	**136.43**
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**	**19,901.38**	**85.42**	**19,815.96**	**80.95**	**4.47**
	Stage 2	**1,110.72**	**109.97**	**1,000.75**	**66.70**	**43.27**
	Stage 3	**861.43**	**357.23**	**504.20**	**220.80**	**136.43**
		21,873.53	**552.62**	**21,320.91**	**368.45**	**184.17**

In terms of the requirement as per RBI notifications no. RBI/2019-20/170 DOR (NBFC).CC. PD No. 109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian accounting standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning) for the period/ financial years ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, accordingly, no amount was required to be transferred to impairment reserve.

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

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(a) Disclosures to be made in notes to accounts by originators pursuant to RBI Directions dated 24 September 2021

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

S. No	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitisation exposures are reported here)	11	7	1	-
2	Total amount of securitised assets as per books of the SPEs	9,551.18	5,724.03	429.41	-
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet				
	a) Off-balance sheet exposures				
	• First loss	-	-	-	-
	• Others				
	b) On-balance sheet exposures				
	• First loss	608.09	353.69	28.12	-
	• Others (Investment in equity tranche PTCs)	1,285.55	652.09	33.79	-
4	Amount of exposures to securitisation transactions other than MRR				
	a) Off-balance sheet exposures				
	i) Exposure to own securitisations				
	• First loss	-	-	-	-
	• Others (Excess Interest Spread)	-	-	-	-
	ii) Exposure to third party securitisations				
	• First loss	-	-	-	-
	• Others	-	-	-	-
	b) On-balance sheet exposures				
	i) Exposure to own securitisations				
	• First loss	-	-	-	-
	• Others	-	-	-	-
	ii) Exposure to third party securitisations				
	• First loss	-	-	-	-
	• Others	-	-	-	-
5	Sale consideration received for the securitised assets for the year/ period and	5,633.47	6,143.59	561.79	-
	gain/loss on sale on account of securitisation		-	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.				-
	First Loss Credit Facility – Bank Fixed Deposit	608.09	353.69	28.12	
7	enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.				
	(a) Amount paid during the year/period (initial cash collateral)	253.39	352.85	28.09	-
	(b) Repayment received (cash collateral reset)		-	-	-
	(c) Outstanding amount (outstanding cash collateral)	608.09	353.69	28.12	-
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	0.17%	0.14%	0.04%	-
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-	-	-
10	Investor complaints				
	(a) Directly/Indirectly received and;	-	-	-	-
	(b) Complaints outstanding	-	-	-	-

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

51 Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

	As at September 30, 2024			As at March 31, 2024		
	Within 12 months	**More than 12 months**	**Total**	**Within 12 months**	**More than 12 months**	**Total**
Assets						
Cash and cash equivalents	5,487.91	-	5,487.91	4,774.49	-	4,774.49
Bank balances other than cash and cash equivalents	3,501.02	357.43	3,858.45	1,606.90	212.80	1,819.70
Receivables	13.09	-	13.09	17.01	-	17.01
Loans	15,654.60	48,351.15	64,005.75	14,265.25	42,080.24	56,345.49
Investments	1,000.74	-	1,000.74	-	-	-
Other financial assets	162.11	186.61	348.72	13.53	222.24	235.77
Current tax assets (Net)	-	118.02	118.02	15.88	-	15.88
Deferred tax Assets (Net)	-	564.88	564.88	-	414.13	414.13
Property, plant and equipment (including right of use asset)	-	490.33	490.33	-	462.27	462.27
Intangible assets under development	-	7.65	7.65	4.91	-	4.91
Other intangible assets	-	72.05	72.05	-	83.97	83.97
Other non-financial assets	88.89	0.12	89.01	42.31	-	42.31
Total Assets	**25,908.36**	**50,148.24**	**76,056.60**	**20,740.27**	**43,475.65**	**64,215.93**
Liabilities						
Financial Liabilities						
Trade Payables						
i) total outstanding dues of micro enterprises and small enterprises	9.75	-	9.75	11.47		11.47
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	62.25	-	62.25	76.52		76.52
Debt Securities	432.12	3,390.58	3,822.70	432.05	2,649.17	3,081.22
Borrowings (other than debt securities)	16,455.63	28,615.85	45,071.48	13,050.81	23,826.04	36,876.85
Other financial liabilities (including lease liabilities)	511.45	252.14	763.59	552.66	176.25	728.91
Non-Financial Liabilities						-
Provisions	166.78	-	166.78	86.61		86.61
Other non-financial liabilities	50.77	2.77	53.54	58.81	-	58.81
Total Liabilities	**17,688.75**	**32,261.34**	**49,950.09**	**14,268.93**	**26,651.46**	**40,920.39**

	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	**More than 12 months**	**Total**	**Within 12 months**	**More than 12 months**	**Total**
Assets						
Cash and cash equivalents	2,382.54	-	2,382.54	3,347.39	-	3,347.39
Bank balances other than cash and cash equivalents	2,830.25	28.09	2,858.34	1,152.16	-	1,152.16
Receivables	0.41	-	0.41	-	-	-
Loans	9,092.95	25,663.21	34,756.16	5,261.96	16,058.95	21,320.91
Investments	-	-	-	-	-	-
Other financial assets	15.63	66.51	82.14	29.82	39.46	69.28
Current tax assets (Net)	5.22	-	5.22	41.26	-	41.26
Deferred tax Assets (Net)	-	311.32	311.32	-	222.68	222.68
Property, plant and equipment (including right of use asset)	-	414.65	414.65	-	205.42	205.42
Intangible assets under development	1.61	-	1.61	-	4.58	4.58
Other intangible assets	-	20.08	20.08	-	22.51	22.51
Other non-financial assets	30.34	-	30.34	38.55	-	38.55
Total Assets	**14,358.95**	**26,503.86**	**40,862.81**	**9,871.14**	**16,553.60**	**26,424.74**
Liabilities						
Financial Liabilities						
Trade Payables						
i) total outstanding dues of micro enterprises and small enterprises	6.55	-	6.55	1.88	-	1.88
ii) total outstanding dues of creditors other than micro enterprises and	48.75	-	48.75	31.26	-	31.26
Debt Securities	292.69	1,500.00	1,792.69	2,176.82	243.90	2,420.72
Borrowings (other than debt securities)	7,591.60	14,868.95	22,460.55	3,624.92	5,910.88	9,535.80
Other financial liabilities (including lease liabilities)	335.27	185.46	520.73	178.03	114.52	292.55
Non-Financial Liabilities						
Provisions	26.24	56.11	82.35	17.87	23.75	41.62
Other non-financial liabilities	38.62	-	38.62	20.44	-	20.44
Total Liabilities	**8,339.72**	**16,610.51**	**24,950.23**	**6,051.22**	**6,293.05**	**12,344.27**

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

51A Changes in liability arising from financing activities

Particulars	April 01, 2024	Cash Flows	New leases	Others*	September 30, 2024
Debt Securities	3,081.22	750.00	-	(8.52)	3,822.70
Borrowings (other than debt securities)	36,876.84	8,248.31	-	(53.69)	45,071.47
Lease Liability	304.03	(92.62)	118.60	-	330.01
Total	**40,262.09**	**8,905.70**	**118.60**	**(62.21)**	**49,224.17**

Particulars	April 01, 2023	Cash Flows	New leases	Others*	March 31, 2024
Debt Securities	1,792.69	1,300.00	-	(11.48)	3,081.22
Borrowings (other than debt securities)	22,460.55	14,438.05	-	(21.76)	36,876.84
Lease Liability	295.15	(151.80)	160.68	-	304.03
Total	**24,548.39**	**15,586.25**	**160.68**	**(33.24)**	**40,262.09**

Particulars	April 01, 2022	Cash Flows	New leases	Others*	March 31, 2023
Debt Securities	2,420.72	(576.00)	-	(52.03)	1,792.69
Borrowings (other than debt securities)	9,535.80	12,967.70	-	(42.95)	22,460.55
Lease Liability	173.42	(106.80)	228.53	-	295.15
Total	**12,129.94**	**12,284.90**	**228.53**	**(94.98)**	**24,548.39**

Particulars	April 01, 2021	Cash Flows	New leases	Others*	March 31, 2022
Debt Securities	5,307.45	(2,800.00)	-	(86.73)	2,420.72
Borrowings (other than debt securities)	7,234.00	2,319.94	-	(18.15)	9,535.80
Lease Liability	138.44	(79.88)	114.86	-	173.42
Total	**12,679.89**	**(559.94)**	**114.86**	**(104.88)**	**12,129.94**

* Other column includes the effect of accrued interest on borrowing and amortisation of processing fees.

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

52 Disclosure pursuant to Reserve Bank of India Circular DOR. No. BP. BC/3/21.04.048/2020-21 dated 06 August 2020 pertaining to Resolution Framework for COVID 19 related stress read with RBI/ 2021- 22/31 DOR.STR.REC. 11/21.04.048/2021-22 dated 05 May 2021 pertaining to Resolution Framework- 2.0: Resolution of COVID 19 related stress of Individuals and Small businesses.

Format - B :

Type of borrower**	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of 31 March 2024 (A)	Of (A) Aggregated debt that slipped into NPA during the year	Of (A) Amount written off during the year	Of (A) Amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 30 September 2024
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	144.11	12.65	10.13	35.78	85.56
Total	**144.11**	**12.65**	**10.13**	**35.78**	**85.56**

Type of borrower**	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of 31 March 2023 (A)	Of (A) Aggregated debt that slipped into NPA during the year	Of (A) Amount written off during the year	Of (A) Amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31 March 2024
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	351.07	39.11	47.41	120.43	144.11
Total	**351.07**	**39.11**	**47.41**	**120.43**	**144.11**

Type of borrower**	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of 31 March 2022 (A)	Of (A) Aggregated debt that slipped into NPA during the year	Of (A) Amount written off during the year	Of (A) Amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31 March 2023
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	636.48	75.21	37.09	173.11	351.07
Total	**636.48**	**75.21**	**37.09**	**173.11**	**351.07**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

** Classification of borrowers is based on the data available with the Company and has been relied upon by the auditors. Above loans are secured wholly by mortgage of property.

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

53 Public Disclosure on Liquidity Risk as required under RBI Circular – RBI/2019-20/88, DOR.NBFC (PD) CC No. 102/03.10.001/2019-20 dated 04th November 2019

1 Funding concentration based on significant counterparty (both deposits and borrowings)

Particulars	**As at September 30, 2024**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
No. of Significant Counterparties	23	17	17	17
Borrowing outstanding	44,915.22	33,490.67	18,695.10	8,101.00
% of Total Liabilities	89.92%	81.84%	74.93%	65.63%

2 **Top 20 large deposits-** Not Applicable. The Company, being a Systematically Important Non-Deposit taking Non-Banking Financial Company and registered with Reserve Bank of India, does not accept public deposits.

3 **Top 10 borrowings**

	As at September 30, 2024		**As at March 31, 2024**		**As at March 31, 2023**		**As at March 31, 2022**	
Particulars	**Amount**	**% of Total Borrowings**	**Amount**	**% of Total Borrowings**	**Amount**	**% of Total Borrowings**	**Amount**	**% of Total Borrowings**
Total of top 10 borrowings	33,201.90	67.91%	27,370.11	68.50%	15,315.00	63.15%	7,437.40	62.20%

4 **Funding concentration based on significant instrument / product**

Name of the instrument / product	**As at September 30, 2024**		**As at March 31, 2024**		**As at March 31, 2023**		**As at March 31, 2022**	
	Amount	**% of Total liabilities**	**Amount**	**% of Total liabilities**	**Amount**	**% of Total liabilities**	**Amount**	**% of Total liabilities**
Non-Convertible Debentures	3,822.70	7.65%	3,081.22	7.53%	1,792.69	7.19%	2420.72	19.61%
Term Loans	36,598.30	73.27%	31,679.93	77.42%	21,365.99	85.63%	9,340.16	75.66%
Securitisation (PTCs)	8,265.62	16.55%	5,071.94	12.39%	395.61	1.59%	-	-
Working Capital Loans	207.56	0.42%	124.98	0.31%	698.95	2.80%	195.64	1.58%

5 **Stock Ratios:**

	Name of the instrument / product	**As at September 30, 2024**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
		Ratio	**Ratio**	**Ratio**	**Ratio**
1	Commercial Paper as a % of Total	N.A.	N.A.	N.A.	N.A.
2	Commercial Paper as a % of Total Liabilities	N.A.	N.A.	N.A.	N.A.
3	Commercial Paper as a % of Total Assets	N.A.	N.A.	N.A.	N.A.
4	Non-convertible debentures (original maturity of less than one year) as a % of Total Public Funds	N.A.	N.A.	N.A.	N.A.
5	Non-convertible debentures (original maturity of less than one year) as a % of Total Liabilities	N.A.	N.A.	N.A.	N.A.
6	Non-convertible debentures (original maturity of less than one year) as a % of Total Assets	N.A.	N.A.	N.A.	N.A.
7	Other short-term liabilities as a % of Total Public Funds	N.A.	N.A.	N.A.	N.A.
8	Other short-term liabilities as a % of Total Liabilities	35.41%	34.87%	33.43%	49.02%
9	Other short-term liabilities as a % of Total Assets	23.26%	10.08%	14.73%	14.46%

6 **Institutional set-up for liquidity risk management:**

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to while conducting its business. The Board approves the governance structure, policies, strategy, and the risk limits for the management of liquidity risk.

The Board of Directors approved the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are held at quarterly intervals and more frequently as warranted from time to time. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk return perspective and within the risk appetite approved by the Board.
The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity, and interest rate risk management and to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once a month. The minutes of ALCO meetings are placed before the RMC in its next meeting for its perusal/approval/ratification.

Notes:
1) Significant counterparty is as defined in RBI circular RBI circular RBI/2019-20/88,DOR.NBFC (PD) CC No.102/03.10.001/2019-20,Dated November 04, 2019.
2) Amount represents IND-AS outstanding inclusive of interest accruals and fee amortisation.
3) Total Liabilities exclude Networth of the company.
4) Other short-term liabilities represent Borrowings maturing within one year.

Refer Note No 43 (iii) for the summary of maturity profile of undiscounted cash flows of the Company's financial assets and financial liabilities as at reporting period.

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

53 Public Disclosure on Liquidity Risk as required under RBI Circular – RBI/2019-20/88, DOR.NBFC (PD) CC No. 102/03.10.001/2019-20 dated 04th November 2019

53.01 Liquidity Coverage Ratio

As per the Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20, all non-deposit taking NBFCs with asset size more than INR 5,000 crores are required to maintain Liquidity Coverage Ratio (LCR) from December 1, 2022, with the minimum LCR to be 60%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024.

The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that an NBFC maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. 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 has delegated responsibility of balance sheet Liquidity Risk Management to the Asset Liability Committee as per the ALCO policy of the Company.

Qualitative information:
Main drivers to the LCR numbers:
All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation.

Composition of HQLA:
The HQLA maintained by the Company comprises comprise of cash on hand and demand deposits with Scheduled Commercial Banks. The details are given below.
- For the period July to Sep 2024, the average HQLA of (INR 925.69 million) comprised of INR 14.23 million in cash and INR 911.46 million in demand deposits with scheduled commercial banks.

Concentration of funding sources:

The company maintains diversified sources of funding comprising short/long term loans from banks, NBFC's NCDs, and securitisation. The funding pattern is reviewed regularly by the management.

Derivative exposures and potential collateral calls:
As on September 30, 2024, the company has no derivative exposures.

Currency mismatch in LCR:
There is NIL mismatch to be reported

Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile

Nil

Computation of Liquidity Coverage Ratio for the period ended 30 September 2024:

	Particulars	Q2 FY 24-25		Q1 FY 24-25	
		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)**				
	- Cash	14.23	14.23	12.60	12.60
	- Bank Balance	911.46	911.46	605.87	605.87
	Cash Outflows				
2	Deposits (for deposit taking companies)	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-
4	Secured wholesale funding	-	-	-	-
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	2,707.21	3,113.29	1,973.20	2,269.18
7	Other contingent funding obligations	2.50	2.88	2.50	2.88
8	**TOTAL CASH OUTFLOWS**		**3,116.17**	**-**	**2,272.06**
	Cash Inflows				
9	Secured lending	1,084.85	813.63	1,208.41	906.30
10	Inflows from fully performing exposures	2,440.02	1,830.01	2,289.12	1,716.84
11	Other cash inflows	4,954.76	3,716.07	4,397.26	3,297.95
12	**TOTAL CASH INFLOWS**		**6,359.71**		**5,921.08**
		Total Adjusted Value	**Total Adjusted Value**	**Total Adjusted Value**	**Total Adjusted Value**
13	**TOTAL HQLA**	NA	**925.69**	NA	**618.47**
14	**TOTAL NET CASH OUTFLOWS**	NA	**779.04**	NA	**568.01**
15	**LIQUIDITY COVERAGE RATIO (%)**	NA	**118.82%**	NA	**108.88%**

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

53 Public Disclosure on Liquidity Risk as required under RBI Circular – RBI/2019-20/88, DOR.NBFC (PD) CC No. 102/03.10.001/2019-20 dated 04th November 2019

Computation of Liquidity Coverage Ratio for the financial year 31 March 2024:

	Particulars	Q4 FY 23-24		Q3 FY 23-24	
		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)**				
	- Cash	15.00	15.00	20.40	20.40
	- Bank Balance	3,903.00	3,903.00	2,918.60	2,918.60
	Cash Outflows				
2	Deposits (for deposit taking companies)	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-
4	Secured wholesale funding	-	-	-	-
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	4,597.39	5,287.00	1,579.65	1,816.60
7	Other contingent funding obligations	2.52	2.90	2.52	2.90
8	**TOTAL CASH OUTFLOWS**	**4,599.91**	**5,289.90**	**1,582.17**	**1,819.50**
	Cash Inflows				
9	Secured lending	1,085.07	813.80	1,424.00	1,068.00
10	Inflows from fully performing exposures	2,289.47	1,717.10	2,087.07	1,565.30
11	Other cash inflows	105.73	79.30	1,787.46	1,340.60
12	**TOTAL CASH INFLOWS**	**3,480.27**	**2,610.20**	**5,298.53**	**3,973.90**
		Total Adjusted Value	**Total Adjusted Value**	**Total Adjusted Value**	**Total Adjusted Value**
13	**TOTAL HQLA**	NA	**3,918.00**	NA	**2,939.00**
14	**TOTAL NET CASH OUTFLOWS**	NA	**2,679.80**	NA	**454.90**
15	**LIQUIDITY COVERAGE RATIO (%)**	NA	**146.21%**	NA	**646.12%**

Notes:

1. The average weighted and unweighted amounts are calculated based on simple average of daily observations. The weightage factor applied to compute weighted average value is constant for all the quarters.

2. Prior to introduction of LCR framework, the company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines.

3. Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

4. The disclosures above are based on the information and records maintained and compiled by the management and have been relied upon by the auditors.

5. RBI has mandated minimum liquidity coverage ratio (LCR) of 60% to be maintained by December 2021, which is to be gradually increased to 100% by December 2024. The Company has LCR of 118.82% as of September 30, 2024 as against the LCR the rate mandated by RBI.

6. Liquidity Coverage Ratio (LCR) became applicable for the Company when it crossed an asset size of INR 50,000 million from the month of September 2023. Hence, as of March 31, 2022 and March 31, 2023, LCR was not applicable for the Company.

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54 Other Statutory information

i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

ii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Company has not traded or invested in Crypto currency or Virtual Currency during any financial year.

v) 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

(vi)The Company has not received any fund from any person(s)or entity(ies), including foreign entities (FundingParty) 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

(vii)The Company does not have any 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.

(viii) The Company is not declared as wilful defaulter by any bank or financial institution or any other lender

55 Comparatives

Financial information for the six months period ended September 30, 2024 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, 2024, March 31, 2023, and March 31, 2022. Further, financial information for the six months period ended September 30, 2024 has not been annualized.

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(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

56 Statement of adjustments to audited financial statements

The accounting policies applied as at and for each of the years ended March 31,2024 March 31,2023 and March 31,2022 are consistent with those adopted in the preparation of financial statements for the six months period ended September 30, 2024.

Material Restatement Adjustments:

These Restated Summary Statements have been compiled from the Historical Audited Financial Statements and

(a) there were no changes in accounting policies during the period/ years of these financial statements

(b) there were no material amounts which have been adjusted for in arriving at profit/ loss of the respective period/ years; and

(c) there were no material adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities,in order to bring them in line with the grouping as per the Historical Audited Financial Statements of the Company and the requirements of the SEBI Regulations, except as stated in point A and B below.

A Material Regroupings:

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 years ended March 31, 2023 and March 31, 2022, the Company had reclassified the comparative figures, as applicable, in accordance with the requirements of the Ind AS and above stated Government notification. 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 audited financial statements.

B Other restatement adjustments

The Company had revised the EPS computation to include ordinary shares to be issued upon conversion of compulsorily convertible preference shares as per the requirements of IndAS 33 – Earnings per share, as compared to the basic earnings per share and diluted earnings per share reported earlier by the Company in the respective financial statements.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic EPS as reported earlier	23.98	36.15	18.12
Basic EPS currently reported	19.04	14.85	6.75
Diluted EPS as reported earlier	23.76	14.57	6.59
Diluted EPS currently reported	18.86	14.52	6.60

C There were no significant adjusting events that occurred subsequent to the reporting period.

Summarised below are the restatement adjustments made to the total equity as per the audited financial statements of the Company for the six months period ended September 30, 2024 and years ended March 31, 2024, March 31, 2023 and March 31, 2022:

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Total equity (as per audited financial statements)	26,106.51	23,295.54	15,912.57	14,080.47
Adjustments due to prior period items / other adjustments	-	-	-	-
Total equity (as per Restated Summary Statements)	26,106.51	23,295.54	15,912.57	14,080.47

D 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 six months period ended September 30, 2024 and years ended March 31, 2024, March 31, 2023 and March 31, 2022:

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
A. Total comprehensive income as per audited financial statements	1,314.88	2,454.89	1,746.95	758.50
B. Adjustments				
Material restatement adjustments:				
(i) Audit qualifications	-	-	-	-
Total	-	-	-	-
(ii) Adjustments due to prior period items / other adjustments	-	-	-	-
Total	-	-	-	-
(iii) Deferred tax impact on adjustments in (i) and (ii) as applicable	-	-	-	-
C. Total impact of adjustments (i+ii+iii)	-	-	-	-
D. Total comprehensive income as per Restated Summary Statements (A+C)	**1,314.88**	**2,454.89**	**1,746.95**	**758.50**

E Other non adjusting items

As at and for the year ended March 31, 2022

Emphasis of matter paragraph in the Auditors' report

We draw attention to note 57 relating to the impact of Covid19 Pandemic in the financial statements in which the management has described the probable impact on the Company and the environment in which it operates. This note also indicates that uncertainties exist and it is currently not possible to reasonably estimate the future impact. The measures taken to deal with these circumstances were explained by the management. Our opinion is not modified in this matter.

57 Events after reporting period

There were no significant adjusting events that occurred subsequent to the reporting period.

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration no.: 101049W/E300004

per Bharath N S

Partner
ICAI Membership No. : 210934

Place : Chennai
Date : 09 January 2025

for and on behalf of the Board of Directors of
CIN: U65923TN2015PLC100328
Veritas Finance Limited (formerly known as "Veritas Finance Private Limited ")

Suresh Subramanian
Independent Director

DIN : 02070440

D. Arulmany
Managing Director and
Chief Executive Officer
DIN : 00009981

S V Laxmi
Chief Financial Officer

V. Aruna
Company Secretary and Compliance Officer
Membership No. : A60078

Place : Chennai
Date : 09 January 2025

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 six months period ended September 30, 2024	As at and for the financial year ended March 31, 2024	As at and for the financial year ended March 31, 2023	As at and for the financial year ended March 31, 2022
Earnings per share, par value of INR 10 each - Basic (in INR) #	10.10	19.04	14.85	6.75
Earnings per share, par value of INR 10 each - Diluted (in INR)#	10.02	18.86	14.52	6.60
Return on Average Net Worth (RoNW) (%)#	5.44%	12.27%	11.81%	6.91%
Net Asset Value per share (₹)	198.86	182.68	148.35	132.06
EBITDA* (*₹ million)*	4,159.61	6,609.43	4,164.52	2,440.04

#Not annualised for as at and for the six months period ended September 30, 2024.
** EBITDA represents profit for the year after adding back total tax expense, finance costs and depreciation and amortization of the relevant period/year*

Notes:

1. *Basic and Diluted EPS are computed in accordance with Indian Accounting Standard (Ind AS) 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Basic earnings per equity share is computed by dividing net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the period/year. Diluted earnings per equity share is computed and disclosed by dividing the net profit after tax attributable to the equity shareholders for the period/year after giving impact of dilutive potential equity shares for the period/year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the period/year.*
2. *Return on Average Net Worth is calculated as the profit for the period/ year as a percentage of average net worth in such period/ year. Average Net Worth represents the simple average of networth as at the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding period/year.*
3. *Net Asset Value Per Share is calculated as Net Worth as at the end of the relevant period/year divided by the aggregate of total number of equity shares and instruments entirely equity in nature outstanding at the end of such period/year.*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company as at and for the Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022 and the reports thereon (collectively, the "**Audited Financial Statements**") are available on our website at https://www.veritasfin.in/annual-reports.php.

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.

Reconciliation of Non-GAAP measures

Reconciliation for the following Non-GAAP financial measures included in the Draft Red herring Prospectus are set out below:

Reconciliation of net worth

(in ₹ million)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Equity share capital (A)	1,313.58	1,275.19	492.05	485.61
Instruments entirely Equity in nature (B)	-	-	650.18	650.18
Other equity (C)	24,792.93	22,020.35	14,770.34	12,944.68
Net worth (D = A+B+C)	**26,106.51**	**23,295.54**	**15,912.57**	**14,080.47**

Reconciliation of net asset value per share

(in ₹ millions, except stated otherwise and share data)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Equity share capital (A)	1,313.58	1,275.19	492.05	485.61
Instruments entirely Equity in nature (B)	-	-	650.18	650.18
Other equity (C)	24,792.93	22,020.35	14,770.34	12,944.68
Net worth (D = A+B+C)	**26,106.51**	**23,295.54**	**15,912.57**	**14,080.47**
Number of equity shares (E)	131,278,209	127,519,273	49,204,849	48,560,849
Number of instruments entirely equity in nature (F)	-	-	58,058,249	58,058,249
Total number of shares (G=E+F)	**131,278,209**	**127,519,273**	**107,263,098**	**106,619,098**
Net asset value per share (₹) (H=D/G)	198.86	182.68	148.35	132.06

Reconciliation of Total Borrowings

(in ₹ million)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Debt securities (A)	3,822.70	3,081.22	1,792.69	2,420.72
Borrowings (other than debt securities) (B)	45,071.48	36,876.85	22,460.55	9,535.80
Total borrowings (C=A+B)	**48,894.18**	**39,958.07**	**24,253.24**	**11,956.52**

Reconciliation of net interest income

(in ₹ million)

Particulars	For the six months period ended September 30, 2024	For the financial year ended March 31, 2024	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Interest income on loans (A)	6,731.06	10,293.31	6,336.98	4,093.00
Finance costs (B)	2,245.58	3,144.16	1,684.88	1,283.87
Interest expenses on lease liabilities (C)	16.79	31.85	22.78	19.00
Net interest income (D=A-B+C)	**4,502.27**	**7,181.00**	**4,674.88**	**2,828.13**

Reconciliation of debt to equity ratio

Particulars	As at September 30, 2024 (in ₹ millions, except stated otherwise)	As at March 31, 2024 (in ₹ millions, except stated otherwise)	As at March 31, 2023 (in ₹ millions, except stated otherwise)	As at March 31, 2022 (in ₹ millions, except stated otherwise)
Debt securities (A)	3,822.70	3,081.22	1,792.69	2,420.72
Borrowings (other than debt securities) (B)	45,071.48	36,876.85	22,460.55	9,535.80
Total borrowings (C=A+B)	**48,894.18**	**39,958.07**	**24,253.24**	**11,956.52**
Total Equity (D)	26,106.51	23,295.54	15,912.57	14,080.47

Particulars	As at September 30, 2024 (in ₹ millions, except stated otherwise)	As at March 31, 2024 (in ₹ millions, except stated otherwise)	As at March 31, 2023 (in ₹ millions, except stated otherwise)	As at March 31, 2022 (in ₹ millions, except stated otherwise)
Debt to equity ratio (times) (E=C/D)	**1.87**	**1.72**	**1.52**	**0.85**

Reconciliation of operating expenses and cost to income ratio (%)

(in ₹ million, except as otherwise stated)

Particulars	For the six months period ended September 30, 2024	For the financial year ended March 31, 2024	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Employee benefits expenses (A)	1,986.33	2,916.10	1,669.70	1,098.43
Fees and commission expense (B)	8.61	43.52	19.99	7.26
Depreciation and amortization (C)	142.03	235.63	151.14	142.54
Interest expenses on lease liabilities (D)	16.79	31.85	22.78	19.00
Other expenses (E)	402.24	704.22	499.75	296.99
Operating Expenses (F=(A+B+C+D+E))	**2,556.00**	**3,931.32**	**2,363.36**	**1,564.22**
Total income (G)	7,201.12	11,174.93	6,807.97	4,422.27
Cost to income ratio (%) (H=F/G)	**35.49%**	**35.18%**	**34.71%**	**35.37%**

Reconciliation of net carrying amount - loans - stage 3

(in ₹ million)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Gross Carrying amount - Loans - Stage 3 (A)	1,267.61	1,025.97	772.92	861.43
Impairment loss allowance - Loans - Stage 3 (B)	644.41	545.17	330.97	357.23
Net Carrying amount - Loans - Stage 3 (C=A-B)	**623.20**	**480.80**	**441.95**	**504.20**

Reconciliation of gross carrying amount - loans - stage 3 to net carrying amount - loans - stage 3, gross carrying amount - loans - total to net carrying amount - loans - total and net carrying amount - loans - stage 3 (%)

(in ₹ million, except stated otherwise)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Gross Carrying amount - Loans - Stage 3 (A)	1,267.61	1,025.97	772.92	861.43
Impairment loss allowance - Loans - Stage 3 (B)	644.41	545.17	330.97	357.23
Net Carrying amount - Loans - Stage 3 (C=A-B)	**623.20**	**480.80**	**441.95**	**504.20**
Gross Carrying amount - Loans - Total (D)	65,172.17	57,237.87	35,337.31	21,873.53
Impairment loss allowance - Loans - Stage 3 (E)	644.41	545.17	330.97	357.23
Net Carrying amount - Loans - Total (F=D-E)	**64,527.76**	**56,692.70**	**35,006.34**	**21,516.30**
Net Carrying Amount - Loans - Stage 3 (%) (G=C/F)	**0.97%**	**0.85%**	**1.26%**	**2.34%**

Reconciliation of gross carrying amount - loans - stage 3 (%)

(in ₹ million, except stated otherwise)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Gross Carrying amount - Loans - Stage 3 (A)	1,267.61	1,025.97	772.92	861.43
Gross Carrying amount - Loans - Total (B)	65,172.17	57,237.87	35,337.31	21,873.53
Gross Carrying Amount – Loans - Stage 3 (%) (C=A/B)	**1.95%**	**1.79%**	**2.19%**	**3.94%**

Reconciliation of provision coverage ratio (%)

(in ₹ million, except stated otherwise)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Impairment loss allowance - Loans - Stage 3 (A)	644.41	545.17	330.97	357.23
Gross Carrying amount - Loans - Stage 3 (B)	1,267.61	1,025.97	772.92	861.43
Provision Coverage Ratio (%) (C=A/B)	**50.84%**	**53.14%**	**42.82%**	**41.47%**

Reconciliation of operating expenses

(in ₹ million)

Particulars	For the six months period ended September 30, 2024	For the financial year ended March 31, 2024	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Employee benefits expenses (A)	1,986.33	2,916.10	1,669.70	1,098.43
Fees and commission expense (B)	8.61	43.52	19.99	7.26
Depreciation and amortization (C)	142.03	235.63	151.14	142.54
Interest expenses on lease liabilities (D)	16.79	31.85	22.78	19.00
Other expenses (E)	402.24	704.22	499.75	296.99
Operating Expenses (F=(A+B+C+D+E))	**2,556.00**	**3,931.32**	**2,363.36**	**1,564.22**

Reconciliation of pre-impairment provisioning profit

(in ₹ million)

Particulars	For the six months period ended September 30, 2024	For the financial year ended March 31, 2024	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Profit before tax (A)	1,772.00	3,229.64	2,328.50	1,013.63
Impairment on financial instruments (B)	644.33	901.66	454.01	579.55
Pre-impairment provisioning profit (C=A+B)	**2,416.33**	**4,131.30**	**2,782.51**	**1,593.18**

Reconciliation of credit cost

(in ₹ million)

Particulars	For the six months period ended September 30, 2024	For the financial year ended March 31, 2024	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Impairment loss allowance - on loans - measured at amortised cost (A)	274.02	311.23	28.53	167.47
Impairment loss allowance - on receivables and other financial assets - measured at amortised cost (B)	(0.96)	0.85	0.61	0.27
Impairment loss allowance - on undrawn commitments (C)	5.27	-	-	-
Loans written off (D)	406.10	652.25	438.91	425.81
Recovery on loans written off (E)	(40.10)	(62.67)	(14.04)	(14.00)
Credit cost (F=A+B+C+D+E)	**644.33**	**901.66**	**454.01**	**579.55**

Reconciliation from Profit for the period/ year to EBITDA

(in ₹ million)

Particulars	For the six months period ended September 30, 2024	For the financial year ended March 31, 2024	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Profit for the period/ year (A)	1,331.08	2,450.52	1,764.04	754.04
Total tax expense (B)	440.92	779.12	564.46	259.59
Finance costs (C)	2,245.58	3,144.16	1,684.88	1,283.87
Depreciation and amortization (D)	142.03	235.63	151.14	142.54
EBITDA (E=A+B+C+D)	**4,159.61**	**6,609.43**	**4,164.52**	**2,440.04**

Reconciliation from finance costs to adjusted finance cost

(in ₹ million)

Particulars	For the six months period ended September 30, 2024	For the financial year ended March 31, 2024	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Finance costs (A)	2,245.58	3,144.16	1,684.88	1,283.87
Interest expenses on lease liabilities (B)	16.79	31.85	22.78	19.00
Adjusted Finance Cost (C=A-B)	**2,228.79**	**3,112.31**	**1,662.10**	**1,264.87**

Reconciliation of Loans (AUM)

(in ₹ million)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Loans (A)	64,005.75	56,345.49	34,756.16	21,320.91
Impairment loss allowance - loans (B)	1,166.42	892.38	581.15	552.62
Loans (AUM) (C=A+B)	**65,172.17**	**57,237.87**	**35,337.31**	**21,873.53**

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 six months period ended September 30, 2024 and Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, and as reported in the Restated Summary Statements, see “*Restated Summary Statements-Note 38 – Related Party Transactions*” on page 379.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Summary Statements, including the related notes thereto and the respective audit reports thereon, included elsewhere in this Draft Red Herring Prospectus. Our Restated Summary Statements are based on our interim financial statements as of and for the six month period ended September 30, 2024, which have been prepared in accordance with Ind AS 34 and are based on our audited financial statements as of and for the years ended March 31, 2024, 2023 and 2022, which have been prepared in accordance with Ind AS, and restated in accordance with Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note. Ind AS differs in certain material respects from IFRS and U.S. GAAP. See "Risk Factors – External Risk Factors – Risks related to India –Significant differences exist between Indian Accounting Standards and other accounting principles, such as Indian Generally Accepted Accounting Principles, U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards, which may be relevant to investors' assessment of our financial condition, results of operations and cash flows." on page 58.

This discussion contains certain forward-looking statements that involve risks and uncertainties and reflect our current view with respect to future events and financial performance, many of which are beyond our control, which may cause the actual results to be different from those expressed or implied by the forward-looking statements. See "Forward-Looking Statements" and "Risk Factors" on pages 21 and 32, respectively.

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 is a supplemental measure of our performance and liquidity and not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or U.S. GAAP. Furthermore, such measures and indicators are not defined under Ind AS, Indian GAAP, IFRS, U.S. GAAP or other accounting standards, and therefore should not be viewed as substitutes for performance, liquidity, or profitability measures under such accounting standards. 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 management believes that they are useful to an investor in evaluating our operating performance.

*Unless otherwise indicated, the industry and market-related information contained in this Draft Red Herring Prospectus is derived from the report titled "Report on Loans and Financial Services in India" dated January 2025 (the "**CRISIL MI&A Report**"), which has been commissioned and paid for by our Company for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CRISIL Market Intelligence & Analytics, a division of CRISIL Limited ("**CRISIL MI&A**"), in connection with the preparation of the CRISIL MI&A Report pursuant to an engagement letter dated June 14, 2024. The CRISIL MI&A Report is available on the website of our Company at https://www.veritasfin.in/drhp.php and has also been included in "Material Contracts and Documents for Inspection – Material Documents" on page 533. The information included in this section includes excerpts from the CRISIL MI&A Report and may have been reordered by us for the purposes of presentation. There are no material parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner. For more information, see "Risk Factors — Certain sections of this Draft Red Herring Prospectus contain industry and market-related information from an industry report prepared by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited, which has been commissioned and paid for by us in connection with the Offer, and any reliance on such information in making an investment decision in the Offer is subject to inherent risks" on page 58.*

Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is derived from the Restated Summary Statements included in this Draft Red Herring Prospectus.

Overview

Established in 2015, we are an NBFC registered with the RBI, and under the scale-based regulations of the RBI, are classified as an 'NBFC-Middle Layer'. As a diversified, retail-focused NBFC, we primarily provide small business loans to MSMEs and self-employed individuals, and over the years, have expanded our business to include home loans and used commercial vehicle loans. As of September 30, 2024, our Loans (AUM) aggregated to ₹65,172.17 million.

According to CRISIL MI&A, we are the fastest-growing NBFC in terms of Loans (AUM) growth among compared peers for the period between the Financial Years 2022 to 2024, with a CAGR of 61.76%. As of Financial Year 2024, the estimated MSME credit demand in India was approximately ₹138 trillion, with only 25% of this demand being met through formal financing channels (Source: *CRISIL MI&A Report*). Moreover, according to the CRISIL MI&A Report, during Financial Year 2024, the total addressable credit demand was ₹67.5 trillion, while current formal financing amounted to ₹35 trillion, leaving a potentially addressable MSME credit gap of ₹32.5 trillion to be fulfilled by financial institutions. The MSME credit market has demonstrated strong growth, with credit outstanding rising at a CAGR of 15.8% from Financial Year 2019 to Financial Year 2024 and is expected to grow at a CAGR of 17-19% from Financial Years 2024 to 2027 (Source: *CRISIL MI&A Report*). The housing finance market has also demonstrated strong growth, with credit outstanding rising at a CAGR of 13.6% from Financial

Year 2019 to Financial Year 2024 and is expected to grow at a CAGR of 13-15% from Financial Years 2024 to 2027 (Source: *CRISIL MI&A Report*).

We focus on addressing the financial needs of underserved and underbanked MSMEs and individuals by providing access to credit. To address the significant credit gap in these sectors, we offer a range of products, including small business loans, housing loans, used commercial vehicle loans, and working capital loans. The table below sets out details of our Loans (AUM) and disbursements as of and for the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022:

Metric	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
Loans (AUM) *(₹ in millions)*[(1)]	65,172.17	57,237.87	35,337.31	21,873.53
Loans (AUM) Growth (%)[(2)]	45.37%	61.98%	61.55%	39.97%
Disbursements *(₹ in millions)* [(3)]	18,378.85	37,024.30	22,446.55	11,882.77
Disbursements Growth (%)[(4)]	14.26%	64.94%	88.90%	93.35%

(1) Loans (AUM) is the aggregate of Loans and Impairment loss allowance - loans.
(2) Loans (AUM) Growth represents percentage growth in Loans (AUM) for the relevant period/year over Loans (AUM) of the previous period/year.
(3) Disbursements represent the aggregate of all loan amounts extended to customers in the relevant period/year.
(4) Disbursements Growth represents percentage growth in Disbursements for the relevant period/year over Disbursements of the previous period/year.

As a leading provider of retail credit to borrowers lacking access to formal financing channels and formal documentation (Source: *CRISIL MI&A Report*), our growth is supported by our diverse businesses and geographically diverse loan book, which includes the following businesses:

- *Rural Business Loans:* Our Rural Business Loans comprise small business loans and home construction loans, which have an average yield based on disbursements of 22.83% for the six months ended September 30, 2024, and are aimed at supporting businesses with their business expansion and income generation needs and self-employed or salaried individuals with constructing or completing the construction of their existing homes. We offer these loans as secured loans, with self-occupied residential property generally as collateral, and to borrowers in rural and semi-urban regions having little to no bank penetration. As of September 30, 2024, loans offered under this business had an average ticket size of ₹0.47 million. Our primary customer base for this business comprises borrowers with a monthly income ranging between ₹25,000-₹80,000 and limited or no prior formal credit history.

- *Affordable Home Loans:* Since October 2022, we offer secured housing loans to borrowers primarily located in Tier-1 and Tier-2 cities, with loan tenures ranging from five to fifteen years for affordable housing purchases or construction. As compared to home construction loans within our rural business loans business, these loans are tailored towards customers demonstrating a higher earning capacity, with an average ticket size of ₹1.13 million and an average yield based on disbursements of 16.63% for the six months ended September 30, 2024. As such, our primary customers in our home loans business comprises of low income self-employed and salaried borrowers, and non-resident Indians. Self-occupied residential property of the borrower is generally provided as collateral for such loans.

- *Used Commercial Vehicle Loans:* Since March 2024, we offer secured used commercial vehicle loans to borrowers in semi-urban and rural regions in India. These loans usually have tenures of three years and are secured by a hypothecation charge over the vehicle. Our used commercial vehicle loans generally have small and light commercial vehicles of the borrower as collateral. The average ticket size is ₹0.45 million and an average yield based on disbursements of 19.25% for the six months ended September 30, 2024. The borrowers of such loans are primarily small transportation operators (who are first time borrowers) as well as agriculture and construction businesses, which purchase used commercial vehicles for goods and agricultural transport as part of independent trucking operations.

- *Working Capital Loans (Unsecured)*: We offer unsecured short-term working capital loans to MSMEs in urban and semi-urban areas. These loans have an average ticket size of ₹0.18 million and an average yield based on disbursements of 27.03% for the six months ended September 30, 2024, and loan tenures ranging from one to three years (with weekly or biweekly repayment instalment schedules). Our primary customer base for this business comprises shopkeepers, restaurant owners, hardware store owners, and other business owners with daily cash flows and prior credit history. Through these loans, we offer access to credit without collateral, with repayment options through cash or digital modes on a weekly collection basis. As part of our commitment to promoting gender equity, we have also introduced loans specifically targeted at women entrepreneurs for augmenting their business and livelihoods.

The table below sets forth details of our Loans (AUM) attributable to each business as of the dates indicated:

Loans (AUM) of the business(1)	As of September 30, 2024		As of March 31,					
			2024		2023		2022	
	Loans (AUM)	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*	*Loans (AUM)*	*% of total Loans (AUM)*
	(₹ in millions, except for %)							
Rural Business Loans	47,101.73	72.27%	42,892.64	74.94%	30,954.90	87.60%	20,639.92	94.36%
Affordable Home Loans	11,481.24	17.62%	8,242.97	14.40%	944.32	2.67%	-	-
Used commercial vehicle loans	831.83	1.28%	2.17	0.00%	-	-	-	-
Working Capital Loans (Unsecured)	5,757.37	8.83%	6,100.09	10.66%	3,438.09	9.73%	1,233.61	5.64%
Total	**65,172.17**	**100.00%**	**57,237.87**	**100.00%**	**35,337.31**	**100.00%**	**21,873.53**	**100.00%**

(1) Loans (AUM) is the aggregate of Loans and Impairment loss allowance - loans.

We have invested in building a wide distribution network across rural and semi-urban areas with a branch network (excluding service centres) of 424 branches across 10 states and one union territory in India, as of September 30, 2024. We have a well-established presence in Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and West Bengal, which contributed in the aggregate to ₹57,726.68 million or 88.58% of our Loans (AUM) as of September 30, 2024. We have implemented a strategy of calibrated expansion by targeting unserved and under-served areas in rural and semi-urban markets in India and have increased our presence from eight states and union territories as of March 31, 2022 to ten states and union territories as of September 30, 2024. We exclusively leverage our in-house capabilities to source leads for our Rural Business Loans and Working Capital Loans businesses, while also engaging direct selling agents for our Affordable Home Loans and Used Commercial Vehicle Loans businesses. Further, more than 88.67% of our Loans (AUM) as of September 30, 2024 was sourced in-house. Our 424 branches across rural and semi-urban areas, facilitated by our distribution network, allows us to provide last-mile coverage and extend our financial services to our customers. Our rural focus has also equipped us with domain knowledge regarding the characteristics of local markets and prospective borrowers, enhancing our ability to tailor our products and services accordingly. Also see "*Our Business—Description of our Business – Branch Network*" on page 237. Based on the strength of our distribution network, we have been able to disburse loans to 195,243 borrowers, as of September 30, 2024, and our borrower base has grown at a CAGR of 56.68% over Financial Years 2022 to 2024.

We have also developed customized credit evaluation procedures and operational workflows. Our operations comprise a tailored loan initiation system that is supported by monitoring frameworks and mechanisms, designed to facilitate smooth on-boarding while maintaining strong credit quality and portfolio performance. Through our proprietary scorecard model-based underwriting system for Rural Business Loans, we assess a borrower's income-earning capacity by evaluating asset documentation, cash flows, and income and non-income-related documents. Additionally, we conduct reference checks within the borrower's local community, including their trading ecosystem, friends, family, and neighbors. This approach goes beyond traditional metrics such as documentation and credit scores typically used by banks and financial institutions, enabling a more holistic and tailored assessment of creditworthiness (Source: *CRISIL MI&A Report*).

Our credit scorecard model presently provides for data points to be digitally recorded as part of the credit assessment process, with different businesses relying on different data points with varying weights. We offer loans at a fixed risk-adjusted interest rate or a variable interest rate linked to our in-house "Veritas Prime Lending Rate", based on our weighted average cost of funds, average risk premium and return on assets. As a result of these capabilities, we were able to introduce an in-house risk model based on credit scores, which enabled us to launch our proprietary credit and risk scorecard in the Financial Year 2022, and maintain our asset quality.

We monitor risk through a defined risk management framework and have adopted risk management policies, systems and processes that seek to maintain an appropriate balance between risk and returns. Through this framework, we aim to maintain oversight of our risk exposure and monitor loan portfolios at an individual branch level. We also regularly review branch-level performance, focusing on overall bounce rates and overdue loans. We also have monitoring systems in place for our portfolio and individual loans, with regular follow-ups at borrowers' places of business and residence to verify the use of loan proceeds and the overall status of their household income. Our monitoring systems also track CIBIL scores, business fraud, changing regulations and policies, and borrower demographics. We have a "digital-first" and customer-centric approach to collections and focus on ensuring ease of repayment for our borrowers. As of September 30, 2024, we have 1,352 full-time personnel in our collections team. Sales managers are also responsible for collections and credit monitoring during the initial period of the loan tenure, with all collection functions being managed in-house. Our sourcing and collections systems are also mobility-enabled. Our digital collections as a percentage of our overall collections have grown from 52.60% during the Financial Year 2022 to 70.68% during the Financial Year 2023 and further to 89.84% during the Financial Year 2024, and 89.61% during the six month period ended September 30, 2024.

We leverage technology and our data analytics capabilities to streamline our lending process across sourcing, onboarding, credit assessment, portfolio monitoring and collections. We handle both sourcing and collections in-house, conduct digital KYC checks prior to onboarding, and use a proprietary credit scorecard for underwriting and credit assessment. Data analytics is also an integral component of our operational processes, spanning from lead generation and sales to risk assessment and collections. Our proprietary scorecard model analyses over 12 parameters collected digitally, complemented by photographic evidence.

This data feeds into a rule engine-based credit approval process serving as a tool to determine the decision authority and determine interest rates for a loan, enhancing accuracy and speed. We also leverage technology-driven early warning systems to identify potential risks and have implemented dashboards to provide branch management with real-time insights into key performance metrics, enabling proactive decision-making.

We aim to maintain a diversified funding profile characterized by a disciplined approach to asset liability and liquidity management. We have established a broad network of borrowing relationships, securing financing from diversified sources including term loans, working capital and cash credit facilities, securitizations and the issuance of non-convertible debentures, and commercial paper. As of September 30, 2024, we maintain active relationships with 36 lenders and 11 debt security holders that include alternate investment funds, private sector banks, public sector banks, foreign portfolio investors, NBFCs, private wealth investors and mutual funds. Private and public sector banks constituted ₹35,201.64 million or 72.00% of our borrowings as of September 30, 2024, the highest proportion amongst our peers (Source: *CRISIL MI&A Report*). As of September 30, 2024, our credit rating is CARE A+ with a "positive" outlook for long-term instruments, and CARE A1+ for short-term instruments. See also "*Our Business—Credit Ratings*" on page 243.

As of September 30, 2024, we had a total of 7,704 employees. We have an experienced and dedicated management team with significant industry experience and who have demonstrated their ability to deliver growth and profitability, across business cycles. We believe the significant business expertise of our management team positions us well to capitalize on future growth opportunities. Our Managing Director and CEO, D. Arulmany has significant experience in the finance sector, having been associated with Cholamandalam Investment and Finance Company and Aptus Value Housing Finance in key roles. We benefit from the capital sponsorship and professional experience brought by our Shareholders, which include Norwest Venture Partners, affiliates of Kedaara Capital, Multiples and Lok Capital, and British International Investment plc.

Significant factors affecting our results of operations and financial condition

Factors affecting our borrowers and our ability to effectively implement our strategies

Our business is focused on lending to certain focused sectors, namely, MSMEs financing, Affordable Home Loans and Used CV Loans. Accordingly, the success of our business depends on factors that affect credit demand in each of our focused sectors. This could include factors such as pandemics, industry changes, natural disasters, calamities, political and social events, including adverse litigation or publicity relating to our or our competitors' loan businesses, which may adversely affect the ability of such borrowers to repay loans availed from us. In addition, our Affordable Home Loans business is dependent on the housing market in India and changes in Indian regulations and policies while our Used CV Loans business is dependent on demand for transportation services in India, changes in Indian regulations and policies affecting utility vehicles, tractors, commercial vehicles and cars, fuel prices, vehicle scrappage policies and other macroeconomic conditions in India and globally.

Any of these factors could influence our borrowers' ability to repay their loans on time and in full, potentially increasing our credit risk, non-performing assets, provisioning, and write-offs, and impacting our asset quality, profitability, and capital adequacy. Moreover, these factors could also influence our ability to effectively implement our strategies, such as:

- expanding our product portfolio and diversifying our loan portfolio by growing new lines of businesses, such as Affordable Home Loans and Used CV Loans, which could require higher capital, operational, and regulatory costs, and may face higher competition and risks;
- deepening our presence in existing markets and expanding into newer geographies, which could require significant investments in infrastructure, technology, human resources, and marketing, and may entail higher operational and credit risks due to unfamiliarity with local markets, customer preferences, and regulatory environments;
- further diversifying our sources of funds and widening our financing base, which could depend on our credit ratings, market conditions, investor appetite, and regulatory compliance, and may expose us to interest rate, liquidity, and refinancing risks; and
- enhancing our technology capabilities and digital platforms, which could require substantial capital expenditure, innovation, and expertise, and may involve cybersecurity, data privacy, and operational risks.

We seek to anticipate, manage, and mitigate the impact of these factors on our borrowers and our business in order to achieve our strategic objectives and sustain our growth and profitability.

Availability of cost-effective sources of capital

Our business and profitability depend significantly on the availability of cost-effective sources of funds to finance our lending operations. Our sources of funds include borrowings from banks, financial institutions, non-convertible debentures, commercial paper, securitization and assignment of loan receivables, and equity capital. Our ability to access these sources of funds depends on various factors, such as our credit rating, market conditions, regulatory requirements, investor appetite, and competitive environment. Any disruption or volatility in the domestic or global financial markets, or any adverse change in our credit rating, or any increase in the cost or reduction in the availability of these sources of funds, could adversely affect our liquidity, growth prospects, and profitability. We aim to maintain a well-diversified liability profile to avoid reliance on any single funding type or source. Our significant lending relationships increased from 32 as of March 31, 2022 to 40 as of March 31, 2023, 45 as of March 31, 2024 and 47 as of September 30, 2024. The availability of cost-effective funding sources is subject to external factors such as economic developments in the Indian market and its credit sector, interest rate fluctuations and the presence of sufficient liquidity in the debt markets. Details of our total borrowings, Equity Share capital raised, and our debt-to-equity ratio as of the dates indicated and during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, as applicable, are set out below:

Particulars	As of September 30, 2024	As of March 31,		
		2024	2023	2022
Debt securities *(₹ in millions)*	3,822.70	3,081.22	1,792.69	2,420.72
Borrowings (other than debt securities) *(₹ in millions)*	45,071.48	36,876.85	22,460.55	9,535.80
Total borrowings *(₹ in millions)*	48,894.18	39,958.07	24,253.24	11,956.52
Equity Share capital raised(1) *(₹ in millions)*	1,420.23	4,924.36	54.60	4,405.09
Debt to equity ratio (*times*)	1.87	1.72	1.52	0.85

(1) Equity Share capital raised represents the proceeds from issue of equity shares including securities premium received on shares issued during the period / year.

The cost and availability of capital also depends in part on our short-term and long-term credit ratings, which reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Our credit rating has improved over time, as set out below:

Rating Agency	Instrument	Rating			
		As of September 30, 2024	As of March 31,		
			2024	2023	2022
CARE Edge	Long-term bank facilities	CARE A+; Positive	CARE A+; Stable	CARE A; Stable	CARE A- ; Stable
	Short-term bank facilities	CARE A1+	CARE A1+	CARE A1+	-
	Non-convertible debentures	CARE A+; Positive	CARE A+; Stable	CARE A; Stable	CARE A-; Stable
	Commercial paper	CARE A1+	CARE A1+	CARE A1+	-

By managing these factors, we aim to ensure that we remain well-equipped to fulfil customer demands and sustain our operational activities.

Our ability to effectively manage our finance costs and fluctuations in interest rates

Our business and results of operations depend significantly on our total net interest income ("**NII**"), as our primary source of revenue is interest income. The table below sets out details of our NII and net interest margin ("**NIM**") for the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022:

Particulars	Six month period ended September 30, 2024	Financial Year		
		2024	2023	2022
	(₹ in millions, except for %)			
Interest income on loans	6,731.06	10,293.31	6,336.98	4,093.00
Finance costs	2,245.58	3,144.16	1,684.88	1,283.87
Interest expenses on lease liabilities	16.79	31.85	22.78	19.00
Net interest income(1)	4,502.27	7,181.00	4,674.89	2,828.13
Net interest margin(2)	14.74%	15.83%	16.80%	15.73%

(1) Net interest income represents interest income on loans reduced by adjusted finance cost. Adjusted finance cost represents finance costs reduced by interest expenses on lease liabilities for the relevant period/year.

(2) Net interest margin represents the net interest income for the relevant period/year as a percentage of Average Loans (Average AUM) in such period/year. Average Loans (Average AUM) represents the simple average of Loans (AUM) as of the last day of each of the four quarters/ two quarters of the relevant year / period and as of the last day of the preceding year.

Our borrowings are based on both variable and fixed interest rates, with a significant portion of our total borrowings being variable interest-bearing liabilities. A breakdown of our total borrowings by fixed and variable interest rates as of the dates indicated is set out below:

Nature of borrowing	As of September 30, 2024		As of March 31,					
			2024		2023		2022	
	Amount (₹ in millions)	*(% of total borrowings)*	*Amount (₹ in millions)*	*(% of total borrowings)*	*Amount (₹ in millions)*	*(% of total borrowings)*	*Amount (₹ in millions)*	*(% of total borrowings)*
Fixed interest rate instrument (A)	12,237.74	25.03%	8,416.90	21.06%	3,225.84	13.30%	3,948.42	33.02%

Nature of borrowing	As of September 30, 2024		As of March 31,					
			2024		2023		2022	
	Amount (₹ in millions)	*(% of total borrowings)*	*Amount (₹ in millions)*	*(% of total borrowings)*	*Amount (₹ in millions)*	*(% of total borrowings)*	*Amount (₹ in millions)*	*(% of total borrowings)*
Variable interest rate instrument (B)	36,656.44	74.97%	31,541.17	78.94%	21,027.40	86.70%	8,008.10	66.98%
Total borrowings (A) + (B)	**48,894.18**	**100.00%**	**39,958.07**	**100.00%**	**24,253.24**	**100.00%**	**11,956.52**	**100.00%**

Interest rates are highly sensitive and may fluctuate based on multiple factors beyond our control, including the monetary policies of the RBI, regulatory developments in the financial sector in India, domestic and international economic and political conditions and inflation, amongst others. To manage this risk, we use a framework comprising ALM, investment and resource planning, and interest rate and forex management policies. Also see "*Risk Factors – We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income and net interest margin to vary and adversely affect our business, financial condition, results of operations and cash flows*" on page 36.

Identifying, monitoring and managing our risks

We have developed and implemented a proprietary credit and risk score-card model to appraise loans and to determine risk-based pricing for borrowers, which acts as the basis for our credit assessment decisions in our Rural Business Loans and Working Capital Loans (Unsecured) businesses. Through our credit assessment model, we focus on assessing the income earning capacity and cash flows of a borrower through a review of non-income related documents and through reference checks with borrowers' trade community, friends, family and neighbors, rather than relying solely on documentation and credit scores, which are the key metrics for traditional financial institution underwriting. We also review income- and asset-related documents and carry out credit bureau checks.

Our credit assessment decisions are supported by the availability of collateral for all of our loan businesses (except for loans offered in our Working Capital Loans (Unsecured) business for which credit is assessed primarily on the basis of past credit history and documentation, given the urban location of target borrowers). In arriving at a credit decision, our credit managers assess our borrowers' businesses on multiple parameters (depending on the business division providing the loan), including any specific aspects of different business activities. These parameters include borrowers' income, their ability and intention to repay a loan, business sustainability and past credit behavior, which are scrutinized through a combination of traditional and non-traditional credit assessment methods. We assess potential risks that could affect our existing borrower base, with borrowers classified into "low", "medium" and "high" risk categories.

Through this model, we are able to achieve an objective credit assessment process, with reduced turn-around time for loan approvals. However, our scorecard and algorithm may not accurately capture the income earning capacity, repayment ability, and default risk of our borrowers, especially in the event of changes in the economic, social, or regulatory environment, or in the borrower behavior or preferences. Our scorecard and algorithm may also be subject to errors, inaccuracies, or manipulation due to human intervention, data quality, or system failures. Any such factors may result in us approving loans to borrowers who may not be able to repay them, or rejecting loans to borrowers who may be creditworthy, or mispricing loans to borrowers who may have a different risk profile than assumed by our scorecard and algorithm. This may adversely affect our asset quality, profitability, and reputation, and expose us to higher credit losses, delinquencies, and legal or regulatory actions. Also see "*Our Business – Description of our Business – Credit Assessment*" and "*Risk Factors – We rely on our proprietary credit and risk score-card model to make credit assessment decisions in our Rural Business Loans and Working Capital Loans (Unsecured) businesses, and any inaccuracies or deficiencies in this model could adversely affect our business, financial condition, results of operations and cash flows*" on pages 225 and 48, respectively.

Our ability to manage our operating expenses and increase branch productivity

Our operating expenses consist of employee benefits expenses, fees and commission expense, depreciation and amortization, interest expenses on lease liabilities and other expenses. We aim to manage our operating expenses by optimizing our cost of funds, improving our operational efficiency, leveraging our technology platform, and rationalizing our branch network. We monitor our cost to income ratio, which measures our operating expenses as a percentage of our total income, as a key indicator of our operational efficiency. Our cost to income ratios have been elevated during recent periods due to the ongoing expansion of our business into new geographical areas and diversification into new loan businesses. Set out below is our cost to income ratio during the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022:

Particulars	For the six month period ended September 30, 2024	For the Financial Year		
		2024	2023	2022
Cost to income ratio(1) *(%)*	35.49%	35.18%	34.71%	35.37%

(1) Cost to Income ratio (%) represents Operating Expenses, which include Employee Benefits Expenses, Fees and Commission Expense, Depreciation and Amortization, interest expenses on lease liabilities and Other Expenses for the relevant period/year to the Total Income for such relevant period/year.

We also aim to increase our branch productivity by enhancing our customer acquisition, retention, and cross-selling capabilities, diversifying our product portfolio, and expanding our geographical reach. Details of our branch productivity in terms of Loans (AUM) and disbursements are set out below:

Particulars[(1)]	As of and for the six month period ended September 30, 2024	As of and for the Financial Year		
		2024	2023	2022
	(₹ in millions)			
Loans (AUM) / Branch[(2)]	153.71	149.84	123.13	95.52
Disbursements / Branch[(3)]	45.34	108.70	86.40	54.71

(1) *These numbers exclude service centres operated by us. Service centres are centres at which we primarily carry out loan servicing, collections and customer service and feedback functions and do not have a branch manager or credit manager. Service centres are presented separately for the purposes of this section only and are not reported separately to the Reserve Bank of India.*

(2) *Loans (AUM) per branch is calculated as Loans (AUM) as of the last day of the relevant period/year divided by the number of branches as of the last day of the relevant period/year.*

(3) *Disbursements per branch represents disbursements in the relevant period/year divided by the simple average of number of branches as at the last day of each of the quarters of the relevant period /year and as of the last day of the preceding year.*

We intend to increase our average Loans (AUM) per branch in the medium term by growing our customer base, offering customized and differentiated products, and penetrating into new and under-served markets.

Regulations and policies governing the retail credit industry

We operate as a non-banking finance company in India and are subject to several regulations and policies issued by the Reserve Bank of India and other authorities that govern the retail credit industry. These regulations and policies cover various aspects of our business, such as capital adequacy, asset classification, provisioning, income recognition, liquidity, corporate governance, fair practices, customer protection, securitization, credit rating, disclosure, and reporting.

The RBI and other authorities periodically review and revise these regulations and policies in response to the changing economic, financial, and market conditions and the performance and conduct of the NBFC sector. Any changes in these regulations and policies may have a significant impact on our business, financial condition, results of operations, and prospects. For example, changes in the capital adequacy norms, provisioning norms, asset classification norms, or income recognition norms may affect our profitability, capital adequacy ratio, asset quality, and net worth. Changes in the liquidity norms, asset liability management norms, or borrowing limits may affect our liquidity position, funding sources, and cost of funds. Further, changes in applicable corporate governance norms, fair practices norms, customer protection norms, or disclosure norms may affect our reputation, customer relationships, compliance costs, and litigation risks.

We monitor regulatory and policy developments in the retail credit industry and strive to comply with the applicable regulations and policies in a timely and effective manner. Under the NBFC Scale Based Directions, we are required to maintain a minimum capital ratio, consisting of Tier-I capital and Tier-II capital of not less than 15% of our aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. Moreover, as we continue to grow our loan portfolio and asset base, we may be required to raise additional Tier-I and Tier-II capital in order to remain in compliance with the applicable capital to risk weighted assets ratio. As of September 30, 2024, our Company's CRAR (%) was 40.87%, with Tier I capital (%) comprising 40.87%. As of March 31, 2024, March 31, 2023 and March 31, 2022, our CRAR (%) was 41.49%, 45.00% and 64.43%, respectively, computed as per relevant RBI guidelines.

Material Accounting Policies

Revenue Recognition from contracts with customers

We recognise revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. We identify contract(s) with a customer and our performance obligations under the contract, determines the transaction price and our allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at transaction price i.e. the amount of consideration to which we expect to be entitled in exchange for transferring promised goods or services to the customer. We recognise 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: Recognise revenue when (or as) we satisfy a performance obligation.

Revenue recognition for different heads of income is as under:

Recognition of interest income on loans

Under Ind AS 109, interest income is recorded using the Effective Interest Rate ('EIR') method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any fees and costs that are an integral part of the EIR. We recognise interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.

We calculate interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When the financial asset becomes credit impaired, we calculated interest income by applying the effective rate of interest to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, we revert to calculating interest income on a gross basis.

Interest income on deposits

Interest on bank deposits is accounted on accrual basis on time proportion using effective interest rate.

Fee income

Fees income such as instrument bounce charges, delayed payment charges and pre-closure charges (other than fees and costs that are an integral part of EIR) are recognised on a point-in-time basis, and are recorded when realised based on certainty of receipt.

Net gain/loss or fair value changes:

We designate certain financial assets for subsequent measurement at fair value through profit or loss ('FVTPL') or fair value through other comprehensive income ('FVOCI'). We recognise gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis in profit or loss.

Other income

All items of other income are recognized on an accrual basis, when there is no uncertainty in the ultimate realisation / collection.

Taxes

All incomes are recognised net of goods and services tax, wherever applicable.

Financial instrument – Initial recognition

Date of recognition

Debt securities issued and borrowings made are initially recognised when the funds reach us. All other financial assets and financial liabilities are initially recognised when we become a party to the contractual provisions of the instrument. Loans are recognised when fund transfers are transferred to the customers' bank accounts.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through profit and loss ('FVTPL'), transaction costs are added to or subtracted from this amount.

Measurement categories of financial assets and liabilities

We classify all of our financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

(i) Amortised cost;

(ii) Fair value through other comprehensive income ('FVOCI'); and

(iii) Fair value through profit and loss ('FVTPL').

Financial assets and liabilities

Financial assets

Business model assessment

We determine our business model at the level that best reflects how it manages groups of financial assets to achieve our business objective. Our business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

(a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to our key management personnel.

(b) 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.

(c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

(d) The expected frequency, value and timing of sales are also important aspects of our assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from our original expectations, we do not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Solely payments of principal and interest ('SPPI') test

As a second step of our classification process, we assess the contractual terms of financial assets to identify whether they meet SPPI test.

Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, we apply judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce more than the minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows based on the existing business model:

(i) Financial assets carried at amortised cost ('AC')
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (‘FVTOCI’)
A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans are held to sale and collect contractual cash flows, they are measured at FVTOCI.

(iii) Financial assets at fair value through profit or loss (‘FVTPL’)
Financial assets which do not meet the criteria for categorisation as at amortised cost or as FVOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in the statement of profit and loss. We record investments in mutual funds at FVTPL.

Financial liabilities

Initial recognition and measurement

All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the instrument.

Reclassification of financial assets and liabilities

We do not reclassify our financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which we acquire, dispose of, or terminate a business line. Financial liabilities are never reclassified.

Derecognition of financial assets and liabilities

Derecognition of financial assets due to substantial modification of terms and conditions

We derecognise a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for Expected Credit Loss (‘ECL’) measurement purposes.

When assessing whether or not to derecognise a loan to a customer, amongst others, we consider the following factors:

- Introduction of an equity feature;
- Change in currency of the loan;
- Change in counterparty; and
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, we record a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial instruments other than due to substantial modification of terms and conditions

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which we neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in our entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

When we have neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of our continuing involvement, in which case, we also recognises 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.

Continuing involvement, which takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration we could be required to pay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

Impairment of financial assets

Overview of ECL principles

In accordance with Ind AS 109, we use ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss ('FVTPL'). The 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 that result from default events on a financial instrument that are possible within the 12 months after the reporting date. When estimating lifetime expected credit loss ('LTECLs') for undrawn loan commitments, we estimate the expected portion of the loan commitment that will be drawn down over our expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Expected credit losses are measured through a loss allowance at an amount equal to:

(i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

(ii) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, we categorise loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, we recognise an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3 (if completely regularised to zero DPD for stage 3)

Stage 2: When a loan has shown a significant increase in credit risk since origination, we record an allowance for life time ECL. Stage 2 loans also include where the loans have been re-structured as per extent RBI Regulations.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days and has not been completely regularised to zero DPD. We record an allowance for life time ECL.

Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

Probability of Default ('PD'): PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default ('EAD'): EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest.

Loss Given Default ('LGD'): LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. We have calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. We calculate the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12 months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, we record an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Significant increase in credit risk: We monitor all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk we will measure the loss allowance based on lifetime LTECLs rather than 12mECLs.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, we compare the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, we consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on our historical experience and expert credit assessment including forward looking information.

Stage 3: For loans considered credit-impaired, we recognise the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Credit-impaired financial assets

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. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. We assess whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back- stop if amounts are overdue for 90 days or more.

Loan Commitments

When estimating LTECLs for undrawn loan commitments, we estimate the expected portion of the loan commitment that will be drawn down over our expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

Forward looking information

In our ECL models, we rely on a broad range of forward-looking macro parameters and estimate the impact on the default at a given point in time.

Write-offs

The gross carrying amount of a financial assets is written off when there is no reasonable expectation of recovering the asset. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

We write-off all loan accounts which have remained as NPA for a specified period based on our write-off policy.

Determination of fair value

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, we have 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.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in our entirety, which are described as follows:

Level 1 financial instruments:	Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that we have access to at the measurement date. We consider markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
Level 2 financial instruments:	Those where the inputs that are used for valuation are significant and are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and
Level 3 financial instruments:	Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the historical financial statements on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by re assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

We periodically review our valuation techniques including the adopted methodologies and model calibrations. However, the base models may not fully capture all factors relevant to the valuation of our financial instruments. Therefore, we apply various techniques to estimate the credit risk associated with our financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for financial instruments.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in our highest and best use or by selling it to another market participant that would use the asset in our highest and best use.

Property, plant and equipment ('PPE')

Recognition and measurement

Items of PPE are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Cost of an item of PPE comprises our 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 our working condition for our intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Any gain or loss on disposal of an item of PPE is recognised in statement of profit and loss.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are classified as capital advances under non-financial assets and the cost of the assets not put to use before such date are disclosed under "Capital work-in-progress".

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to us.

Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight line method and is generally recognised in the statement of profit and loss.

We, based on technical assessment made by the technical expert and management estimate, depreciates certain items of vehicle, furniture and fixtures over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. 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.

The estimated useful lives of items of property, plant and equipment for the current and comparative years are as follows:

Asset category	Useful life
Furniture and fixtures	5 Years
Office equipment	5 Years
Computers and accessories	3 Years
Vehicles	5 Years

Leasehold improvements are depreciated over the remaining period of lease or 5 years, whichever is lower.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from our use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

Property, plant and equipment taken on rent are treated as lease. Refer note "*Income Tax*".

Intangibles

Recognition and measurement

Intangible assets including those acquired by us are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

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 the statement of profit and loss as and when it is incurred.

Amortisation

Amortisation is calculated to write-off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method and is included in depreciation and amortisation in statement of profit and loss.

Asset category	**Management estimate of useful life**
Computer software	License period or 3 years, whichever is lower

The amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

De-recognition

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from it use or disposal. Any gain or loss upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Employee benefits

Post – employment benefits

<u>Defined contribution plan</u>

Our contribution to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

<u>Defined benefit plan</u>

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Our net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. We determine the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service (‘past service cost’ or ‘past service gain’) or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. We recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefit

<u>Compensated absences</u>

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within 12 months after the end of such period, the benefit is classified as a long-term employee benefit. We record an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences - when employees render services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences - when the absences occur.

Share based payment

The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

Equity settled plan:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and our best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when we have 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. When the effect of the time value of money is material, we determine the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control by us or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control by us. Contingent assets are neither recognised nor disclosed in the historical financial statements.

Leases

As a lessee

We recognise 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 underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to us by the end of the lease term or the cost of the right-of-use asset reflects that we will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is 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 remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid as at the commencement date, discounted using our incremental borrowing rate. We determine our incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that we are reasonably certain to exercise, lease payments in an optional renewal period if we are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless we are reasonably certain not to terminate early.

The lease liability is 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 an index or rate, if there is a change in our estimate of the amount expected to be payable under a residual value guarantee, if we change our assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

We present right-of-use assets separately on the face of the balance sheet and lease liability under other financial liabilities.

Short-term leases

We have elected not to recognise right-of-use assets and lease liabilities for short term leases. We recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Income tax

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

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. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that we are able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, we recognise a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which we expect, at the reporting date, to recover or settle the carrying amount of our assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Goods and services taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services taxes paid except:

(a) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

(b) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency by us, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the statement of profit and loss.

Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of the asset. Other borrowings costs are recognized as an expense in the statement of profit and loss account on an accrual basis using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Earnings per share

We report basic and diluted earnings per equity share in accordance with Ind AS 33 Earnings Per Share. Basic earnings per equity share is computed by dividing net profit / loss after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed and disclosed by dividing the net profit/ loss after tax attributable to the equity shareholders for the year after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non–cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing, and investing activities by us are segregated based on the available information. Cash flows in foreign currencies are accounted at the actual rates of exchange prevailing at the dates of the transactions.

Changes in accounting policies and recent accounting pronouncements

There have been no changes in our accounting policies during the six months ended September 30, 2024 and the Financial Years 2024, 2023 and 2022. As of the date of this Draft Red Herring Prospectus, there are no recent accounting pronouncements that have had a material effect on our financial condition or results of operations.

New and amended standards

- Ind AS 117 – Insurance contracts

  On August 12, 2024, MCA announced the amendments to the Companies (Indian Accounting Standards) Rules, 2015, applicable from August 12, 2024, as below:

  The amendment outlines scenarios where Ind AS 117 does not apply. These include warranties from manufacturers, dealers, or retailers related to goods or services and employer obligations from employee benefit plans. It also excludes retirement benefit obligations from defined benefit plans and contractual rights or obligations tied to future use of non-financial items, such as certain license fees and variable lease payments. However, we have not entered into insurance contracts, hence do not have any impact on the Restated Summary Statements.

- Accounting for sale and leaseback transaction the books of seller – lessee – Amendments to Ind AS 116

  On September 9, 2024, MCA announced the amendments to the Companies (Indian Accounting Standards) Rules, 2015, applicable from September 9, 2024, as below:

  The amendment require seller-lessee shall determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. These rules aim to streamline accounting processes and ensure compliance with the updated Ind AS requirements. However, we have not entered into sale and lease back transactions, hence do not have any impact on the Restated Summary Statements.

Key Components of our Statement of Profit and Loss

The following descriptions set forth information with respect to the key components of our profit and loss statements.

Income

Revenue from operations. Revenue from operations comprises interest income, fee and commission income, net gain on fair value changes, and sale of services. Interest income comprises interest income on our loan portfolio (netted off for related transaction costs) and interest on fixed deposits and security deposits. Fees and commission income includes legal and documentation fees, instrument bounce charges, pre-closure charges, penal charges and others (which are in the nature of statement of account charges, cancellation charges and tranche disbursement charges). Our revenue attributable to sale of services comprises service fees for the management of securitized loans.

Other income. Other income comprises profit on sale of property, plant and equipment, profit on disposal of right of use asset, interest on income tax refund, interest income - others, and advertisement income.

Expenses

Expenses comprise finance costs, fees and commission expense, impairment on financial instruments, employee benefits expenses, depreciation and amortization, and other expenses.

Finance costs. Finance costs comprise interest on interest on borrowings (other than debt securities), which comprises interest on (i) term loans from banks; (ii) cash credits and overdrafts from banks; (iii) term loans from others; and (iv) securitizations; interest on debt securities and interest expenses on lease liabilities.

Fees and commission expense. Fees and commission expense primarily includes costs incurred for third-party verification of encumbrance certificates.

Impairment on financial instruments. Impairment on financial instruments comprises impairment loss allowance on loans measured at amortized cost, impairment loss allowance on receivables and other financial assets – measured at amortized cost, and loans written off.

Employee benefits expenses. Employee benefits expenses comprises salaries, bonus and wages, contribution to provident fund and ESI, expenses related to gratuity, expenses related to compensated absences, share based payment expense, and staff welfare expenses.

Depreciation and amortization. Depreciation and amortization comprise depreciation of property, plant and equipment (including right of use assets) and amortization of intangible assets. Our property, plant and equipment (including right of use assets) include furniture and fixtures, electrical fittings, office equipment, vehicles, computers and leasehold improvements. Our intangible assets include computer software.

Other expenses. Other expenses primarily comprise expenses relating to energy costs, rates and taxes, repairs and maintenance, communication costs, printing and stationery, advertisement and business promotion, directors fees, allowances and expenses, auditors' fees and expenses, legal and professional charges, insurance, corporate social responsibility expenses, travel and conveyance expenses, information technology expenses, cash management services, bank charges, other borrowing costs, donation and other expenses (which primarily include periodical expenses and loss on sale of PPE).

Tax expense

Tax expense consists of current tax, adjustment of tax relating to earlier periods and deferred tax (benefit)/charge.

Our Results of Operations

The following table sets forth selected financial information for the six month period ended September 30, 2024, and for the Financial Years 2024, 2023 and 2022, the components of which are also expressed as a percentage of our total income for such period/years:

Particulars	**For the six month period ended September 30, 2024**		**For the Financial Year**					
			2024		**2023**		**2022**	
	(₹ in millions)	***(% of total income)***	***(₹ in millions)***	***(% of total income)***	***(₹ in millions)***	***(% of total income)***	***(₹ in millions)***	***(% of total income)***
Revenue from Operations								
Interest income	6,880.77	95.55%	10,570.64	94.59%	6,524.63	95.84%	4,261.16	96.36
Fee and commission income	159.53	2.22%	318.63	2.85%	186.93	2.75%	95.80	2.17%
Net gain on fair value changes	126.46	1.76%	222.05	1.99%	90.65	1.33%	63.89	1.44%
Sale of services	1.78	0.02%	0.71	0.01%	0.10	0.00%	-	-
Total revenue from operations	**7,168.54**	**99.55%**	**11,112.03**	**99.44%**	**6,802.31**	**99.92%**	**4,420.85**	**99.97%**
Other income	32.58	0.45%	62.90	0.56%	5.66	0.08%	1.42	0.03%
Total income	**7,201.12**	**100.00%**	**11,174.93**	**100.00%**	**6,807.97**	**100.00%**	**4,422.27**	**100.00%**
Expenses								
Finance costs	2,245.58	31.18%	3,144.16	28.14%	1,684.88	24.75%	1,283.87	29.03%
Fees and commission expense	8.61	0.12%	43.52	0.39%	19.99	0.29%	7.26	0.16%
Impairment on financial instruments	644.33	8.95%	901.66	8.07%	454.01	6.67%	579.55	13.11%
Employee benefits expenses	1,986.33	27.58%	2,916.10	26.10%	1,669.70	24.53%	1,098.43	24.84%
Depreciation and amortization	142.03	1.97%	235.63	2.11%	151.14	2.22%	142.54	3.22%
Other expenses	402.24	5.59%	704.22	6.30%	499.75	7.34%	296.99	6.72%
Total expenses	**5,429.12**	**75.39%**	**7,945.29**	**71.10%**	**4,479.47**	**65.80%**	**3,408.64**	**77.08%**
Profit before tax	**1,772.00**	**24.61%**	**3,229.64**	**28.90%**	**2,328.50**	**34.20%**	**1,013.63**	**22.92%**
Tax expense								
Current tax	586.22	8.14%	883.40	7.91%	653.70	9.60%	315.30	7.13%

Particulars	For the six month period ended September 30, 2024		For the Financial Year					
			2024		2023		2022	
	(₹ in millions)	*(% of total income)*	*(₹ in millions)*	*(% of total income)*	*(₹ in millions)*	*(% of total income)*	*(₹ in millions)*	*(% of total income)*
Adjustment of tax relating to earlier periods	-	-	-	-	(6.34)	(0.09%)	-	-
Deferred tax (credit)/charge	(145.30)	(2.02%)	(104.28)	(0.93%)	(82.90)	(1.22%)	(55.71)	(1.26%)
Total tax expense	**440.92**	**6.12%**	**779.12**	**6.97%**	**564.46**	**8.29%**	**259.59**	**5.87%**
Profit for the period/year	**1,331.08**	**18.48%**	**2,450.52**	**21.93%**	**1,764.04**	**25.91%**	**754.04**	**17.05%**

Six month period ended September 30, 2024

Total income: Our total income was ₹7,201.12 million in the six month period ended September 30, 2024. This was primarily attributable to revenue from operations and other income.

Revenue from operations: Our total revenue from operations was ₹7,168.54 million in the six month period ended September 30, 2024, primarily attributable to interest income, fees and commission expense and net gain on fair value changes. During the six month period ended September 30, 2024, we experienced a growth of 14.26% in our disbursements, which was relatively lower compared to our Disbursements growth during the Financial Years 2024, 2023 and 2022. According to the CRISIL MI&A Report, credit growth in the MSME segment was slower during the six month period ended September 30, 2024 due to the overall market environment for lending and the regulator's views on overleveraging and asset quality concerns.

Other income: Other income was ₹32.58 million in the six month period ended September 30, 2024, primarily attributable to profit on sale of property, plant and equipment, profit on disposal of right to use asset, interest on income tax refund, interest income – others and advertisement income.

Total expenses: Our total expenses were ₹5,429.12 million in the six month period ended September 30, 2024, primarily attributable to finance costs, fees and commission expense, impairment on financial instruments, employee benefits expenses, depreciation and amortization and other expenses.

Finance costs: Our finance costs were ₹2,245.58 million in the six month period ended September 30, 2024, primarily attributable to interest on borrowings (other than debt securities) comprising interest on term loans from banks, cash credits and overdrafts from banks, term loans from others, and securitizations, interest on debt securities and interest expenses on lease liabilities.

Fees and commission expense: Our fees and commission expense were ₹8.61 million in the six month period ended September 30, 2024, primarily attributable to costs incurred for third-party verification of encumbrance certificates.

Impairment on financial instruments: Our impairment on financial instruments were ₹644.33 million in the six month period ended September 30, 2024, primarily attributable to impairment loss allowance on loans measured at amortized cost, impairment loss allowance on receivables and other financial assets – measured at amortized cost, and loans written off.

Employee benefits expenses: Employee benefits expenses were ₹1,986.33 million in the six month period ended September 30, 2024.

Depreciation and amortization: Depreciation and amortization were ₹142.03 million in the six month period ended September 30, 2024.

Other expenses: Our other expenses were ₹402.24 million in the six month period ended September 30, 2024.

Profit before tax: Our profit before tax was ₹1,772.00 million in the six month period ended September 30, 2024, primarily for the reasons mentioned above.

Tax expense: Our total tax expense was ₹440.92 million in six month period ended September 30, 2024, comprising deferred tax credit of ₹145.30 million and current tax of ₹586.22 million.

Profit for the period: Our profit for the period was ₹1,331.08 million for the six month period ended September 30, 2024, primarily for the reasons mentioned above.

Financial Year 2024 compared to Financial Year 2023

Total income: Our total income increased by 64.14%, to ₹11,174.39 million for the Financial Year 2024 from ₹6,807.97 million for the Financial Year 2023. This was primarily attributable to an increase in revenue from operations and other income.

Revenue from operations: Our total revenue from operations increased by 63.36%, to ₹11,112.03 million for the Financial Year 2024 from ₹6,802.31 million for the Financial Year 2023. This increase in total revenue from operations was primarily attributable to the increases in (i) interest income to ₹10,570.64 million for the Financial Year 2024 from ₹6,524.63 million for the Financial Year 2023, which was primarily due to a growth in our overall loan portfolio, attributable to the growth of our Rural Business Loans and Working Capital Loans (Unsecured) businesses, along with the significant growth in our Affordable Home Loans business; (ii) fee and commission income to ₹318.63 million for the Financial Year 2024 from ₹186.93 million for the Financial Year 2023, primarily due to increased instrument bounce charges and pre-closure charges associated with the overall growth of our Loans (AUM) and business; and (iii) net gain on fair value changes to ₹222.05 million for the Financial Year 2024 from ₹90.65 million for the Financial Year 2023, primarily due to an increase in our realized gains upon the redemption of investments during the Financial Year 2024, which was primarily attributable to the increased deployment of funds from capital raises during the year.

Other income: Other income increased significantly to ₹62.90 million for the Financial Year 2024 from ₹5.66 million for the Financial Year 2023. This increase in other income was primarily attributable to increases in advertisement income to ₹58.72 million for the Financial Year 2024 from nil for the Financial Year 2023, which was realized for the first time during the Financial Year 2024 on account of advertisement services offered at our branches and on our website for other financial products.

Total expenses: Our total expenses increased by 77.37% to ₹7,945.29 million for the Financial Year 2024 from ₹4,479.47 million for the Financial Year 2023, primarily as a result of increases in finance costs, fees and commission expense, impairment on financial instruments, employee benefits expenses, depreciation and amortization and other expenses.

Finance costs: Our finance costs increased by 86.61% to ₹3,144.16 million for the Financial Year 2024 from ₹1,684.88 million for the Financial Year 2023. This increase in finance costs was primarily attributable to increases in (i) interest on borrowings other than debt securities – term loans from banks to ₹2,549.64 million for the Financial Year 2024 from ₹1,279.87 million for the Financial Year 2023; (ii) interest on borrowings other than debt securities – securitization to ₹141.63 million for the Financial Year 2024 from ₹22.42 million for the Financial Year 2023; and (iii) interest on borrowings other than debt securities – term loans from others to ₹167.50 million for the Financial Year 2024 from ₹105.11 million for the Financial Year 2023, which was consistent with the growth in our overall business and loan portfolio.

Fees and commission expense: Fees and commission expense increased significantly to ₹43.52 million for Financial Year 2024 from ₹19.99 million for Financial Year 2023, which was consistent with the growth in our overall business and loan portfolio.

Impairment on financial instruments: Impairment on financial instruments increased significantly to ₹901.66 million for Financial Year 2024 from ₹454.01 million for Financial Year 2023. This increase in impairment on financial instruments was primarily attributable to increases in (i) impairment loss allowance on loans - measured at amortized cost to ₹311.23 million for the Financial Year 2024 from ₹28.53 million for the Financial Year 2023, which was mainly on account of an increase in our expected credit loss, consistent with the growth in our Loans (AUM) and overall loan portfolio; and (ii) loans written off to ₹589.57 million for the Financial Year 2024 from ₹424.87 million for the Financial Year 2023, which was mainly on account of an increase in our loans written off, commensurate with the growth of our Loans (AUM) and in accordance with our policy on write-offs.

Employee benefits expenses: Employee benefits expenses increased by 74.65% to ₹2,916.10 million for Financial Year 2024 from ₹1,669.70 million for the Financial Year 2023. This increase in employee benefits expenses was primarily attributable to increases in (i) salaries, bonus and wages to ₹2,472.93 million for Financial Year 2024 from ₹1,477.89 million for Financial Year 2023; (ii) contribution to provident fund and ESI to ₹147.71 million for Financial Year 2024 from ₹94.31 million for Financial Year 2023; (iii) expenses related to gratuity to ₹96.94 million for Financial Year 2024 from ₹7.38 million for Financial Year 2023; (iv) expenses related to compensated absences to ₹60.08 million for Financial Year 2024 from ₹15.67 million for Financial Year 2023; (v) share based payment expense to ₹77.31 million for financial year 2024 from ₹30.52 million for Financial Year 2023; and (vi) staff welfare expenses to ₹61.13 million for Financial Year 2024 from ₹43.93 million for Financial Year 2023. These increases were driven by an increase in our number of employees as a result of growth in our business and annual compensation increments and stock options granted to our employees. Our employee headcount increased to 6,299 as of March 31, 2024 from 4,432 as of March 31, 2023.

Depreciation and amortisation: Depreciation and amortization increased by 55.90% to ₹235.63 million for Financial Year 2024 from ₹151.14 million for Financial Year 2023, primarily attributable to increases in (i) depreciation of property, plant and equipment to ₹217.60 million for Financial Year 2024 from ₹133.96 million for Financial Year 2023, which was mainly on account of acquisition of depreciating assets upon addition of branches during the Financial Year 2024; and (ii) amortisation of intangible assets to ₹18.03 million for Financial Year 2024 from ₹17.18 million for Financial Year 2023.

Other expenses: Our other expenses increased by 40.91% to ₹704.22 million for Financial Year 2024 from ₹499.75 million for Financial Year 2023, which was primarily attributable to increases in (i) travel and conveyance expenses to ₹213.84 million for Financial Year 2024 from ₹158.35 million for Financial Year 2023; (ii) legal and professional charges to ₹142.91 million for Financial Year 2024 from ₹85.26 million for Financial Year 2023; (iii) rates and taxes to ₹66.22 million for Financial Year 2024 from ₹42.85 million for Financial Year 2023; and (iv) corporate social responsibility expenses to ₹30.43 million for Financial Year 2024 from ₹18.47 million for Financial Year 2023.

Tax Expense: Our total tax expenses increased by 38.03% to ₹779.12 million for Financial Year 2024 (comprising a current tax charge of ₹883.40 million and deferred tax credit of ₹104.28 million) from ₹564.46 million for Financial Year 2023 (comprising current tax charge of ₹653.70 million, adjustment of tax relating to earlier periods of ₹6.34 million and deferred tax credit of ₹82.90 million) primarily attributable to an increase in our restated profit before tax to ₹3,229.64 million for the Financial Year 2024 from ₹2,328.50 million for the Financial Year 2023.

Restated profit for the year: As a result of the foregoing, our restated profit for the year increased by 38.91% to ₹2,450.52 million for Financial Year 2024 from ₹1,764.04 million for Financial Year 2023.

Financial Year 2023 compared to Financial Year 2022

Total income: Our total income increased by 53.95% to ₹6,807.97 million for the Financial Year 2023 from ₹4,422.27 million for the Financial Year 2022. This was primarily attributable to an increase in revenue from operations and other income.

Revenue from operations: Our total revenue from operations increased by 53.87%, to ₹6,802.31 million for the Financial Year 2023 from ₹4,420.85 million for the Financial Year 2022. This increase in total revenue from operations was primarily attributable to the increases in (i) interest income to ₹6,524.63 million for the Financial Year 2023 from ₹4,261.16 million for the Financial Year 2022, which was primarily attributable to the growth of our overall loan portfolio, through the introduction of our Affordable Home Loans business and increased disbursements in our Working Capital Loans (Unsecured) business, along with an increase in our overall yield on disbursements; (ii) fee and commission income to ₹186.93 million for the Financial Year 2023 from ₹95.80 million for the Financial Year 2022, primarily due to increased instrument bounce charges and pre-closure charges associated with the overall growth of our Loans (AUM) and business; and (iii) net gain on fair value changes to ₹90.65 million for the Financial Year 2023 from ₹63.89 million for the Financial Year 2022, primarily due to an increase in our realized gains upon the redemption of investments during the Financial Year 2023, which was attributable to the increased deployment of surplus funds during the year.

Other income: Other income increased to ₹5.66 million for the Financial Year 2023 from ₹1.42 million for the Financial Year 2022, which was primarily attributable to increases in interest on income tax refund to ₹4.60 million for the Financial Year 2023 from nil for the Financial Year 2022.

Total expenses: Our total expenses increased by 31.42% to ₹4,479.47 million for the Financial Year 2023 from ₹3,408.64 million for the Financial Year 2022, primarily as a result of increases in finance costs, fees and commission expense, employee benefits expenses, depreciation and amortization and other expenses, partially offset by a decrease in our impairment on financial instruments.

Finance costs: Our finance costs increased by 31.23% to ₹1,684.88 million for the Financial Year 2023 from ₹1,283.87 million for the Financial Year 2022. These increases in finance costs was primarily attributable to increases in (i) interest on borrowings other than debt securities – term loans from banks to ₹1,279.87 million for the Financial Year 2023 from ₹548.24 million for the Financial Year 2022; and (ii) interest on borrowings other than debt securities – securitization to ₹22.42 million for the Financial Year 2023 from nil for the Financial Year 2022, which was mainly on account of an increase in our average total borrowings during the Financial Year 2023, consistent with the growth in our business and loan portfolio. These increases was partially offset by decreases in (i) interest on debt securities to ₹254.28 million for the Financial Year 2023 from ₹561.35 million for the Financial Year 2022; and (ii) interest on borrowings other than debt securities – term loans from others to ₹105.11 million for the Financial Year 2023 from ₹155.09 million for the Financial Year 2022, which was mainly on account of a decrease in our average cost of borrowing during the Financial Year 2023.

Fees and commission expense: Fees and commission expense increased significantly to ₹19.99 million for Financial Year 2023 from ₹7.26 million for Financial Year 2022, consistent with the growth of our business and overall loan portfolio, which was primarily attributable to the growth of our Rural Business Loans and Working Capital Loans (Unsecured) businesses, along with the introduction of our Affordable Home Loans business.

Impairment on financial instruments: Impairment on financial instruments decreased by 21.66% to ₹454.01 million for Financial Year 2023 from ₹579.55 million for Financial Year 2022. The decrease in impairment on financial instruments was primarily attributable to a decrease in impairment loss allowance on loans - measured at amortized cost to ₹28.53 million for the Financial Year 2023 from ₹167.47 million for the Financial Year 2022, which was primarily attributable to the reversal of provisions made during the Financial Year 2022 on account of an improvement in our asset quality during the Financial Year 2023. This decrease was partially offset by increases in loans written off to ₹424.87 million for the Financial Year 2023 from ₹411.81 million for the Financial Year 2022.

Employee benefits expenses: Employee benefits expenses increased by 52.01% to ₹1,669.70 million for Financial Year 2023 from ₹1,098.43 million for the Financial Year 2022. The increase in employee benefits expenses was primarily attributable to increases in (i) salaries, bonus and wages to ₹1,477.89 million for Financial Year 2023 from ₹956.61 million for Financial Year 2022; (ii) contribution to provident fund and ESI to ₹94.31 million for Financial Year 2023 from ₹65.23 million for Financial Year 2022; (iii) expenses related to compensated absences to ₹15.67 million for Financial Year 2023 from ₹2.60 million for Financial Year 2022; and (iv) staff welfare expenses to ₹43.93 million for Financial Year 2023 from ₹25.49 million for Financial

Year 2023. These increases was partially offset by decreases in (i) share based payment expense to ₹30.52 million for Financial Year 2023 from ₹39.33 million for financial year 2022; and (ii) expenses related to gratuity to ₹7.38 million for Financial Year 2023 from ₹9.17 million for Financial Year 2022. These increases were driven by an increase in our number of employees as a result of growth in our business. Our employee headcount increased to 4,432 as of March 31, 2023 from 2,727 as of March 31, 2022.

Depreciation and amortization: Depreciation and amortization increased by 6.03% to ₹151.14 million for Financial Year 2023 from ₹142.54 million for Financial Year 2022, primarily attributable to an increase in depreciation on property, plant and equipment to ₹133.96 million for Financial Year 2023 from ₹111.84 million for Financial Year 2022 due to the addition, partially offset by a decrease in amortization of intangible assets to ₹17.18 million for Financial Year 2023 from ₹30.70 million for Financial Year 2022.

Other expenses: Our other expenses increased by 68.27% to ₹499.75 million for Financial Year 2023 from ₹296.99 million for Financial Year 2023, which was primarily attributable to increases in (i) travel and conveyance expenses to ₹158.35 million for Financial Year 2023 from ₹72.36 million for Financial Year 2022, mainly on account of increased travel by management and employees upon the lifting of restrictive measures associated with the COVID-19 pandemic; (ii) legal and professional charges to ₹85.26 million for Financial Year 2023 from ₹55.56 million for Financial Year 2022; (iii) rates and taxes to ₹42.85 million for Financial Year 2023 from ₹24.71 million for Financial Year 2022; and (iv) information technology expenses to ₹67.44 million for Financial Year 2023 from ₹50.33 million for Financial Year 2022.

Tax expense: Our total tax expenses increased significantly to ₹564.46 million for Financial Year 2023 (comprising current tax charge of ₹653.70 million, adjustment of tax relating to earlier periods of ₹6.34 million and deferred tax credit of ₹82.90 million) from ₹259.59 million for Financial Year 2022 (comprising current tax charge of ₹315.30 million and deferred tax credit of ₹55.71 million) primarily attributable to an increase in our restated profit before tax to ₹2,328.50 million for the Financial Year 2023 from ₹1,013.63 million for the Financial Year 2022.

Restated profit for the year: Our restated profit for the year increased significantly to ₹1,764.04 million for Financial Year 2023 from ₹754.04 million for Financial Year 2022 primarily for the reasons mentioned above.

Financial Position

The following table sets forth our selected financial data as of September 30, 2024, March 31, 2024, 2023 and 2022:

Particulars	As of September 30, 2024	As of March 31, 2024	2023	2022
	(₹ in millions)			
ASSETS				
Financial assets				
Cash and cash equivalents	5,487.91	4,774.49	2,382.54	3,347.39
Bank balances other than cash and cash equivalents	3,858.45	1,819.70	2,858.34	1,152.16
Receivables				
Other receivables	13.09	17.01	0.41	0.00
Loans	64,005.75	56,345.49	34,756.16	21,320.91
Investments	1,000.74	-	-	-
Other financial assets	348.72	235.77	82.14	69.28
Total financial assets	**74,714.66**	**63,192.46**	**40,079.59**	**25,889.74**
Non-financial assets				
Current tax assets (net)	118.02	15.88	5.22	41.26
Deferred tax assets (net)	564.88	414.13	311.32	222.68
Property, plant and equipment (including right of use asset)	490.33	462.27	414.65	205.42
Intangible assets under development	7.65	4.91	1.61	4.58
Other intangible assets	72.05	83.97	20.08	22.51
Other non-financial assets	89.01	42.31	30.34	38.55
Total non-financial assets	**1,341.94**	**1,023.47**	**783.22**	**535.00**
Total assets	**76,056.60**	**64,215.93**	**40,862.81**	**26,424.74**
LIABILITIES AND EQUITY				
Financial liabilities				
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	9.75	11.47	6.55	1.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	62.25	76.52	48.75	31.26
Debt securities	3,822.70	3,081.22	1,792.69	2,420.72
Borrowings (other than debt securities)	45,071.48	36,876.85	22,460.55	9,535.80
Other financial liabilities (including lease liabilities)	763.59	728.91	520.73	292.55
Total financial liabilities	**49,729.77**	**40,774.97**	**24,829.27**	**12,282.21**
Non-financial liabilities				

Particulars	As of September 30, 2024	As of March 31,		
		2024	2023	2022
	(₹ in millions)			
Provisions	166.78	86.61	82.35	41.62
Other non-financial liabilities	53.54	58.81	38.62	20.44
Total non-financial liabilities	**220.32**	**145.42**	**120.97**	**62.06**
Total Liabilities	**49,950.09**	**40,920.39**	**24,950.24**	**12,344.27**
Equity				
Equity share capital	1,313.58	1,275.19	492.05	485.61
Instruments entirely equity in nature	-	-	650.18	650.18
Other equity	24,792.93	22,020.35	14,770.34	12,944.68
Total Equity	**26,106.51**	**23,295.54**	**15,912.57**	**14,080.47**
Total Liabilities and Equity	**76,056.60**	**64,215.93**	**40,862.81**	**26,424.74**

Assets

As of September 30, 2024, we had total assets of ₹76,056.60 million. As of March 31, 2024, we had total assets of ₹64,215.93 million, compared to ₹40,862.81 million as of March 31, 2023 and ₹26,424.74 million as of March 31, 2022. These increases were primarily due to an increase in our financial assets.

Financial assets

As of September 30, 2024, our total financial assets was ₹74,714.66 million. Our total financial assets increased to ₹63,192.46 million as of March 31, 2024 from ₹40,079.59 million as of March 31, 2023 and ₹25,889.74 million as of March 31, 2022, primarily attributable to increases in (i) loans to ₹56,345.49 million as of March 31, 2024 from ₹34,756.16 million as of March 31, 2023 and ₹21,320.91 million as of March 31, 2022, which was attributable to an increase in the focus sectors of our business, being our Rural Business Loans and Working Capital Loans (Unsecured) businesses, along with the growth of our Affordable Home Loans business; (ii) cash and cash equivalents to ₹4,774.49 million as of March 31, 2024 from ₹2,382.54 million as of March 31, 2023 and ₹3,347.39 million as of March 31, 2022, which was mainly on account of an increase in short-term deposits and current account balances as of March 31, 2024, attributable to fresh borrowings raised towards the end of the Financial Year 2024 which were subsequently deployed in our business; (iii) other financial assets to ₹235.77 million as of March 31, 2024 from ₹82.14 million as of March 31, 2023 and ₹69.28 million as of March 31, 2022, which was mainly on account of an increase in rental deposits placed during the year, in line with the growth of our branch network; and (iv) receivables - other receivables to ₹17.01 million as of March 31, 2024 from ₹0.41 million as of March 31, 2023 and nil as of March 31, 2022. The increase in financial assets was partially offset by a decrease in bank balance other than cash and cash equivalents to ₹1,819.70 million as of March 31, 2024 from ₹2,858.34 million as of March 31, 2023 and ₹1,152.16 million as of March 31, 2022.

Non-financial assets

As of September 30, 2024, our total non-financial assets was ₹1,341.94 million. Our total non-financial assets increased to ₹1,023.47 million as of March 31, 2024 from ₹783.22 million as of March 31, 2023 and ₹535.00 million as of March 31, 2022 primarily due to (i) an increase in property plant and equipment (including right of use assets) to ₹462.27 million as of March 31, 2024 from ₹414.65 million as of March 31, 2023 and ₹205.42 million as of March 31, 2022, consistent with the growth of our branch network; and (ii) an increase in deferred tax assets (net) to ₹414.13 million as of March 31, 2024 from ₹311.32 million as of March 31, 2023 and ₹222.68 million as of March 31, 2022.

Liabilities

As of September 30, 2024, we had total liabilities of ₹49,950.09 million. Our total liabilities as of March 31, 2024 increased to ₹40,920.39 million from ₹24,950.24 million as of March 31, 2023 and ₹12,344.27 million due to increases in our financial liabilities and non-financial liabilities.

Financial liabilities

As of September 30, 2024, we had total financial liabilities of ₹49,729.77 million. Our total financial liabilities increased to ₹40,774.97 million as of March 31, 2024 from ₹24,829.27 million as of March 31, 2023 and ₹12,282.21 million as of March 31, 2022 primarily due to increases in (i) borrowings (other than debt securities) to ₹36,876.85 million as of March 31, 2024 from ₹22,460.55 million as of March 31, 2023 and ₹9,535.80 million as of March 31, 2022, which was mainly on account of increases in term loans from banks and borrowings through securitization to support the growth of our business; (ii) debt securities to ₹3,081.22 million as of March 31, 2024 from ₹1,792.69 million as of March 31, 2023 and ₹2,420.72 million as of March 31, 2022; (iii) trade payables - total outstanding dues of micro enterprises and small enterprises to ₹11.47 million as of March 31, 2024 from ₹6.55 million as of March 31, 2023 and ₹1.88 million as of March 31, 2022; and (iv) trade payables - total outstanding dues of creditors other than micro enterprises and small enterprises to ₹76.52 million as of March 31, 2024 from ₹48.75 million as of March 31, 2023 and ₹31.26 million as of March 31, 2022.

Non-financial liabilities

As of September 30, 2024, we had total non-financial liabilities of ₹220.32 million. Our total non-financial liabilities increased to ₹145.42 million as of March 31, 2024 from ₹120.97 million as of March 31, 2023 and ₹62.06 million as of March 31, 2022, consistent with the growth of our business.

Liquidity and Capital Resources

The purpose of our liquidity management function is to ensure that we have sufficient funds available to extend loans to our clients, to repay principal and interest on our borrowings and to fund our working capital requirements. We have access to diverse sources of liquidity such as term loans and working capital facilities, proceeds from loans assigned and securitized, proceeds from the issuance of NCDs, and borrowings from NBFCs and financial institutions. We typically invest our surplus cash in fixed deposits with banks and financial institutions and units of liquid mutual funds.

As of September 30, 2024 and March 31, 2024, we had cash and cash equivalents of ₹5,487.91 million and ₹4,774.49 million, respectively.

We actively manage our liquidity and capital position by raising funds periodically. We regularly monitor our funding levels to ensure that we are able to satisfy the requirements for loan disbursements and maturity of our liabilities.

Cash Flows

The following table summarizes our cash flows data for the period and years indicated:

Particulars	For the six month period ended September 30, 2024	For the Financial Year		
		2024	2023	2022
	(₹ in millions)			
Net cash used in operating activities *(A)*	(6,784.94)	(19,365.63)	(11,727.95)	(5,531.47)
Net cash from / (used in) investing activities *(B)*	(2,827.56)	1,320.56	(1,576.39)	3,555.21
Net cash from financing activities *(C)*	10,325.92	20,437.02	12,339.49	3,842.55
Net increase / (decrease) in cash and cash equivalents *(A) + (B) + (C)*	**713.42**	**2,391.95**	**(964.85)**	**1,866.29**
Cash and cash equivalents at the beginning of the period/ year	**4,774.49**	**2,382.54**	**3,347.39**	**1,481.10**
Cash and cash equivalents at the end of the period/ year	**5,487.91**	**4,774.49**	**2,382.54**	**3,347.39**

Operating activities

Net cash used in operating activities was ₹6,784.94 million for the six month period ended September 30, 2024. We had profit before tax of ₹1,772.00 million for the six month period ended September 30, 2024, which was primarily adjusted for finance costs of ₹2,245.58 million, impairment on financial instruments of ₹644.33 million, depreciation and amortization expense of ₹142.03 million, and share based payment expense of ₹75.86 million, which was partially offset by interest income on fixed deposits with banks of ₹141.04 million and net gain on investments in mutual funds of ₹126.46 million. This was further adjusted for changes in working capital adjustments in operating assets such as an increase in loans of ₹8,300.31 million and an increase in other financial assets of ₹106.45 million, adjustments in operating liabilities such as increases in other financial liabilities of ₹8.70 million, finance costs paid of ₹2,290.96 million, along income tax paid (net of refunds) of ₹688.36 million.

Net cash used in operating activities was ₹19,365.63 million for the Financial Year 2024. We had profit before tax of ₹3,229.64 million for the Financial Year 2024, which was primarily adjusted for finance costs of ₹3,144.16 million, impairment of financial instruments of ₹901.66 million, depreciation and amortization expense of ₹235.63 million, and share based payment expense of ₹77.31 million, which was partially offset by interest income on fixed deposits with banks of ₹269.71 million and net gain on investments in mutual funds of ₹222.05 million. This was further adjusted for changes in working capital, comprising adjustments for changes in operating assets such as an increase in loans of ₹22,490.13 million and an increase in other financial assets of ₹154.48 million and adjustments in operating liabilities such as increases in other financial liabilities of ₹199.31 million, finance costs paid of ₹3,145.52 million, along with income tax paid (net of refunds) of ₹894.06 million.

Net cash used in operating activities was ₹11,727.95 million for the Financial Year 2023. We had profit before tax of ₹2,328.50 million for the Financial Year 2023, which was primarily adjusted for finance costs of ₹1,684.88 million, impairment of financial instruments of ₹454.01 million, depreciation and amortization expense of ₹151.14 million, and share based payment expense of ₹30.52 million, which was partially offset by interest income on fixed deposits with banks of ₹184.79 million and net gain on investments in mutual funds of ₹90.65 million. This was further adjusted for changes in working capital, comprising adjustments for changes in operating assets such as an increase in loans of ₹13,888.65 million and an increase in other financial assets of ₹13.47 million and adjustments in operating liabilities, such as increases in other financial liabilities of ₹106.44 million, finance costs paid of ₹1,757.06 million, along with income tax paid (net of refunds) of ₹611.32 million.

Net cash used in operating activities was ₹5,531.47 million for the Financial Year 2022. We had profit before tax of ₹1,013.63 million for the Financial Year 2022, which was primarily adjusted for finance costs of ₹1,283.87 million, impairment of financial instruments of ₹579.55 million, depreciation and amortization expense of ₹142.54 million, and share based payment expense of ₹39.33 million, which was partially offset by interest income on fixed deposits with banks of ₹165.75 million and net gain on investments in mutual funds of ₹63.89 million. This was further adjusted for changes in working capital, comprising adjustments for changes in operating assets such as an increase in loans of ₹6,657.84 million and an increase in other financial assets of ₹26.94 million, and adjustments in operating liabilities such as increases in other financial liabilities of ₹16.63 million, finance costs paid of ₹1,370.29 million, along income tax paid (net of refunds) of ₹322.68 million.

Investing activities

Net cash used in investing activities was ₹2,827.56 million for the six month period ended September 30, 2024, primarily comprising of purchase of investments – mutual funds of ₹31,160.00 million, increase in deposits placed with banks (net) of ₹2,038.75 million and purchase of property, plant and equipment, other intangible assets and intangible assets under development of ₹59.33 million. This was offset by proceeds from sale of investments – mutual funds of ₹30,285.72 million and proceeds from sale of property, plant and equipment of ₹3.76 million.

Net cash flow from investing activities was ₹1,320.56 million for the Financial Year 2024. This was primarily due to proceeds from sale of investments of ₹66,238.26 million, increase in fixed deposits with banks of ₹1,038.64 million, and proceeds from sale of property, plant and equipment of ₹3.14 million, partially offset by purchase of investments of ₹66,016.20 million and purchase of property, plant and equipment of ₹212.99 million.

Net cash used in investing activities was ₹1,576.39 million for the Financial Year 2023, primarily comprising of purchase of investments of ₹46,892.17 million, increase in fixed deposits with banks of ₹1,706.18 million, and purchase of property, plant and equipment of ₹147.62 million. This was partially offset by proceeds from sale of investments of ₹46,982.82 million, and proceeds from sale of property, plant and equipment of ₹1.97 million.

Net cash flow from investing activities was ₹3,555.21 million for the Financial Year 2022. This was primarily due to proceeds from sale of investments of ₹50,623.95 million, increase in fixed deposits with banks of ₹1,609.29 million, and proceeds from sale of property, plant and equipment of ₹0.34 million, partially offset by purchase of investments of ₹48,810.18 million and purchase of property, plant and equipment of ₹33.94 million.

Financing activities

Net cash flow from financing activities was ₹10,325.92 million for the six month period ended September 30, 2024. This was primarily due to proceeds from borrowings (other than debt securities) ₹15,700 million, proceeds from issue of equity shares including securities premium of ₹1,420.23 million, and proceeds from debt securities of ₹1,500.00 million. This was partially offset by repayment of borrowings (other than debt securities) of ₹7,451.69 million, repayment of debt securities of ₹750.00 million, payment of principal portion of lease liabilities of ₹75.82 million and payment of interest portion of lease liabilities of ₹16.80 million.

Net cash flow from financing activities was ₹20,437.02 million for the Financial Year 2024. This was primarily due to proceeds from borrowings (other than debt securities) of ₹26,721.60 million, proceeds from issue of equity shares including securities premium of ₹4,924.36 million, and proceeds from debt securities of ₹2,350.00 million. This was partially offset by repayment of borrowings (other than debt securities) of ₹12,283.55 million, repayment of debt securities of ₹1,050.00 million, payment of principal portion of lease liabilities of ₹119.95 million, payment of interest portion of lease liabilities of ₹31.85 million, and payment of share issue expenses of ₹73.59 million.

Net cash flow from financing activities was ₹12,339.49 million for the Financial Year 2023. This was primarily due to proceeds from borrowings (other than debt securities) of ₹18,995.26 million, proceeds from issue of debt securities of ₹1,999.99 million, and proceeds from issue of equity shares including securities premium of ₹54.60 million. This was partially offset by repayment of borrowings (other than debt securities) of ₹6,027.56 million, repayment of debt securities of ₹2,576.00 million, payment of principal portion of lease liabilities of ₹84.02 million and payment of interest portion of lease liabilities of ₹22.78 million..

Net cash flow from financing activities was ₹3,842.55 million for the Financial Year 2022. This was primarily due to proceeds from borrowings (other than debt securities) of ₹6,188.03 million, proceeds from issue of equity shares including securities premium of ₹4,405.09 million, and proceeds from issue of debt securities of ₹550.00 million. This was partially offset by repayment of borrowings (other than debt securities) of ₹3,868.08 million, repayment of debt securities of ₹3,350.00 million, payment of principal portion of lease liabilities of ₹60.87 million, payment of interest portion of lease liabilities of ₹19.00 million and payment of share issue expenses of ₹2.62 million.

Financial indebtedness

As of September 30, 2024, we had total borrowings amounting to ₹48,894.18 million, comprising debt securities amounting to ₹3,822.70 million and borrowings (other than debt securities) amounting to ₹45,071.48 million. For further details related to our indebtedness, see "*Financial Indebtedness*" on page 451.

Contractual obligations

The following table sets forth our contractual maturities of financial liabilities and financial assets including interest as of September 30, 2024, all of which have a payment due by period of less than 12 months:

Particulars	As of September 30, 2024	Less than one year	One to three years	Three to five years	More than five years
	(₹ in millions)				
Financial Liabilities					
Trade payables	72.00	72.00	-	-	-
Debt securities	3,822.70	796.34	2,876.30	1,534.49	-
Borrowings (other than debt securities)	45,071.48	20,059.61	26,155.77	6,181.44	232.14
Other financial liabilities (including lease liabilities)	763.59	537.15	253.43	13.32	1.59
Total financial liabilities	**49,729.77**	**21,465.10**	**29,285.50**	**7,729.25**	**233.73**
Financial assets					
Cash and cash equivalents	5,487.91	5,494.32	-	-	-
Bank balances other than cash and cash equivalents	3,858.45	3,558.02	342.23	43.89	-
Other receivables	13.09	13.09	-	-	-
Loans	64,005.75	27,886.74	38,568.16	22,989.88	16,616.03
Investments	1,000.74	1,000.74	-	-	-
Other financial assets	348.72	173.02	146.50	64.01	1.92
Total financial assets	**74,714.66**	**38,125.93**	**39,056.89**	**23,097.78**	**16,617.95**

Contingent Liabilities

As of September 30, 2024, we recorded the following contingent liabilities as per Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) in our Restated Summary Statements:

Particulars	As of September 30, 2024 *(₹ in millions)*
Claims against the Company not acknowledged as debt	0.99
Bank Guarantee	2.50

Commitments

Particulars	As of September 30, 2024 *(₹ in millions)*
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	
-Future lease payments for non cancellable lease contracts	78.39
-Commitment to purchase property, plant and equipment and intangible assets	9.23
Undrawn committed sanctions to borrowers	1,318.17

Off-balance sheet arrangements

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.

Capital Expenditure

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily related to the purchase of freehold land, furniture and fixtures, electrical fittings, office equipment, computers and leasehold improvements. For the six month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, our capital expenditures were ₹59.33 million, ₹212.99 million, ₹147.62 million and ₹33.94 million, respectively. Our expected capital expenditure for the Financial Year 2025 is ₹773.93 million, towards purchase of property, plant and equipment.

Capital Adequacy Ratios

Particulars	As of September 30, 2024	As of March 31,		
		2024	2023	2022
	(₹ in millions, except for %)			
Tier I Capital[1]	23,335.15	21,868.85	15,518.51	13,799.22
Tier II Capital[2]	-	-	116.49	85.43
Total Capital	**23,335.15**	**21,868.85**	**15,635.00**	**13,884.65**
Risk weighted assets[3]	57,092.84	52,706.00	34,740.64	21,551.27
Tier I Capital (%)	40.87%	41.49%	44.67%	64.03%
Tier II Capital (%)	-	-	0.33%	0.40%
CRAR (%)[4]	**40.87%**	**41.49%**	**45.00%**	**64.43%**

(1) Tier I capital comprises share capital, securities premium, retained earnings including current year profit. Tier I Capital (%) is computed in accordance

with the relevant RBI guidelines.
(2) Tier II capital comprises general provision and loss reserve. Tier II Capital (%) is computed in accordance with the relevant RBI guidelines.
(3) Risk weighted assets represent the weighted sum of our credit exposures based on their risk (Risk weighted assets is computed in accordance with the relevant RBI guidelines).
(4) Capital adequacy ratio or capital to risk weighted assets ratio (CRAR) is computed by dividing our Tier I and Tier II capital by risk weighted assets (CRAR (%) is computed in accordance with the relevant RBI guidelines).

Quantitative and qualitative disclosures regarding market and other risks

Our board of directors and risk committee have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors and risk management council along with the top management are responsible for developing and monitoring the our risk management policies.

Our risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor the risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and our activities. We through our training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Our risk management council oversees how management monitors compliance with our risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by us.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographical region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political and other conditions. Concentrations indicate the relative sensitivity of our performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, our policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and other prices will affect our income or the value of holdings of financial instruments. We do not have exposure to currency risk and security price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

Interest Rate Risk

Interest rate risk primarily arises from borrowings with variable rates. Our borrowings are carried at amortized cost. The borrowings with fixed rate are therefore not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. We are subject to interest rate risk principally because we lend to borrowers at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our ALM Committee evaluates asset liability management and ensures that all significant mismatches, if any, are managed appropriately. Our Company has a board-approved ALM policy for managing interest rate risk and determining the interest rate to be charged on loans given.

Credit Risk

Credit risk is the risk of loss that may occur from defaults by our borrowers under our loan agreements. In order to address credit risk, we have stringent credit assessment policies for customer selection. We seek to minimize credit risk with measures such as verifying client details and usage of credit bureau data to get information on past credit behavior. We also follow a systematic methodology in the opening of new branches, which takes into account factors such as the demand for credit in the area, income and market potential and socio-economic and law and order risks in the proposed area. Further, our client due diligence procedures encompass various layers of checks, designed to assess the quality of the proposed group and to confirm that they meet our criteria.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. We are bound to comply with the Asset Liability Management guidelines issued by Reserve Bank of India. We have Asset Liability Management policy approved by the board and have constituted Asset Liability Committee to oversee the liquidity risk management. Our approach to managing liquidity is to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. Our principal sources of liquidity are borrowings, cash and cash equivalents and the cash flow that is generated from operations.

Other qualitative factors

Related party transactions

We have in the past entered into, and in the future may enter into, transactions with several related parties in the ordinary course of our business. Such transactions could be for, among other things, purchase of materials and services, rent expenses, rental deposits, sale of assets, interest on loans, directors' remuneration and reimbursement of expenses. For further details of our related party transactions, see "*Offer Document Summary – Summary of related party transactions*" on page 26.

Significant economic changes

Other than as described above under "*— Significant Factors Affecting our Results of Operations and Financial Condition*" on page 423, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect our income from continuing operations.

Unusual or infrequent events or transactions

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge, 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 affected and we expect will continue to be affected by the trends identified above in "*—Significant Factors Affecting our Results of Operations and Financial condition*" on page 423 and the uncertainties described in "*Risk Factors*" on page 32. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future relationship between cost and income

Other than as described in this Draft Red Herring Prospectus, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

New products or business segments

Other than as described in "*Our Business — Strategies*" on page 231, there are no new products or business segments in which we operate or propose to operate.

Supplier or Borrower Concentration

We do not have any material dependence on a single or few suppliers. We have a wide borrower base and do not have any material dependence on any particular borrower.

Competition

We expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in the sections "*Risk Factors*" and "*Our Business*" on pages 32 and 217 respectively.

Seasonality

Our business is not seasonal in nature.

Significant developments occurring after September 30, 2024

- ***Allotment of Equity Shares***: Pursuant to the ESOS C, 2018, we allotted 3,000 Equity Shares to Mr. Biswanath Roy Chowdhury at an issue price of ₹125 on January 9, 2025, leading to an increase in our paid-up Equity Share capital.

Except as disclosed above and elsewhere in this Draft Red Herring Prospectus, there are no circumstances that have arisen since September 30, 2024, the date of the last financial statements included in this Draft Red Herring Prospectus, which materially and adversely affect or is likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at September 30, 2024, 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 Information*" and "*Risk Factors*" on pages 420, 305, and 32, respectively.

(₹ in million, except ratios)

Particulars	Pre-Offer as at September 30, 2024	As adjusted for the proposed Offer#
Borrowings		
Borrowings (other than debt securities) (A)	45,071.48	[●]
Debt securities (B)	3,822.70	[●]
Total Borrowings (C = A+B)	**48,894.18**	[●]
Equity		
Equity Share capital (D)	1,313.58	[●]
Other equity (E)	24,792.93	[●]
Total Equity (F = D+E)	**26,106.51**	[●]
Total borrowings/ Total equity (C/F) (times)	**1.87**	[●]

Notes:

1. Total Borrowings represents the aggregate of debt securities and borrowings (other than debt securities) as of the last day of the relevant period/year. Also see "Other Financial Information – Reconciliation of non-GAAP Measures" on page 414.

2. Post September 30, 2024, our Company allotted Equity Shares on January 9, 2025, pursuant to ESOS C, 2018 to an employee of the Company. See "Capital Structure" on page 85

FINANCIAL INDEBTEDNESS

Our Company has availed loans and other financing arrangements in the ordinary course of business primarily for general corporate purposes, refinancing of existing debt and onward lending to the borrowers of our Company.

For details regarding the borrowing powers of our Board, see "*Our Management – Borrowing powers of the Board*" on page 275.

Set forth below is a table of the aggregate borrowings of our Company, as on November 30, 2024.

(₹ in million)

Category of borrowing	Sanctioned Amount	Outstanding Amount
Term loans	60,747.50	36,378.47
Cash credit and working capital demand loans	1,060.00	-
Securitization arrangements	11,553.30	7,968.88
Secured NCDs	4,800.00	4,851.53
Total	**78,160.80**	**49,198.88**

* *As certified by R P S V & Co., pursuant to the certificate dated January 18, 2025.*

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 18 months and up to 84 months. The maturity period of the NCDs issued by the Company is typically 30 months to 72 months and the tenor of securitization arrangements entered into by us is typically 25 months to 39 months. The tenor of cash credit/ working capital demand loans availed by our Company typically ranges from 180 days up to 18 months approximately.

2. ***Interest***: The interest rates for the term loans availed by our Company typically ranges from 8.85% per annum to 11.5% per annum and up to 12.20% per annum, which includes interest rates 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 and in terms of such debenture trust deeds, a specified interest or coupon rate is to be paid per annum. The interest rate for the NCDs issued by our Company as of November 30, 2024, typically ranged from 9.65% to 13.24% per annum. Securitization arrangements entered into by us prescribe interest rates ranging from 9.25% to 9.95% per annum and up to 13.10% per annum. Cash credit and working capital demand loans entered into by us prescribe interest rates ranging from 8.15% to 10% per annum.

3. ***Security***: In terms of the borrowings, including NCDs, where security needs to be created, the Company is typically required to create hypothecation on security primarily by way of first and Exclusive charge on the Company's book debts and receivables. There may be additional requirements for creation of security under the various borrowing arrangements entered into by the Company.

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, annually or on maturity.

5. ***Prepayment:*** The term loans availed and NCDs 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 provided they contain specified prepayment penalties. The prepayment penalty for facilities availed and issued by our Company, including term loans, NCDs and cash credit/ working capital demand loan facilities, typically ranges from 1% to 5% of the amount being prepaid with respect to the respective facility.

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% to 5% of the amounts involved with respect to term loans and 1% to 2% with respect to NCDs. The penalty interest for the securitization arrangements availed by us typically ranges up to 2% whereas the penalty interest for cash credit/ working arrangement facilities typically ranges from 1% to 3%.

7. ***Restrictive covenants***: In terms of our facility agreements, loan agreements, sanction letters, DTDs and securitization arrangements, hypothecation deeds and agreements, 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 implement any scheme of expansion/diversification or capital expenditure or acquired fixed assets (except normal replacements indicated in fund flow statement submitted to and approved by the bank) if such investment results into breach of financial covenants or diversion of working capital funds to financing of long-term assets;
(d) to undertake any activity other than the activities indicated in the objects clause of the memorandum of association of our Company;
(e) for any transfer of the controlling interest or make any change in the management set up notably the Key Managerial Personnel;
(f) to undertake guarantee obligations on behalf of any other person;
(g) redeem, purchase, buyback, defease, retire, return or repay any of its equity share capital or resolve to do so or pay any dividend to its shareholders or resolve to do so for so long as the agreement shall remain in full force and effect;
(h) to change the constitutional/incorporation documents;
(i) In the event of default, the Banks shall have the right to securitize the assets charged and in the event of such securitization, the Bank will suitably inform the borrower(s) and guarantor(s); and
(j) The borrower should not induct into its Board of Directors, a person whose name appears in the wilful defaulters list of RBI / CICs. The borrower shall keep the lender informed of the happening of any event likely to have a substantial effect on their profit or business.

8. ***Events of default:*** The financing arrangements entered into by our Company contain standard events of default including, among others:

(a) non-payment of money due to any person or lender as and when they fall due or when demanded;
(b) breach of or default in the performance of or observance of any of the terms, covenants, obligations or undertakings stipulated in the relevant documents;
(c) incorrect or misleading representation, warranty or statement under the facility or debenture documents;
(d) failure to create and perfect security;
(e) 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;
(f) any notice or action in relation to actual or threatened proceedings relating to bankruptcy, liquidation or insolvency being initiated against us;
(g) our Company ceasing or threatening to cease to carry on its business;
(h) if the loan or any part thereof is utilised for any purpose other than the purpose for which it is applied by the Company and sanctioned by the Lender;
(i) occurrence of a material adverse change;
(j) cross default in any indebtedness of the Company;
(k) If the security or securities created in favour of other creditors becomes enforceable; and
(l) if the company fails to inform the lender of the occurrence of any Event of Default or any event which after the notice or lapse of time, or both, would become an Event of Default.

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:

(a) accelerate repayment of facilities or declare all sums outstanding as immediately due and payable;
(b) enforce their security interest over the hypothecated assets;
(c) demand the Company to furnish additional unencumbered collateral as a security;
(d) suspend or cancel any undisbursed amount of the facility;
(e) convert whole or part of the outstanding amount into fully paid-up Equity Shares;
(f) 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;
(g) settle, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any Person or body who is or claims to be a creditor of the Borrower relating in any way to the Security or any part thereof;
(h) levy a default interest of up to 2% per annum on the overdue amounts; and
(i) 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 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 –An inability to meet our obligations, including financial and other covenants under our financing arrangements, could adversely affect our business, results of operations and cash flows.*", on page 38.

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 and NSE, as of November 30, 2024:

ISIN	Scrip Code	Status	Debenture Holder	Outstanding principal amount* *(in ₹ million)*	Maturity
INE448U07208	974008	Live	Blueorchard Microfinance Fund	1,500.00	June 23, 2028
INE448U07216	975275	Live	UNIFI AIF Naval Group Insurance Fund Paulastya Sachdev	550.00	June 25, 2027
INE448U07224	975566	Live	A.K. Capital Finance Limited	250.00	July 28, 2025
INE448U07240	975568	Live	Axis Credit Risk Fund Axis Strategic Bond Fund Naval Group Insurance Fund	250.00	November 28, 2026
INE448U07232	975567	Live	AU Small Finance Bank	250.00	March 28, 2028
INE448U07257	975779	Live	Sundaram Finance Limited	1,000.00	June 27, 2028
INE448U07265	976170	Live	AU Small Finance Bank	500.00	November 13, 2028
INE448U07273	976171	Live	A.K. Capital Finance Limited	500.00	November 13, 2027
Total				**4,800.00**	

** As certified by R P S V & Co., Chartered Accountants, pursuant to the certificate dated January 18, 2025.*

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 and its Directors (together, the "**Relevant Parties**"); (ii) actions (including all disciplinary actions, penalties and show cause notices) taken by any statutory or regulatory authorities against the Relevant Parties (including any judicial, quasi-judicial, administrative authorities or enforcement authorities); (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. As on the date of this Draft Red Herring Prospectus, there are no subsidiaries of our Company. Further, there are no findings/observations of any of the inspections by SEBI or any other regulator involving our Company which are material, and which need to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already been disclosed in the Offer document.*

*For the purpose of disclosure of pending material litigation in (iv) above, our Board in its meeting held on January 9,, 2025 has considered and adopted the Materiality Policy, in terms of which, any outstanding litigation involving a claim where the dispute amount/the aggregate monetary amount of claim/liability involved by or against the Relevant Parties in any such pending litigation which exceeds ₹ 82.81 million, being the amount equivalent to 5% of the average of absolute value of profit or loss after tax of the Company for the last three financial years, would be considered 'material'("**Materiality Threshold**"); and such matters which may have a significant effect on the business, operations, financial condition, prospectus, reputation, results of operations or cash flows of the Company, irrespective that the amount involved in such litigation (including any litigation under the Insolvency and Bankruptcy Code, 2016) may not meet the Materiality Threshold, or such matters where the aggregate monetary amount of claim/dispute amount/liability involved is not quantifiable. 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 Materiality Threshold. 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 Materiality Threshold.*

For the purposes of this section, pre-litigation notices (excluding notices from statutory/ regulatory/ governmental/ tax authorities), have not been considered material and/ or have not been disclosed as pending matters until such litigation proceedings have been initiated before any judicial forum or where the Relevant Party has been notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Furthermore, except as stated in this section and in terms of the Materiality Policy, as on the date of this Draft Red Herring Prospectus, there are no group companies of 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 2% of the total amounts due derived from the head "creditor for other expenses" in the Restated Summary Statements of our Company as of September 30, 2024, shall be considered as 'material'. Accordingly, as on September 30, 2024, any outstanding dues exceeding ₹ 1.44 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

Litigation against our Company

Criminal Proceedings

(i) Dipali Biswas ("**Complainant**"), wife of late Rabin Biswas, filed an FIR dated November 21, 2023 at the Bagdah police station under Section 306 read with Section 34 of the IPC against an employee of our Company, namely, Biplab Mallik, employee of our Company, alleging abetment to suicide of her husband. Complainant claims that Biplab Mallik and one other individual verbally abused Rabin Biswas, restrained him from having food and water, and also told him that if he committed suicide then he will be absolved of the loan liability. The matter is currently pending investigation.

(ii) Bikash Chandra Maity ("**Complainant**") lodged an FIR dated March 26, 2023 at the Namkhana police station against the area manager of our Company alleging violations under Sections 341, 323, 325, 384, 506 and Section 34 of the IPC in respect of the visit by one Mr. Kashinath Naskar and four other employees to Complainant's shop to collect the payment for the loans availed by him from our Company. Complainant alleges that the said employees of our Company slapped him and used filthy language and also choked him in an attempt to kill him. The matter is currently pending investigation.

(iii) Bhuvaneshveri ("**Complainant**") has lodged an FIR dated February 1, 2022 at the Mamallapuram police station against an area manager of our Company under Section 306 of IPC for abetment of suicide of her late husband. It is alleged that the staff and the area manager of our Company had been repeatedly visiting the Complainant's house and pressurizing them to repay the debt. It is alleged that our Company had harassed and verbally abused the Complainant, her husband, and their children and consequently, her husband committed suicide. The matter is currently pending investigation.

(iv) Prabu ("**Complainant**"), has lodged an FIR dated October 5, 2023 at the Gandamanur Vilakku police station against our Company under Sections 294(b) and 506(2) of the IPC, along with Section 4A of the Tamil Nadu Open Places (Prevention of Disfigurement) Act, 1999 for allegedly publicly defacing the Complainant's house by writing derogatory messages on his wall and threatening him, causing significant distress. Investigation has been initiated and the matter is currently pending.

(v) Vijayalakshmi ("**Complainant**") has lodged an FIR dated July 27, 2023 at the Tirunelveli Town police station against our Company under Sections 294 (b), 448, and 506(1) of the IPC and Section 4 of Tamil Nadu Prohibition of Harassment of Woman Act, 2002. The Complainant's husband had availed a personal loan from our Company among other financial institutions. Her husband claims to have paid monthly installments for the loan until February 2023, and defaulted on the installment for March 2023. On account of the same, the Complainant has alleged that an official from our Company amongst other men representing several financial institutions from whom her husband had availed a personal loan, trespassed into the Complainant's house and defamed her and also locked her husband inside the house. The matter is currently pending.

Action taken by Regulatory and Statutory Authorities

Nil

Material Civil Litigation

Nil

Litigation by our Company

Criminal Proceedings

(i) Our Company has, in the ordinary course of business, filed 3,219 criminal applications against various persons under *inter alia* Section 25 of the Payment and Settlement Systems Act, 2007 ("**PSS Act**"), Section 138 of the Negotiable Instruments Act, 1881 ("**NI Act**"), and Section 420 of the IPC on account of outstanding loan amount from customers. Out of these, in 745 applications, the matter has been settled and the account is closed, and the application for withdrawal of the case is awaiting to be processed. 2,384 complaints were filed under the PSS Act, 698 were filed under the NI Act and 137 were filed under the IPC. The applications are currently pending at different stages of adjudication before the various judicial fora. The aggregate amount involved in these matters is ₹ 491.90 million.

(ii) Our Company has filed an FIR dated November 11, 2022 at the Mallur police station, under Sections 294(b) and 324 of the IPC against Jayalakshmi ("**Accused**") along with her son Ramki and two others, who allegedly assaulted Karthi, the Salem branch manager, and Manikandan, the sales manager, during a collection visit. As a consequence, the account associated with this incident has been closed and the FIR is pending.

(iii) Our Company has filed an FIR dated March 12, 2022 at the Srivilliputhur Town police station against Kulathur s/o Madasamy ("**Accused**") under Sections 294(b), 323 and 506(2). Our collection manager Vadivelu, along with branch manager Sivaraja, approached the Accused at his shop to inquire about a notice sent on payment default by the Accused. The Accused allegedly responded aggressively, and assaulted Vadivelu and posed threats on his life. The matter is currently pending.

(iv) Our Company has filed an FIR dated June 29, 2023 at the Kuakhia police station against Jitendra Sahoo ("**Accused**") under Sections 341, 294, 323, and 506 of the IPC. Our employee Dibakar Sahani while working as a collection manager in our Company, went to the house of the Accused for collection of the loan amount, where Dibakar was allegedly abused and assaulted. The matter is pending.

(v) Our Company has filed an FIR dated April 16, 2024 at the Naugaon police station against Anjan Kumar Muduli ("**Accused**") under Sections 341, 323, 294, 506 and 427 of the IPC. Our employee Rajesh Kumar Sahoo was allegedly verbally abused and assaulted by the Accused when he reached the house of the Accused to recover a loan amount. The matter is currently pending.

(vi) Our Company has filed an FIR dated April 27, 2024 at the Matigara police station against Dipak Paul, Shipak Paul, Dinesh Chandra Paul, and Babli Paul (“**Accused No. 1**”, “**Accused No. 2**”, “**Accused No. 3**,” and “**Accused No. 4**” respectively) under Sections 406, 420, 323, 506 and 34 of the IPC. Accused No. 4 is a borrower and Accused No. 3 a co-borrower on the same loan from our Company, where they defaulted on repayment. When employees of our Company reached the residence of Accused No. 3 and Accused No. 4 for recovery of the loan amount, and at this instance, Accused No, 1, Accused No. 2, Accused No. 3, and Accused No. 4 allegedly threatened and assaulted our employees and refused to repay the loan amount. The matter is currently pending.

(vii) Our Company has filed an FIR dated July 20, 2021 at the Barasat police station against our former employee, Abhishek Banerjee, sales and collection manager, under Section 420 of the IPC, before the police authorities alleging *inter alia* misappropriation of funds, forgery and theft. The total amount involved in the matter is ₹ 0.15 million. The matter is currently pending at investigation stage.

(viii) Our Company has filed an FIR dated August 28, 2022 at the DCB police station, Thanjavur, against our former employee Hariprasath, under Sections 420 and 408 of the IPC alleging *inter alia* misappropriation of funds and theft, for unauthorizedly accepting payments from customers. The total amount involved in the matter is ₹ 0.86 million the matter is currently pending for filing of the chargesheet.

(ix) Our Company has filed an FIR dated April 26, 2023 at the Pingla police station against Srikant Bid (“**Accused**”), under Sections 406, 420, 467, 468, 506 and 34 of the IPC. The Accused had allegedly submitted colour xerox of a title deed as original and manipulated clearance and disbursement of loan from our Company. The matter is pending investigation.

Civil Proceedings

Nil

Litigation involving our Directors

Litigation against our Directors

Criminal Litigation

Nil

Material Civil Litigation

Nil

Material Tax Litigation

Nil

Litigation by our Directors

Criminal Litigation

Nil

Material Civil Litigation

Nil

Actions taken by Regulatory and Statutory Authorities

As of the date of this Draft Red Herring Prospectus, there are no pending actions by regulatory and statutory authorities against our Directors.

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 and Directors:

Nature of Case	Number of Cases	Amount involved (*in ₹ million*)
Our Company		
Direct Tax	Nil	Nil

Nature of Case	Number of Cases	Amount involved (*in ₹ million*)
Indirect Tax	Nil	Nil
Our Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

As certified by R P S V & Co., Chartered Accountants, by way of their certificate dated January 18, 2025.

Outstanding dues to creditors

In terms of the Materiality Policy, creditors of our Company to whom an amount exceeding 2% of the total trade payables as per the Restated Summary Statements as of September 30, 2024, were considered 'material' creditors. The total amounts due derived from the head "trade payables" in the Restated Summary Statements as of September 30, 2024, was ₹ 72.00 million and accordingly, creditors to whom outstanding dues as of September 30, 2024, exceed ₹1.44 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 https://www.veritasfin.in/Outstanding%20Dues.pdf.

Based on the Materiality Policy, details of outstanding dues owed as of September 30, 2024 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 (other than Material Creditors)	12	2.21
Dues to Material Creditors	5	14.42
Dues to other creditors*	59	55.37
Total	**76**	**72.00**

* *Includes provision towards expenses for which invoices have not been received.*
As certified by R P S V & Co., Chartered Accountants, by way of their certificate dated January 18, 2025.

As of September 30, 2024, there are five material creditors to whom our Company owes dues.

Material Developments

Other than as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 420, there has 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.

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. Failure to maintain the said approvals, licenses, registrations, and permits may lead to a material adverse impact. 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 32 and 249, 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 461.

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 April 30, 2015, issued by the RoC to our Company, in its former name, being Veritas Finance Private Limited.
2. Fresh certificate of incorporation dated October 23, 2024 issued by the RoC to our Company, consequent upon conversion to a public limited company and change of name of our Company to 'Veritas Finance Limited' pursuant to a shareholder's resolution dated June 10, 2024.

B. *Material approvals in relation to our business*

The material approval in relation to the business operations of our Company is set forth below:

1. The RBI granted a certificate of registration dated October 15, 2015, allotting registration number N-07.00810, pursuant to which our Company (under its erstwhile name, 'Veritas Finance Private Limited') was registered as an NBFC under Section 45-IA of the RBI Act, 1934.

C. *Approval from Taxation Authorities*

1. The permanent account number of our Company is AAFCV0954Q.
2. The tax deduction account number of our Company is CHEV13619E.
3. Our Company has obtained goods and services tax registrations under the Central Goods and Service Tax Act, 2017, in relation to our branches and regional offices for our business operations in the following states:

Sr. No.	State	GSTIN
1.	Bihar	10AAFCV0954Q1Z3
2.	West Bengal	19AAFCV0954Q1ZL
3.	Jharkhand	20AAFCV0954Q1Z2
4.	Odisha	21AAFCV0954Q1Z0
5.	Chhattisgarh	22AAFCV0954Q1ZY
6.	Madhya Pradesh	23AAFCV0954Q1ZW
7.	Karnataka	29AAFCV0954Q1ZK
8.	Tamil Nadu	33AAFCV0954Q1ZV
9.	Tamil Nadu - ISD	33AAFCV0954Q2ZU
10.	Puducherry	34AAFCV0954Q2ZS
11.	Telangana	36AAFCV0954Q1ZP
12.	Andhra Pradesh	37AAFCV0954Q1ZN

4. Our Company has several branches in the above mentioned states falling under the respective professional tax legislations. Our Company has obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities of its material branches in relation to such tax laws, to the extent applicable to each of such branches.

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 TBTAM1398034.

2. Registrations under the Tamil Nadu Industrial Establishments (National, Festival and Special Holidays) Act, 1958 for its Registered Office pursuant to registration number TN/AIL18CHE/NFSH/68-23-01303.

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, with code number 51001148450001099.

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.

V. Material approvals applied for but not received

Except for as stated 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. The certificate of registration from RBI pursuant to conversion of our Company from a private limited company to a public limited company under Section 45IA of the RBI Act, 1934.
2. Registration certificate from the Labour Department of Government of Chattisgarh under the Chattisgarh Shops and Establishments Act, 1958 for the branch in Dhamtari, Chattisgarh.
3. Municipal trade license from Medini Nagar Nigam of Jharkhand under the Jharkhand Municipal Act, 2011 for the branch in Daltonganj, Jharkhand.
4. Municipal trade license from Hazaribagh Nagar Nigam of Jharkhand under the Jharkhand Municipal Act, 2011 for the branch in Hazaribagh, Jharkhand.[1]

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

As on the date of this Draft Red Herring Prospectus, our Company has two registered trademarks under the Trademarks Act, 1999, as stated below:

S. No.	Issuing authority	Registration number	Date of registration	Class	Logo
1	Trade Marks Registry, Government of India	Trade Mark No. 3192553	February 22, 2016	36	
2	Trade Marks Registry, Government of India	Trade Mark No. 6020412	July 14, 2023	36	

[1]Provisional municipal trade license has been received, which is valid up to January 29, 2025. In case of no objection from Hazaribagh Nagar Nigam, the license will be deemed approved.

For details, see "*Our Business –Intellectual Property*" and "*Risk Factors –An inability to protect or use our intellectual property rights may adversely affect our business, financial condition, results of operations and cash flows"* on page 57.

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 January 9, 2025 and our Shareholders have authorized the Fresh Issue pursuant to a special resolution passed at their meeting held on January 13, 2025, in terms of Section 62(1)(c) of the Companies Act. 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 January 17, 2025.

This Draft Red Herring Prospectus has been approved by resolutions passed by our Board on January 17, 2025 and the IPO Committee on January 18, 2025.

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	Details of the Offer for Sale	Number of Equity Shares of face value of ₹10 each offered in the Offer for Sale	Date of board resolution/corporate authorization	Date of consent letter
Investor Selling Shareholders				
Norwest Venture Partners X – Mauritius	Up to ₹5,500 million	Up to [●] Equity Shares of face value of ₹10	July 3, 2024	January 17, 2025
Kedaara Capital Fund II LLP	Up to ₹5,500 million	Up to [●] Equity Shares of face value of ₹10	January 14, 2025	January 17, 2025
British International Investment plc	Up to ₹5,000 million	Up to [●] Equity Shares of face value of ₹10	December 20, 2024	January 17, 2025
Lok Capital Growth Fund	Up to ₹ 4,250 million	Up to [●] Equity Shares of face value of ₹10	January 13, 2025	January 17, 2025
Growth Catalyst Partners LLC	Up to ₹750 million	Up to [●] Equity Shares of face value of ₹10	January 13, 2025	January 17, 2025
Individual Selling Shareholders				
Vidya Arulmany	Up to ₹360 million	Up to [●] Equity Shares of face value of ₹10	NA	January 17, 2025
P. Surendra Pai	Up to ₹210 million	Up to [●] Equity Shares of face value of ₹10	NA	January 17, 2025
Savita S Pai	Up to ₹210 million	Up to [●] Equity Shares of face value of ₹10	NA	January 17, 2025
Sheela Pai Cole	Up to ₹140 million	Up to [●] Equity Shares of face value of ₹10	NA	January 17, 2025
Moneisha Sharad Gandhi	Up to ₹80 million	Up to [●] Equity Shares of face value of ₹10	NA	January 17, 2025

Our Company has filed an application dated January 16, 2025 with the RBI seeking prior written permission under the Scale Based Regulations in relation to any prospective changes beyond 26% of the shareholding of the Company pursuant to 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, 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 or Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers.

Our Directors have not been declared as Fugitive Economic Offenders.

Directors associated with the Securities Market

Except for Sankarson Banerjee, Priyamvada Ramkumar and Sudhir Variyar, none of our Directors are 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.

Our Company and each of the Selling Shareholders, severally and not jointly, confirms that it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, in respect of their respective holding in our Company, 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, 2024, March 31, 2023 and March 31, 2022, is set forth below:

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Net Tangible Assets (A) (₹ in million)	22,479.60	15,273.35	13,643.13
Pre-tax operating Profit (B) (₹ in million)	3,166.74	2,322.84	1,012.21
Net Worth (C) (₹ in million)	23,295.54	15,912.57	14,080.47
Total Monetary Assets, as restated (D) (₹ in million)	4,774.49	2,382.54	3,347.39
Percentage of monetary assets to restated net tangible assets (E)=(D)/(A) (in %)	21.24%	15.60%	24.54%

Notes:

1. *"Net tangible assets" means the sum of all net assets of the Company excluding Intangible Assets (including intangible assets under development) (as per Ind AS - 38), Deferred Tax Assets (net) (as per Ind AS -12), deferred expenditure and Right of Use Assets (as per Ind AS - 116) reduced by Total Liabilities of the Company, as defined under the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015)*
2. *"Operating Profit" means profit before tax excluding other income.*
3. *"Net worth is the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net worth is calculated as equity share capital plus Instrument entirely equity in nature plus other equity*
4. *"Monetary assets" are defined as amount of 'Cash and Cash equivalents', (excluding Fixed deposits with banks not considered as cash and cash equivalents)*

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 and each of the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;

- The companies with which our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

- Neither our Company or Directors is a Wilful Defaulter or a Fraudulent Borrower;

- None of our Directors has been declared as a Fugitive Economic Offender;

- Except the employee stock options granted pursuant to the ESOS Schemes, 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 106;

- Our Company along with Registrar to the Offer has entered into tripartite agreements dated March 8, 2016 and August 17, 2017 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;

- 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, ICICI SECURITIES LIMITED, HDFC BANK LIMITED, JEFFERIES INDIA PRIVATE LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND NUVAMA WEALTH MANAGEMENT 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 JANUARY 18, 2025 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 applicable legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus and the Prospectus, as applicable, with the Registrar of Companies in terms 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.veritasfin.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 (as defined in the SEBI Merchant Bankers Regulations) and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, 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, 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 accepts 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.veritasfin.in or the respective websites of any affiliate of our Company or the respective websites of the Book Running Lead Managers or any of the Selling Shareholders would be doing so at his or her own risk. 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 Chennai, Tamil Nadu, 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, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, 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 (i) within the United States solely to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.

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 could not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of RBI

The disclaimer clause of the RBI as included in the certificate of registration dated October 15, 2015 is as follows:

"*The company is having a valid certificate of Registration dated October 15, 2015 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. BSE 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 January 18, 2025 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 current Statutory Auditors, and in respect of their (i) examination report dated January 9, 2025 on our Restated Summary Statements; and (ii) their report dated January 18, 2025 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 January 18, 2025 from Sundaram and Srinivasan, 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 Previous Statutory Auditors. 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 January 18, 2025 from R P S V & Co., Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

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 85, 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

Other than as disclosed in "*Capital Structure*" on page 85, 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 or promoters.

Price information of past issues handled by the BRLMs

ICICI Securities Limited

1. Price information (during the current Financial Year and two Financial Years preceding the current Financial Year) of past issues handled by ICICI Securities Limited:

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	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.	Afcons Infrastructure Limited^^	54,300.00	463.00(1)	04-Nov-24	426.00	+6.56% [+1.92%]	NA*	NA*
2.	Sagility India Limited^^	21,064.04	30.00(2)	12-11-2024	31.06	+42.90% [+3.18%]	NA*	NA*
3.	Acme Solar Holdings Limited^^	29,000.00	289.00(3)	13-11-2024	251.00	-6.02% [+4.20%]	NA*	NA*
4.	Swiggy Limited^^	113,274.27	390.00(4)	13-11-2024	420.00	+29.31% [+4.20%]	NA*	NA*
5.	Niva Bupa Health Insurance Company Limited^^	22,000.00	74.00	14-11-2024	78.14	+12.97% [+5.25%]	NA*	NA*
6.	Suraksha Diagnostic Limited^	8,462.49	441.00	06-12-2024	438.00	-14.32% [-3.04%]	NA*	NA*
7.	Vishal Mega Mart Limited ^^	80,000.00	78.00	18-12-2024	104.00	+39.96% [-3.67%]	NA*	NA*
8.	Inventurus Knowledge Solutions Limited^^	24,979.23	1,329.00	19-12-2024	1,900.00	+40.85% [-3.13%]]	NA*	NA*
9.	Sanathan Textiles Limited^^	5,500.00	321.00	27-12-2024	422.30	NA*	NA*	NA*
10.	Ventive Hospitality Limited^^	16,000.00	643.00(5)	30-12-2024	716.00	NA*	NA*	NA*

**Data not available*
^BSE as designated stock exchange
^^NSE as designated stock exchange

1. *Discount of Rs. 44 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 463.00 per equity share*
2. *Discount of Rs. 2 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 30.00 per equity share*
3. *Discount of Rs. 27 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 289.00 per equity share*
4. *Discount of Rs. 25 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 390.00 per equity share*
5. *Discount of Rs. 30 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 643.00 per equity share*

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			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*	22	6,34,954.31	-	-	4	4	8	4	-	-	-	4	1	2
2023-24	28	2,70,174.98	-	-	8	5	8	7	-	1	4	10	5	8
2022-23	9	2,95,341.82	-	1	3	-	3	2	-	1	1	-	5	2

* This data covers issues up to YTD

Notes:

1. Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.
2. Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day

HDFC Bank Limited

1. Price information (during the current Financial Year and two Financial Years preceding the current Financial Year) of past issues handled by HDFC Bank Limited:

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	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.	Transrail Lighting Limited	8389.12	432	December 27, 2024	585.15	NA*	NA*	NA*
2.	NTPC Green Energy Limited	1,00,000.00	108	November 27, 2024	111.50	16.69% [-2.16%]	NA*	NA*
3.	Niva Bupa Health Insurance Company Limited	22,000.00	74	November 14, 2024	78.14	12.97% [5.25%]	NA*	NA*
4.	Go Digit General Insurance Limited	26,146.46	272	May 23, 2024	286.00	22.83% [2.32%]	30.79% [7.54%]	16.25% [2.12%]
5.	IRM Energy Limited	5,443.63	505	October 26, 2023	477.25	-7.20% [4.49%]	-0.25% [12.63%]	19.69% [18.45%]
6.	Sai Silks (Kalamandir) Limited	12,009.98	222	September 27, 2023	230.10	8.09% [-4.49%]	25.09% [7.54%]	-12.30% [10.15%]
7.	Aether Industries Limited	8,080.44	642	June 03, 2022	706.15	+21.00% [-5.13%]	+34.54% [+6.76%]	+40.15% [+12.40%]

#As per Prospectus

**NA – Not Applicable*

Source: www.nseindia.com and www.bseindia.com for price information and prospectus for offer details
Notes:

1. *Designated stock exchange of the respective issuer has been considered for the pricing information*
2. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days*
3. *In case of reporting dates falling on a trading holiday, values for immediately previous trading day have been considered*
4. *In IRM Energy Limited, the Issue price to eligible employees was ₹457 after a discount of ₹48 per equity share*
5. *In NTPC Green Energy Limited, the Issue price to eligible employees was ₹103 after a discount of ₹5 per equity share*

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by HDFC Bank Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			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*	4	1,56,535.58	-	-	-	-	-	3	-	-	-	-	-	1
2023-24	2	17,453.61	-	-	1	-	-	1	-	-	1	-	-	1
2022 – 23	1	8,080.44	-	-	-	-	-	1	-	-	-	-	1	-

#As per Prospectus
Notes:
The information is as on the date of this Draft Red Herring Prospectus.
The information for each of the financial years is based on offers listed during such financial year.

Jefferies India Private Limited

1. Price information (during the current Financial Year and two Financial Years preceding the current Financial Year) of past issues handled by Jefferies India Private Limited:

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	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.	Inventurus Knowledge Solutions Limited^^	24,979.20	1,329.00	December 19, 2024	1,900.00	+40.85% [-3.13%]	NA	NA
2.	Vishal Mega Mart Limited^^	80,000.00	78.00	December 18, 2024	104.00	+39.96% [-3.67%]	NA	NA
3.	Sai Life Sciences Limited^^	30,426.20	549.00	December 18, 2024	650.00	+30.57% [-3.67%]	NA	NA
4.	Swiggy Limited^^	113,274.27	390.00(1)	November 13, 2024	420.00	+29.31% [+4.20%]	NA	NA
5.	Sagility India Limited^^	21,062.18	30.00(2)	November 12, 2024	31.06	+42.90% [+3.18%]	NA	NA
6.	Afcons Infrastructure Limited^^	54,300.00	463.00(3)	November 4, 2024	426.00	+6.56% [+1.92%]	NA	NA
7.	Waaree Energies Limited^^	43,214.40	1,503.00	October 28, 2024	2,500.00	+68.05% [-0.59%]	NA	NA
8.	Emcure Pharmaceuticals Limited^^	19,520.27	1,008.00	July 10, 2024	1,325.05	+27.94% [-0.85%]	+32.08% [+1.94%]	+45.34% [-1.31%]

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	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
9.	TBO Tek Limited^^	15,508.09	920.00	May 15, 2024	1,426.00	+69.94% [+5.40%]	+84.90% [+9.67%]	+85.23% [+8.77%]
10.	Entero Healthcare Limited^	16,000.00	1,258.00(4)	February 16, 2024	1,149.50	-19.65% [-0.30%]	-19.84% [+0.77%]	-2.19% [+9.02%]

NA- Not Applicable, as the relevant period is not completed.
Data Restricted to last 10 equity initial public issues.
^^NSE as designated stock exchange
^ BSE as designated stock exchange

1. *A discount of ₹ 25 per equity was offered to eligible employees bidding in the employee reservation portion.*
2. *A discount of ₹ 2 per equity was offered to eligible employees bidding in the employee reservation portion.*
3. *A discount of ₹ 44 per equity was offered to eligible employees bidding in the employee reservation portion.*
4. *A discount of ₹ 119 per equity was offered to eligible employees bidding in the employee reservation portion.*

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Jefferies India Private Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			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*	9	402,284.61	-	-	-	2	6	1	-	-	-	1	1	-
2023 – 2024	3	74,768.76	-	-	1	-	2	-	-	-	1	2	-	-
2022 – 2023	2	37.055.70	-	-	1	-	1	-	-	-	1	1	-	-

** This data covers issues up to YTD*
Notes:

1. *Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.*
2. *Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day.*

The information for each of the financial years is based on issues listed during such financial year.

Kotak Mahindra Capital Company Limited

1. Price information (during the current Financial Year and two Financial Years preceding the current Financial Year) of past issues handled by Kotak Mahindra Capital Company Limited:

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	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.	Ventive Hospitality Limited	16,000.00	643.00[1]	December 30, 2024	716.00	Not applicable	Not applicable	Not applicable
2.	International Gemmological Institute (India) Limited	42,250.00	417.00[2]	December 20, 2024	510.00	24.24%, [-1.63%]	Not applicable	Not applicable
3.	Vishal Mega Mart Limited	80,000.00	78.00	December 18, 2024	104.00	39.96%, [-3.67%]	Not applicable	Not applicable
4.	Sai Life Sciences Limited	30,426.20	549.00	December 18, 2024	650.00	30.57%, [-3.67%]	Not applicable	Not applicable
5.	Niva Bupa Insurance Company Limited	22,000.00	74.00	November 14, 2024	78.14	12.97%, [5.25%]	Not applicable	Not applicable
6.	Acme Solar Holdings Limited	29,000.00	289.00[3]	November 13, 2024	251.00	-6.02%, [4.20%]	Not applicable	Not applicable
7.	Swiggy Limited	113,274.27	390.00[4]	November 13, 2024	420.00	29.31%, [4.20%]	Not applicable	Not applicable
8.	Hyundai Motor India Limited	278,556.83	1,960.00[5]	October 22, 2024	1,934.00	-6.64%, [-3.90%]	-8.72%, [-5.19%]	Not applicable
9.	Western Carriers (India) Limited	4,928.80	172.00	September 24, 2024	171.00	-20.69%, [-5.80%]	-34.65%, [-9.07%]	Not applicable
10.	Bajaj Housing Finance Limited	65,600.00	70.00	September 16, 2024	150.00	+99.86%, [-1.29%]	+89.23%, [-2.42%]	Not applicable

Source: www.nseindia.com; www.bseindia.com

Notes:

1. *In Ventive Hospitality Limited, the issue price to eligible employees was ₹ 613 after a discount of ₹ 30 per equity share*
2. *In International Gemmological Institute (India) Limited, the issue price to eligible employees was ₹ 378 after a discount of ₹ 39 per equity share*
3. *In Acme Solar Holdings Limited, the issue price to eligible employees was ₹ 262 after a discount of ₹ 27 per equity share*
4. *In Swiggy Limited, the issue price to eligible employees was ₹ 365 after a discount of ₹ 25 per equity share*
5. *In Hyundai Motor India Limited, the issue price to eligible employees was ₹ 1,774 after a discount of ₹ 186 per equity share*
6. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
7. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
8. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.*
9. *Restricted to last 10 equity initial public issues.*

2. 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 (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			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	16	881,701.47	-	-	3	2	7	3	-	-	-	1	2	-
2023-24	11	179,436.83	-	-	-	2	4	5	-	-	-	7	3	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.*

Nuvama Wealth Management Limited

1. Price information (during the current Financial Year and two Financial Years preceding the current Financial Year) of past issues handled by Nuvama Wealth Management Limited:

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	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.	Senores Pharmaceuticals Limited	5,821.10	391.00	December 30, 2024	600.00	NA	NA	NA
2.	Carraro India Limited	12,500.00	704.00	December 30, 2024	651.00	NA	NA	NA
3.	DAM Capital Advisors Limited	8,402.52	283.00	December 27, 2024	392.90	NA	NA	NA
4.	Suraksha Diagnostic Limited	8,462.49	441.00	December 6, 2024	437.00	-14.32% [-2.81%]	NA	NA
5.	NTPC Green Energy Limited	1,00,000.00	108.00##	November 27, 2024	111.50	23.56% [-2.16%]	NA	NA
6.	Acme Solar Holdings Limited	29,000.00	289.00^	November 13, 2024	251.00	-6.02% [4.20%]	NA	NA
7.	Afcons Infrastructure Limited	54,300.00	463.00$$	November 4, 2024	426.00	6.56% [1.92%]	NA	NA
8.	P N Gadgil Jewellers Limited	11,000.00	480.00	September 17, 2024	830.00	61.14% [-1.76%]	53.04% [-2.56%]	NA
9.	Allied Blenders and Distillers Limited	15,000.00	281.00$	July 02, 2024	320.00	9.68% [3.43%]	21.28% [8.52%]	50.32% [-1.29%]
10.	Go Digit General Insurance Limited	26,146.46	272.00	May 23, 2024	286.00	22.83% [2.32%]	30.79% [7.54%]	16.25% [2.12%]

Source: www.nseindia.com; www.bseindia.com

##NTPC Green Energy Limited– A discount of ₹ 5 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹108 per equity share
^Acme Solar Holdings Limited– A discount of ₹27 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹289 per equity share
$$ Afcons Infrastructure Limited – A discount of ₹44 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹463 per equity share
$Allied Blenders and Distillers Limited- A discount of ₹ 26 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹281 per equity share
#As per Prospectus
***Pursuant to order passed by Hon'ble National Company Law Tribunal, Mumbai Bench dated April 27, 2023, the merchant banking business of Edelweiss Financial Services Limited ("Edelweiss") has demerged and now transferred to Nuvama Wealth Management Limited ("Nuvama") and therefore the said merchant banking business is part of Nuvama.*

Notes

1. *Based on date of listing.*
2. *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
3. *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
4. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.*
5. *Not Applicable. – Period not completed*
6. *Disclosure in Table-1 restricted to 10 issues.*

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Nuvama Wealth Management Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			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*	10	2,70,632.57	-	-	2	1	-	4	-	-	-	1	-	1
2023-24	9	68,029.67	-	1	1	1	1	5	-	1	3	1	1	3
2022-23	3	28,334.49	-	1	-	-	1	1	-	1	1	-	-	1

The information is as on the date of the document

1. *Based on date of listing.*
2. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
3. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.*

**For the financial year 2024-25, 7 issues have completed 30 calendar days, 3 issues have completed 90 calendar days and 2 issues have completed 180 calendar days.*

#As per Prospectus

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.	ICICI Securities Limited	www.icicisecurities.com
2.	HDFC Bank Limited	www.hdfcbank.com
3.	Jefferies India Private Limited	www.jefferies.com
4.	Kotak Mahindra Capital Company Limited	https://investmentbank.kotak.com
5.	Nuvama Wealth Management Limited	www.nuvama.com

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. For offer related grievances, investors may contact the BRLMs, details of which are given in *"General Information"* beginning on page 76.

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-1/P/CIR/2024/0154 dated November 11, 2024, 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, each of the Selling Shareholders 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 statements specifically made or confirmed or undertaken by such Selling Shareholder in the Offer Documents in relation to itself 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 V Aruna, 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 Raj Vikash Verma, D. Arulmany, Priyamvada Ramkumar and Susan Thomas, Non-Executive Independent Director, and Mr.Paul Vaseekaran, Internal Ombudsman. For details, see "*Our Management - Stakeholders' Relationship Committee*" on page 279.

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 126.

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 507.

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 290 and 507, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹10 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, Employee Discount and the minimum Bid Lot size for the Offer will be decided by our Company, in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered and Corporate 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 507.

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 March 8, 2016 amongst our Company, NSDL and Registrar to the Offer; and
- Tripartite agreement dated August 17, 2017 amongst our Company, CDSL and Registrar to the Offer.

For details in relation to the Basis of Allotment, see "*Offer Procedure*" on page 487.

Employee Discount

Employee discount, if any, may be offered to Eligible Employees bidding in the Employee Reservation Portion respectively. Eligible Employees bidding in the Employee Reservation Portion respectively at a price within the Price Band can make payment at Bid Amount, that is, Bid Amount net of employee discount, if any, as applicable at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion respectively at the Cut-Off Price have to ensure payment at the Cap Price, less employee discount, if any, as applicable, at the time of making a Bid.

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 of face value of ₹10 each. For further details on the Basis of Allotment, see "*Offer Procedure*" on page 487.

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 Chennai, Tamil Nadu, India.

Period of operation of subscription list

See "*– Bid/ Offer Programme*" on page 479.

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 and Corporate 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-1/P/CIR/2024/0154 dated November 11, 2024, 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/PoD-1/P/CIR/2024/0154 dated November 11, 2024, 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. Subject to applicable law, each of the Selling Shareholders confirm that they shall extend reasonable cooperation in relation to their respective portion of the Offered Shares required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within the time period as may be prescribed by SEBI.

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 one Working Day, 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-1/P/CIR/2024/0154 dated November 11, 2024 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 the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, if there remain any valid Bids in the Offer, the Allotment for the balance valid Bids will be (i) first made towards the respective portion of the Offered Shares of each Investor Selling Shareholder on a pro rata basis, (ii) followed by allocation on a pro-rata basis in a manner proportionate to the respective portion of the Offered Shares of each Individual Selling Shareholder through the sale of the Offered Shares being offered by the Individual Selling Shareholders, (iii) followed by the balance part of the Fresh Issue.

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 under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 85 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 507.

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 of face value of ₹10 each for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹28,000 million comprising a Fresh Issue of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹6,000 million and an Offer for Sale of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹22,000 million by the Selling Shareholders.

The Offer includes a reservation of up to [●] Equity Shares of face value of ₹10 each, 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 face value of each Equity Share is ₹ 10 each.

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 of Specified Securities aggregating utpo ₹1,200 million, as may be permitted under the applicable law, 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. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant 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 Red Herring Prospectus and the Prospectus.

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 of face value of ₹10 each ##	Not more than [●] Equity Shares of face value of ₹10 each	Not less than [●] Equity Shares of face value of ₹10 each available for allocation or Net Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares of face value of ₹10 each 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 (net of the Employee Discount). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated,	Proportionate as follows (excluding the Anchor Investor Portion): a) up to [●] Equity Shares of face value of ₹10 each shall be available for allocation on a proportionate basis to Mutual Funds only; and b) up to [●] Equity Shares of face value	The Equity Shares available for allocation to NIBs under the Non-Institutional Portion, shall be subject to the following: a) one third of the portion available to NIBs being [●] Equity Shares of face value of ₹10 each are reserved for Bidders Biddings more than ₹0.20	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 487.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
	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	of ₹10 each 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 [●] Equity Shares of face value of ₹10 each) 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	million and up to ₹1.00 million; and b) two third of the portion available to NIBs being [●] Equity Shares of face value of ₹10 each are reserved for Bidders Bidding more than ₹1.00 million. Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other category. 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 487.	
Minimum Bid	[●] Equity Shares of face value of ₹10 each	[●] Equity Shares of face value of ₹10 each in multiples of [●] Equity Shares of face value of ₹10 each such that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹10 each such that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares of face value of ₹10 each and in multiples of [●] Equity Shares of face value of ₹10 each thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹10 each, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000 less Employee Discount, if any	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹10 each 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 of face value of ₹10 each 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 of face value of ₹10 each 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 of face value of ₹10 each and in multiples of [●] Equity Shares of face value of ₹10 each thereafter			
Mode of Allotment	Compulsorily in dematerialised form			
Allotment Lot	A minimum of [●] Equity Shares of face value of ₹10 each and in multiples of one Equity Share thereafter of face value of ₹10 each			
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,	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	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
		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 funds set up and managed by the Department of Posts, India and Systemically Important NBFCs, in accordance with applicable laws.	which are re-categorised as Category II FPIs and registered with SEBI.	
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 (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism (for Eligible Employees, RIBs or individual investors bidding under the Non –Institutional Portion for an amount of more than ₹200,000 and up to ₹500,000, using the UPI Mechanism) 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 ₹0.50 million. 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 ₹0.20 million. 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 ₹0.20 million, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of the Employee Discount). 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, each of 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 Foreign Portfolio Investors (FPII)s*" on page 493 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 477.

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. 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 of face value of ₹10 each, 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 [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered and Corporate 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 and Corporate 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 and Corporate 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 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.

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 shall not apply in the Offer under the Anchor Investor Portion.

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.

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 of face value of ₹10 each and in multiples of [●] Equity Shares of face value of ₹10 each thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000 (net the Employee Discount).

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 483.

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 (net the Employee Discount) would be considered for allocation under this portion.

(vi) The Bids must be for a minimum of [●] Equity Shares of face value of ₹10 each and in multiples of [●] Equity Shares of face value of ₹10 each thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹500,000 (net the Employee Discount).

(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 of face value of ₹10 each 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 of face value of ₹10 each 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 487.

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 506.

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. The 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 shall not 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 (net the Employee Discount);

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 270, 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.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and the BRLMs shall continue to coordinate with intermediaries involved in the said process.

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 and [●] edition of [●], a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered and Corporate 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 and [●] edition of [●], a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered and Corporate 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 477.

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;
- 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 ESOS 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 undertakes, severally and not jointly, in respect of itself as a Selling Shareholder and its respective portion of the Offered Shares:

- its portion of the 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 its portion of the Offered Shares and that such Offered Shares shall be transferred in the Offer, free from any encumbrances; and

- it shall not have recourse to the proceeds of the Offer for Sale 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 (i) 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, (ii) details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Gross Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and (iii) details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

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 Foreign Portfolio Investors (FPIs*" on page 493.

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 or any state securities laws of the United States and, unless so registered, 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 U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to Section 4 (a) of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.

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 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, each of the Selling Shareholders 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 provisions of the Articles of Association of our Company are detailed below. No clause of the Articles of Association having bearing on the Offer or the disclosures required in this Draft Red Herring Prospectus has been omitted.

*The Articles of Association of the Company comprise two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the date of receipt of final listing and trading approvals from the Stock Exchanges for the listing and trading of the Equity Shares pursuant to the initial public offering by our Company ("**Listing**"). 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 Listing. However, all provisions of Part B shall automatically stand deleted and cease to have any force and effect from the date of receipt of final listing and trading approvals from the Stock Exchanges for the listing and trading of the Equity Shares pursuant to the initial public offering by the Company, and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by our Company or by its shareholders.*

PRELIMINARY

TABLE 'F' EXCLUDED

The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013, as amended from time to time, shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

The regulations for the management of the Company and for the observance by the Members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to addition, alteration, substitution, modification, repeal and variation thereto by special resolution as prescribed or permitted by the Companies Act, 2013, as amended from time to time, be such as are contained in these Articles.

PART A

DEFINITIONS AND INTERPRETATION

In the interpretation of these Articles, the following words and expressions, unless repugnant to the subject or context, shall mean the following:

"**Act**" or "**the said Act**" means the Companies Act, 2013 and the rules enacted and any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable;

"**Annual General Meeting**" means the annual general meeting of the Company convened and held in accordance with the Act;

"**Articles of Association**" or "**Articles**" mean these articles of association of the Company, as may be altered from time to time in accordance with the Act;

"**Board**" or "**Board of Directors**" means the board of directors of the Company in office at applicable times;

"**Company**" means Veritas Finance Limited, a company incorporated under the laws of India;

"**Depository**" means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;

"**Director(s)**" shall mean any director of the Company, including alternate directors, Independent Directors and nominee directors appointed in accordance with the provisions of these Articles;

"**Equity Shares**" or "**Shares**" shall mean the issued, subscribed and fully paid-up equity shares of the Company having a face value of such amount as prescribed under the Memorandum of Association;

"**Extraordinary General Meeting**" means an extraordinary general meeting of the Company convened and held in accordance with the Act;

"**General Meeting**" means any duly convened meeting of the shareholders of the Company and any adjournments thereof;

"**Member**" means the duly registered holder from time to time, of the Shares of the Company and includes the subscribers to the Memorandum of Association and in case of Shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository;

"**Memorandum**" or "**Memorandum of Association**" means the memorandum of association of the Company, as may be altered from time to time;

"**Office**" means the registered office, for the time being, of the Company;

"**Officer**" shall have the meaning assigned thereto by the Act;

"**Ordinary Resolution**" as defined under section 114 of the Companies Act, 2013, means a resolution in respect of which the notice required under the Act has been duly given of the General Meeting at which such resolution is to be proposed and the votes cast (whether on a show of hands, or electronically or on a poll, as the case may be), in favour of the resolution (including the casting vote, if any, of the Chairman) by Members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy or by postal ballot, exceed the votes, if any, cast against the resolution by Members so entitled and voting;

"**Register**" or "**Register of Members**" means the register of Members to be maintained pursuant to section 88 of the Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act, 1996, in case of Shares held in a Depository;

"**Seal**" means the common seal of the company;

"**Special Resolution**" shall have the meaning assigned thereto by the Act;

"**Stock Exchange**" means National Stock Exchange of India Limited, BSE Limited or such other recognized stock exchange in India or outside of India; and

Except where the context requires otherwise, these Articles will be interpreted as follows:

(a) headings are for convenience only and shall not affect the construction or interpretation of any provision of these Articles;
(b) where a word or phrase is defined, other parts of speech and grammatical forms and the cognate variations of that word or phrase shall have corresponding meanings;
(c) words importing the singular shall include the plural and vice versa;
(d) all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders;
(e) the expressions "hereof", "herein" and similar expressions shall be construed as references to these Articles as a whole and not limited to the particular Article in which the relevant expression appears;
(f) the ejusdem generis (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, include and including will be read without limitation;
(g) any reference to a person includes any individual, firm, corporation, partnership, company, trust, association, joint venture, government (or agency or political subdivision thereof) or other entity of any kind, whether or not having separate legal personality. A reference to any person in these Articles shall, where the context permits, include such person's executors, administrators, heirs, legal representatives and permitted successors and assigns;
(h) a reference to any document (including these Articles) is to that document as amended, consolidated, supplemented, novated or replaced from time to time;
(i) references made to any provision of the Act or the Rules shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the Ministry of Corporate Affairs, Government of India.
(j) the applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified.
(k) a reference to a statute or statutory provision includes, to the extent applicable at any relevant time:
(l) that statute or statutory provision as from time to time consolidated, modified, re-enacted or replaced by any other statute or statutory provision; and
(m) any subordinate legislation or regulation made under the relevant statute or statutory provision;
(n) references to writing include any mode of reproducing words in a legible and non- transitory form;
(o) references to Rupees, Rs., Re., INR, ₹ are references to the lawful currency of India; and
(p) save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context bear the same meaning in these Articles.

SHARE CAPITAL AND VARIATION OF RIGHTS

1. 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 may from time to time be provided in Clause V(a) of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide share capital 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 these Articles, subject to the provisions of applicable law for the time being in force.

2. 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.

3. KINDS OF SHARE CAPITAL

The Company may issue the following kinds of Shares in accordance with these Articles, the Act and other applicable laws:

(a) Equity share capital:

(i) with voting rights; and/or

(ii) with differential rights as to dividend, voting or otherwise in accordance with the Act; and

(b) Preference share capital.

4. SHARES AT THE DISPOSAL OF THE BOARD OF DIRECTORS

Subject to the provisions of section 62 of the Act and these Articles, the Shares in the capital of the Company shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of all or any of such Shares to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Section 53 of the Act) and at such time as they may from time to time think fit and, with the sanction of the Company in General Meeting, give to any person the option or right to call for any Shares either at par or premium during such time and for such consideration as the Board of Directors think fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any Shares so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

5. CONSIDERATION FOR ALLOTMENT

The Board of Directors may issue and allot Shares of the Company as payment in full or in part, for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in the acquisition and/or in the conduct of its business; and any Shares which may be so allotted may be issued as fully paid up Shares and if so issued shall be deemed as fully paid up Shares .

6. 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;

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; and

f) The cancellation of Shares under point (c) above shall not be deemed to be a reduction of the authorised share capital.

7. FURTHER ISSUE OF SHARES

(1) Where at any time the Board or the Company, as the case may be, propose to increase the subscribed capital by the issue of further Shares then such Shares shall be offered, subject to the provisions of section 62 of the Act, and the rules notified thereunder:

(A) (i) to the persons who at the date of the offer or such other date as specified under applicable law, are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those Shares by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below;

(ii) The offer aforesaid shall be made by notice specifying the number of Shares offered and limiting a time not being less than fifteen (15) days (or such lesser number of days as may be prescribed under the Act or the rules notified thereunder, or other applicable law) and not exceeding thirty (30) days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined.
Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three (3) days before the opening of the issue;

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (ii) shall contain a statement of this right;

(iv) After the expiry of time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;

(B) to employees under any scheme of employees' stock option subject to Special Resolution passed by the shareholders of the Company and subject to the rules and such other conditions, as may be prescribed under applicable law; or

(C) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, if the price of such Shares is determined in accordance with applicable law. Further, where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company;

(2) Nothing in sub-clause (iii) of clause (1)(A) shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the Shares compromised in the renunciation.

(3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company (i) to convert such debentures or loans into Shares in the Company or (ii) to subscribe for Shares of the Company (whether such option is conferred in these Articles or otherwise). Provided that the terms of issue of such debentures or the raising of the loans or is in conformity with the rules made, if any, by the Government in this behalf; and (ii) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the Company in General Meeting before the issue of the loans.

(4) Notwithstanding anything contained in Article 11(3) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into Shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion. In determining the terms and conditions of conversion, the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

A further issue of Shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules notified thereunder.

8. RIGHT TO CONVERT LOANS INTO CAPITAL

Notwithstanding anything contained in sub-clauses(s) of Article 11 above, but subject, however, to the provisions of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into Shares or to subscribe for Shares in the Company.

9. ISSUE OF FURTHER SHARES NOT TO AFFECT RIGHTS OF EXISTING MEMBERS

The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

10. ALLOTMENT ON APPLICATION TO BE ACCEPTANCE OF SHARES

Any application signed by or on behalf of an applicant for Shares in the Company followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is on the Register of Members, shall, for the purpose of these Articles, be a Member.

11. RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT

The Board shall observe the restrictions as regards allotment of Shares to the public contained in the Act and other applicable law, and as regards return on allotments, the Board of Directors shall comply with applicable provisions of the Act.

12. MONEY DUE ON SHARES TO BE A DEBT TO THE COMPANY

The money (if any) which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any Shares allotted by them, shall immediately on the inscription of the name of allottee in the Register as the name of the holder of such Shares , become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

13. INSTALLMENTS ON SHARES

If, by the conditions of allotment of any Shares , whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

14. MEMBERS OR HEIRS TO PAY UNPAID AMOUNTS

Every Member or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or Shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with these Articles require or fix for the payment thereof.

15. VARIATION OF SHAREHOLDERS' RIGHTS

a) If at any time the share capital of the Company is divided into different classes of Shares , the rights attached to the Shares of any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to provisions of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth of the issued Shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued Shares of that class, as prescribed by the Act.

b) Subject to the provisions of the Act, to every such separate meeting, the provisions of these Articles relating to meeting shall mutatis mutandis apply.

16. PREFERENCE SHARES

a) Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference Shares liable to be redeemed in any manner permissible under the Act, and the Board of Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such Shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

b) Convertible Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference Shares liable to be redeemed in any manner permissible under the Act and the Board of Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such Shares into such securities on such terms as they may deem fit.

17. PAYMENTS OF INTEREST OUT OF CAPITAL

The Company shall have the power to pay interest out of its capital on so much of the Shares which have been issued for the purpose of raising money to defray the expenses of the construction of any work or building for the Company in accordance with the Act and other applicable law.

18. AMALGAMATION

Subject to provisions of these Articles, the Company may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate subject to the provisions of the Act and other applicable law.

SHARE CERTIFICATES

19. ISSUE OF CERTIFICATE

Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Board of Directors so approve (upon paying such fee as the Board of Directors so determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its Shares as the case maybe or within such other period as any other legislation for time being in force may provide or within a period of six (6) months from the date of allotment in the case of any allotment of debenture or within such other period as any other legislation for time being in force may provide. In respect of any share or Shares held jointly by several persons, the Company shall not be bound to issue more than one (1) certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such joint holders.

Every certificate shall specify the Shares to which it relates and the amount paid-up thereon and shall be signed by two (2) directors or by a director and the company secretary, wherever the Company has appointed a company secretary and the common seal, if any, shall be affixed in the presence of the persons required to sign the certificate.

20. RULES TO ISSUE SHARE CERTIFICATES

The Act shall be complied with in respect of the issue, reissue, renewal of share certificates and the format, sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the Act.

21. ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued upon payment of Rupees 20 for each certificate . Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Board of Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules notified under the Act or the rules notified under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.

The provision of this Article shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures of the Company.

UNDERWRITING & BROKERAGE

22. COMMISSION FOR PLACING SHARES, DEBENTURES, ETC.

a) Subject to the provisions of Section 76 of the Act, the rules notified thereunder, and other applicable laws, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) to any Shares or debentures of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for Shares or debentures of the Company and provisions of the Act shall apply.

b) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act.

c) The Company may also, in any issue, pay such brokerage as may be lawful.

d) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid-up Shares or partly in one way and partly in the other.

LIEN

23. COMPANY'S LIEN ON SHARES / DEBENTURES

The Company shall subject to applicable law have a first and paramount lien on every share / debenture (not being a fully paid-up share / debenture) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares /debentures. Unless otherwise agreed, the registration of transfer of Shares / debentures shall operate as a waiver of the Company's lien, if any, on such Shares / debentures.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

The fully paid-up Shares shall be free from all lien and in the case of partly paid-up Shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such Shares .

24. LIEN TO EXTEND TO DIVIDENDS, ETC.

The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such Shares / debentures.

25. ENFORCING LIEN BY SALE

The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien:

Provided that no sale shall be made—

a) unless a sum in respect of which the lien exists is presently payable; or

b) until the expiration of fourteen (14) days' after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

No Member shall exercise any voting right in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

26. VALIDITY OF SALE

To give effect to any such sale, the Board may authorise some person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

27. VALIDITY OF COMPANY'S RECEIPT

The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case maybe) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

28. APPLICATION OF SALE PROCEEDS

The proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

29. OUTSIDER'S LIEN NOT TO AFFECT COMPANY'S LIEN

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by law) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

30. PROVISIONS AS TO LIEN TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.

The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

CALLS ON SHARES

31. BOARD TO HAVE RIGHT TO MAKE CALLS ON SHARES

The Board may subject to the provisions of the Act and any other applicable law, from time to time, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the Shares (whether on account of the nominal value of the Shares or by premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one (1) month from the date fixed for the payment of the last preceding call. A call may be revoked or postponed at the discretion of the Board. The power to call on Shares shall not be delegated to any other person except with the approval of the shareholders in a General Meeting and as maybe permitted by law.

32. NOTICE FOR CALL

Each Member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares .

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call, in respect of one (1) or more Members, as the Board may deem appropriate in any circumstances.

33. CALL WHEN MADE

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board and may be required to be paid in installments.

34. LIABILITY OF JOINT HOLDERS FOR A CALL

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

35. CALLS TO CARRY INTEREST

If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member. The Board shall be at liberty to waive payment of any such interest wholly or in part.

36. DUES DEEMED TO BE CALLS

Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

37. EFFECT OF NON-PAYMENT OF SUMS

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

38. PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

The Board –

a) may, subject to provisions of the Act, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any Shares held by him;

b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be agreed upon between the Board and the Member paying the sum in advance. Nothing contained in this Article shall confer on the Member (i) any right to participate in profits or dividends; or (ii) any voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable by him.

The Members shall not be entitled to any voting rights in respect of the money so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

39. PROVISIONS AS TO CALLS TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.

The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities, including debentures, of the Company, to the extent applicable.

FORFEITURE OF SHARES

40. BOARD TO HAVE A RIGHT TO FORFEIT SHARES

If a Member fails to pay the whole or any part of any call, or installment of a call or any money due in respect of any share on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

41. NOTICE FOR FORFEITURE OF SHARES

The notice aforesaid shall:

a) name a further day (not being earlier than the expiry of fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

b) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made shall be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

42. RECEIPT OF PART AMOUNT OR GRANT OF INDULGENCE NOT TO AFFECT FORFEITURE

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any Shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any Shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such Shares as herein provided. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by applicable law.

43. FORFEITED SHARE TO BE THE PROPERTY OF THE COMPANY

Any share forfeited in accordance with these Articles, shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board thinks fit.

44. ENTRY OF FORFEITURE IN REGISTER OF MEMBERS

When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting Member and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

45. MEMBER TO BE LIABLE EVEN AFTER FORFEITURE

A person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares , but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the Shares . All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the Shares at the time of forfeiture or waive payment in whole or in part. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

46. EFFECT OF FORFEITURE

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

47. CERTIFICATE OF FORFEITURE

A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

48. TITLE OF PURCHASER AND TRANSFEREE OF FORFEITED SHARES

The Company may receive the consideration, if any, given for the share on any sale, re- allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. The transferee shall thereupon be registered as the holder of the share and the transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

49. VALIDITY OF SALES

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold and after his name has been entered in the Register of Members in respect of such Shares the validity of the sale shall not be impeached by any person.

50. CANCELLATION OF SHARE CERTIFICATE IN RESPECT OF FORFEITED SHARES

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative Shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said Shares to the person(s) entitled thereto.

51. BOARD ENTITLED TO CANCEL FORFEITURE

The Board may at any time before any share so forfeited shall have them sold, reallotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

52. SURRENDER OF SHARE CERTIFICATES

The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering them on such terms as they think fit.

53. SUMS DEEMED TO BE CALLS

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

54. PROVISIONS AS TO FORFEITURE OF SHARES TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.

The provisions of these Articles relating to forfeiture of Shares shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

TRANSFER AND TRANSMISSION OF SHARES

55. REGISTER OF TRANSFERS

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares. The Company shall also use a common form of transfer.

56. GOVERNING LAW FOR TRANSFER AND TRANSMISSION

Notwithstanding anything containing in Article 60 to 70 but subject to the applicable provisions of the Act, any transfer or transmission of Shares of the Company held in dematerialized form shall be governed by the provisions of the Depositories Act, 1996 and the rules and regulations made thereunder.

57. ENDORSEMENT OF TRANSFER

In respect of any transfer of Shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

58. INSTRUMENT OF TRANSFER

a) The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of

Shares , where the Company has not issued any certificates and where the Shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

b) The Board may decline to recognize any instrument of transfer unless-

(i) the instrument of transfer is in the form prescribed under the Act;

(ii) the instrument of transfer is accompanied by the certificate of Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(iii) the instrument of transfer is in respect of only one class of Shares .

c) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

59. EXECUTION OF TRANSFER INSTRUMENT

Every such instrument of transfer shall be executed, by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain holder of the Shares until the name of the transferee is entered in the Register of Members in respect thereof.

60. CLOSING REGISTER OF TRANSFERS AND OF MEMBERS

Subject to compliance with the Act and other applicable law, the Board shall be empowered, on giving not less than seven (7) days' notice or such period as may be prescribed, to close the transfer books, the Register of Members, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty (30) days at a time and not exceeding an aggregate forty five (45) days in each year as it may seem expedient.

61. BOARD OF DIRECTORS MAY REFUSE TO REGISTER TRANSFER

Subject to the provisions of Section 58 of the Act, Section 22A of the Securities Contracts (Regulations) Act, 1956, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may (at its own absolute and uncontrolled discretion) decline or refuse by giving reasons, whether in pursuance of any power of the Company under these Articles or otherwise, to register or acknowledge any transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member in the Company, after providing sufficient cause, within a period of thirty (30) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on Shares. Transfer of Shares /debentures in whatever lot shall not be refused.

62. TRANSFER OF PARTLY PAID SHARES

Where in the case of partly paid-up Shares, an application for registration is made by the transferor alone, the transfer shall not be registered, unless the Company gives the notice of the application to the transferee in accordance with the provisions of the Act and the transferee gives no objection to the transfer within the time period prescribed under the Act.

63. TITLE TO SHARES OF DECEASED MEMBERS

On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representative where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the Shares. Nothing contained herein above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other person(s).

64. TRANSFERS NOT PERMITTED

No share shall in any circumstances be transferred to any infant, insolvent or a person of unsound mind, except fully paid-up Shares through a legal guardian.

65. TRANSMISSION OF SHARES

Subject to the provisions of the Act and these Articles, any person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the Shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the Shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

66. RIGHTS ON TRANSMISSION

A person becoming entitled to a share by reason of the death or insolvency of the holder shall, subject to the Board of Directors' right to retain such dividends or money, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

67. SHARE CERTIFICATES TO BE SURRENDERED

Before the registration of a transfer, the certificate or certificates of the share or Shares to be transferred must be delivered to the Company along with (save as provided in the Act) properly stamped and executed instrument of transfer.

68. COMPANY NOT LIABLE TO NOTICE OF EQUITABLE RIGHTS

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable rights, title or interest in the said Shares , notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

69. TRANSFER AND TRANSMISSION OF DEBENTURES

The provisions of these Articles, shall, *mutatis mutandis*, apply to the transfer of or the transmission by law of the right to any securities including, debentures of the Company.

ALTERATION OF CAPITAL

70. RIGHTS TO ISSUE SHARE WARRANTS

The Company may issue share warrants subject to, and in accordance with provisions of the Act. The Board may, in its discretion, with respect to any share which is fully paid-up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

71. BOARD TO MAKE RULES

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

72. SHARES MAY BE CONVERTED INTO STOCK

Where Shares are converted into stock:

a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the Shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

   Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose;

b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares , have conferred that privilege or advantage;

c) such of the Articles of the Company as are applicable to paid-up Shares shall apply to stock and the words “share” and “shareholder”/“Member” shall include “stock” and “stock-holder” respectively.

73. 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 by: (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 ,

(a) cancel paid-up share capital which is lost or is unrepresented by available assets; or (b) 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.

74. 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 law.

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 rules 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 with details of Shares held in physical and dematerialised forms in any medium as may be permitted by law including in any form of electronic medium. 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 Register of Members, of members resident in that state or country.

75. 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.

GENERAL MEETINGS

76. 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.

b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act and other applicable law.

c) The Company shall cause minutes of the proceedings of every General Meeting and every resolution passed by postal ballot and every meeting of its Board of Directors or of every committee of the Board, to be prepared and signed in a manner as prescribed under the Act and kept within thirty days of the conclusion of every such meeting concerned, or passing of resolution by postal ballot in books kept for that purpose with their pages consecutively numbered. The books containing the minutes shall be open to inspection by any Member in accordance with section 119 of the Act.

77. 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.

78. 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.

79. 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. No General Meeting shall be competent to deliberate upon, discuss or transact any business which has not been specifically mentioned in the notice convening the same. Items which were not on the agenda of a General Meeting, as circulated to the Members pursuant to the Articles, shall not be tabled, considered, discussed, dealt with or put to the vote at such General Meeting, including if it is adjourned, unless the Members agree otherwise in writing.

The Members may participate in General Meetings through such modes as permitted by applicable laws.

80. SHORTER NOTICE ADMISSIBLE

Upon compliance with the relevant provisions of the Act, any General Meeting may be convened by giving a shorter notice less than twenty one (21) days (a) if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting in case of Annual General Meeting and (b) if consent is given in writing or by electronic mode by majority in number of Members entitled to vote and who represent not less than 95 (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, in case of any other General Meeting.

81. CIRCULATION OF MEMBERS' RESOLUTION

The Company shall comply with provisions of Section 111 of the Act, as to giving notice of resolutions and circulating statements on the requisition of Members.

82. SPECIAL AND ORDINARY BUSINESS

a) Subject to the provisions of the Act, all business shall be deemed special that is transacted at the Annual General Meeting with the exception of declaration of any dividend, the consideration of financial statements and reports of the Board of Directors and Auditors, the appointment of Directors in place of those retiring and the appointment of and fixing of the remuneration of the auditors. In case of any other meeting, all business shall be deemed to be special. Where any item of business refers to any document, which is to be considered at the meeting, the time and place where such document can be inspected shall be specified in the statement required to be annexed to the notice calling such meeting.

b) In case of special business as aforesaid, an explanatory statement as required under the applicable provisions of the Act shall be annexed to the notice of the meeting.

83. QUORUM FOR GENERAL MEETING

Five (5) Members or such other number of Members as required under the Act or the applicable law for the time being in force prescribes, personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

84. TIME FOR QUORUM AND ADJOURNMENT

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting, a quorum is not present, the meeting, if called upon at the requisition of Members, shall be cancelled and in any other case, it shall stand adjourned to the same day in the next week (not being a national holiday) at the same time and place or to such other day and at such other time and place as the Board of Directors may determine. If at the adjourned meeting also, quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be quorum and may transact the business for which the meeting was called.

85. CHAIRMAN OF GENERAL MEETING

The Chairman, if any, of the Board of Directors shall preside as chairman at every General Meeting of the Company.

86. ELECTION OF CHAIRMAN

Subject to the provisions of the Act, if there is no such chairman or if at any meeting he is not present within fifteen (15) minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Board of Directors present shall elect another Director as chairman and if no Director be present or if all the Directors decline to take the chair, then the Members present shall choose a Member to be the chairman.

87. ADJOURNMENT OF MEETING

Subject to the provisions of the Act, the chairman of a General Meeting may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as nearly to the original meeting, as may be possible. Save as aforesaid and as provided in the Act, it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting.

Any member who has not appointed a proxy to attend and vote on his behalf at a General Meeting may appoint a proxy for any adjourned General Meeting, not later than forty-eight hours before the time of such adjourned Meeting.

88. VOTING AT MEETING

At any General Meeting, a demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. Further, no objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

Any such objection made in due time shall be referred to the chairperson of the General Meeting, whose decision shall be final and conclusive.

89. DECISION BY POLL

If a poll is duly demanded in accordance with the provisions of the Act, it shall be taken in such manner as the chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

90. CASTING VOTE OF CHAIRMAN

In case of equal votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Member.

91. PASSING RESOLUTIONS BY POSTAL BALLOT

a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Act, to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company.

b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under the Act.

c) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a General Meeting convened in that behalf.

VOTE OF MEMBERS

92. 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 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.

93. VOTING BY JOINT-HOLDERS

In case of joint holders, the vote of first named of such joint holders in the Register of Members who tender a vote whether in person or by proxy shall be accepted, to the exclusion of the votes of other joint holders.

94. VOTING BY MEMBER OF UNSOUND MIND

A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or legal guardian may, on a poll, vote by proxy.

95. NO RIGHT TO VOTE UNLESS CALLS ARE PAID

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by such Member have been paid, or in regard to which the Company has lien and has exercised any right of lien.

96. PROXY

Subject to the provisions of the Act and these Articles, any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

97. INSTRUMENT OF PROXY

An instrument appointing a proxy shall be in the form as prescribed under the Act for this purpose. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a body corporate either under its common seal or under the hand of its officer or attorney duly authorized in writing by it. Any person whether or not he is a Member of the Company may be appointed as a proxy.

The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed or a notarized copy of that power or authority must be deposited at the Office of the Company not less than forty eight (48) hours prior to the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

98. VALIDITY OF PROXY

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of Shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

99. CORPORATE MEMBERS

Any corporation which is a Member of the Company may, by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Member of the Company (including the right to vote by proxy).

DIRECTOR

100. NUMBER OF DIRECTORS

The number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year.

Provided that the Company may appoint more than fifteen (15) directors after passing a Special Resolution.

The following are the first Directors of the Company

a) Amrut T. Shah;

b) Praful K. Dedhia;

c) Kaushik M. Chheda; and

d) Satish K. Gala

101. SHARE QUALIFICATION NOT NECESSARY

Any person whether a Member of the Company or not may be appointed as Director and no qualification by way of holding Shares shall be required of any Director.

102. ADDITIONAL DIRECTORS

Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Any such additional director shall hold office only up to the date of the upcoming Annual General Meeting.

103. ALTERNATE DIRECTORS

a) The Board may, appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than 3 (three) months from India (hereinafter in this Article called the "Original Director").

b) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India, the automatic re- appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

104. APPOINTMENT OF DIRECTOR TO FILL A CASUAL VACANCY

If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by Members in the immediate next General Meeting. The director so appointed shall hold office only up to the date which the director in whose place he is appointed would have held office if it had not been vacated.

105. REMUNERATION OF DIRECTORS

a) A Director (other than a managing Director or whole-time Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any committee thereof attended by him and the commission as may be approved by the Members of the Company. The remuneration of Directors including managing Director and/or whole-time Director may be paid in accordance with the applicable provisions of the Act.

b) The Board of Directors may allow and pay or reimburse any Director who is not a bona fide resident of the place where a meeting of the Board or of any committee is held and who shall come to such place for the purpose of attending such meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of the Company.

c) The managing Directors/ whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

106. REMUNERATION FOR EXTRA SERVICES

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a Member of any committee formed by the Board of Directors) in going or residing away from the town in which the Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act, the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.

107. CONTINUING DIRECTOR MAY ACT

The continuing Board of Directors may act notwithstanding any vacancy in the Board, but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company, but for no other purpose.

108. VACATION OF OFFICE OF DIRECTOR

The office of a Director shall be deemed to have been vacated under the circumstances enumerated under Act.

ROTATION AND RETIREMENT OF DIRECTOR

109. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election.

110. RETIRING DIRECTORS ELIGIBLE FOR RE-ELECTION

A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.

111. WHICH DIRECTOR TO RETIRE

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

112. POWER TO REMOVE DIRECTOR BY ORDINARY RESOLUTION

Subject to the provisions of the Act, the Company may by an Ordinary Resolution in General Meeting, remove any Director before the expiration of his period of office and may, by an Ordinary Resolution, appoint another person instead.

Provided that an independent director appointed and re-appointed under the provisions of the Act shall be removed by the Company only by passing a Special Resolution and after giving him a reasonable opportunity of being heard and the Company may by a Special Resolution appoint another Independent Director instead.

113. DIRECTORS NOT LIABLE FOR RETIREMENT

The Company in General Meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.

PROCEEDINGS OF BOARD OF DIRECTORS

114. MEETINGS OF THE BOARD

a) The Board of Directors shall meet at least once in every quarter 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, provided that at least four (4) such meetings shall be held in every calendar year.

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 either by hand or speed post or by registered post or by courier or by facsimile or by e-mail or by any other electronic means, 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.

115. QUESTIONS AT BOARD MEETING HOW DECIDED

Questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairman, or in his absence, the Director presiding as Chairman for the meeting shall have a second or casting vote.

116. QUORUM

Subject to the provisions of the Act and other applicable law, the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

At any time, the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time. The term 'interested director' means any Director whose presence cannot, by reason of applicable provisions of the Act be counted for the purpose of forming a quorum at meeting of the Board, at the time of the discussion or vote on the concerned matter or resolution.

117. ADJOURNED MEETING

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting, shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board of Directors may determine.

118. ELECTION OF CHAIRMAN OF BOARD

a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.

b) If at any meeting the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the Board of Directors present may choose one among themselves to be the chairman of the meeting.

119. POWERS OF DIRECTORS

a) The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other applicable law, or by the Memorandum or by the Articles required to be exercised by the Company in a General Meeting, subject nevertheless to these Articles, to the provisions of the Act or any other applicable law and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in a General Meeting; but no regulation made by the Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

b) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case maybe, by such person and in such manner as the Board shall from time to time by resolution determine.

120. DELEGATION OF POWERS

a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such Members as it thinks fit.

b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

121. ELECTION OF CHAIRMAN OF COMMITTEE

a) The Board may elect a chairman for its committee(s). If no such chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the Members present may choose one of themselves to be the chairman of the committee meeting.

b) The quorum of a committee may be fixed by the Board of Directors or as may be prescribed under the applicable laws.

122. QUESTIONS HOW DETERMINED

a) A committee may meet and adjourn as it thinks proper.

b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the Members present as the case may be and in case of equality of vote, the chairman shall have a second or casting vote, in addition to his vote as a member of the committee.

123. VALIDITY OF ACTS DONE BY BOARD OR A COMMITTEE

All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

124. RESOLUTION BY CIRCULATION

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or all the Members of the relevant committee and approved by a majority of them shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or committee duly convened and held.

125. MAINTENANCE OF FOREIGN REGISTER

The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those Sections) make and vary such regulations as it may think fit respecting the keeping of any register.

126. BORROWING POWERS

a) Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into Shares of this Company or any other company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans (as defined under Section 180(1) of the Act) obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid-up share capital of the Company, its free reserves and securities premium. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

b) The Board of Directors may by resolution at a meeting of the Board delegate the above power to borrow money to a committee of the Board or managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.

c) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Board of Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate if the same shall be in the interests of the Company.

d) Any bonds, debentures, debenture-stock or other securities may if permissible under applicable law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of Shares , attending (but not voting) in the General Meeting, appointment of Directors or otherwise. Provided that debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution. Provided further that Company shall not issue any debentures carrying any voting rights.

127. NOMINEE DIRECTORS

a) Subject to the provisions of the Act and Article 103 hereinabove, so long as any moneys remain owing by the Company to Financial Institutions regulated by the Reserve Bank of India, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non-Banking Financial Company regulated by the Reserve Bank of India or any such company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /Shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such institution/ corporation/ company (hereinafter referred to as the "Corporation") so provides, the Corporation may, in pursuance of the provisions of any law for the time being in force or of any agreement, have a right to appoint from time to time any person or persons as a Director or Directors whole-time or non whole-time (which Director or Director/s is/are hereinafter referred to as "Nominee Directors/s") on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

b) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and of the meetings of the committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

c) The Company may pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission, monies and remuneration in relation to such Nominee Director/s may accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

d) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

128. REGISTER OF CHARGES

The Board of Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

129. MANAGING DIRECTOR(S) AND/OR WHOLE-TIME DIRECTORS

a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the managing director and/ or whole-time directors for such term and subject to such remuneration, terms and conditions as they may think fit.

b) The Board of Directors may from time to time resolve that there shall be either one or more managing directors and/ or whole-time directors.

c) In the event of any vacancy arising in the office of a managing director and/or whole-time director, the vacancy shall be filled by the Board of Directors subject to the approval of the Members, as required under applicable law.

d) If a managing director and/or whole-time director ceases to hold office as Director, he shall ipso facto and immediately cease to be managing director/whole time director.

130. POWERS AND DUTIES OF MANAGING DIRECTOR OR WHOLE-TIME DIRECTOR

The managing director/whole time director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these Articles by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

131. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Subject to the provisions of the Act —

a) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board.

b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. Further, an individual may be appointed or reappointed as the chairperson of the Company as well as the managing Director or chief executive officer of the Company at the same time.

c) A provision of the Act or the Articles requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

COMMON SEAL

132. CUSTODY OF COMMON SEAL

The Board shall provide for the safe custody of the common seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.

133. SEAL HOW AFFIXED

The Board of Directors shall provide a common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Board of Directors shall provide for the safe custody of the seal for the time being and the seal shall never be used except by or under the authority of the Board of Directors or a committee of the Board previously given, and in the presence of atleast two Directors and of the company secretary or such other person duly authorised by the Board of Directors or a committee of the Board, who shall sign every instrument to which the seal is so affixed in his presence.

The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad and such powers shall accordingly be vested in the Board of Directors or any other person duly authorized for the purpose.

DIVIDEND

134. COMPANY IN GENERAL MEETING MAY DECLARE DIVIDENDS

The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

135. INTERIM DIVIDENDS

Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends of such amount on such class of Shares and at such times as it may think fit and as appear to it to be justified by the profits of the Company.

136. RIGHT TO DIVIDEND AND UNPAID OR UNCLAIMED DIVIDEND

a) Where capital is paid in advance of calls on Shares, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits.

b) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called “Unpaid Dividend Account of Veritas Finance Limited” or having such other nomenclature as may be prescribed under the applicable laws.

c) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company, along with interest accrued, if any, thereon to the fund known as Investor Education and Protection Fund established under the section 125 of the Act established by the Central Government, subject to the provisions of the Act and the rules.

d) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

e) All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

137. DIVISION OF PROFITS

Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the

Shares .

138. DIVIDENDS TO BE APPORTIONED

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

139. RESERVE FUNDS

a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time think fit.

b) The Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

140. DEDUCTION OF ARREARS

Subject to the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or Shares whilst any money may be due or owing from him to the Company in respect of such share or Shares of or otherwise howsoever whether alone or jointly with any other person or persons and the Board may deduct from any dividend payable to any Members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the Shares of the Company.

141. RETENTION OF DIVIDENDS

The Board may retain dividends payable upon Shares in respect of which any person is, under Articles 60 to 73 hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such Shares.

142. RECEIPT OF JOINT HOLDER

Any one of two or more joint holders of a share may give effective receipt for any dividends, bonuses or other moneys payable in respect of such Shares.

143. DIVIDEND HOW REMITTED

Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

144. DIVIDENDS NOT TO BEAR INTEREST

No dividends shall bear interest against the Company.

145. TRANSFER OF SHARES AND DIVIDENDS

Subject to the provisions of the Act, any transfer of Shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

CAPITALISATION OF PROFITS

146. CAPITALISATION OF PROFITS

a) The Company in General Meeting, may, on recommendation of the Board resolve:

(i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(ii) that such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in sub-clause (c) below, either in or towards:

(i) paying up any amounts for the time being unpaid on Shares held by such Members respectively;

(ii) paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid; or

(iii) partly in the way specified in sub-clause (i) and partly that specified in sub- clause (ii).

(iv) A securities premium account and a capital redemption reserve account or any other permissible reserve account may be applied as permitted under the Act in the paying up of unissued Shares to be issued to Members of the Company as fully paid-up bonus Shares .

(v) The Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

147. POWER OF DIRECTORS FOR DECLARATION OF BONUS ISSUE

a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid-up Shares or other securities, if any; and

(ii) generally, do all acts and things required to give effect thereto.

b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of Shares or debentures becoming distributable in fractions; and

(ii) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares or other securities to which they may be entitled upon such capitalization or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amount or any parts of the amounts remaining unpaid on their existing Shares .

c) Any agreement made under such authority shall be effective and binding on such Members.

ACCOUNTS

148. WHERE BOOKS OF ACCOUNTS TO BE KEPT

The Books of Account shall be kept at the Office or at such other place in India as the Board of Directors think fit in accordance with the applicable provisions of the Act.

149. INSPECTION BY DIRECTORS

The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act.

150. INSPECTION BY MEMBERS

No Member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Board.

SERVICE OF DOCUMENTS AND NOTICE

151. MEMBERS TO NOTIFY ADDRESS IN INDIA

Each registered holder of Shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

152. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS

If a Member has no registered address in India and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

153. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF MEMBERS

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

154. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS

Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given:

a) To the Members of the Company as provided by these Articles.

b) To the persons entitled to a share in consequence of the death or insolvency of a Member.

c) To the Directors of the Company.

d) To the Debenture Trustee(s) of the Company, if any.

e) To the auditors for the time being of the Company; in the manner authorized by as in the case of any Member or Members of the Company.

f) To the secretarial auditors of the Company.

155. NOTICE BY ADVERTISEMENT

Subject to the provisions of the Act, any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district in which the Office is situated.

156. MEMBERS BOUND BY DOCUMENT GIVEN TO PREVIOUS HOLDERS

Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any Shares , shall be bound by every document in respect of such share which, previously to his name and address being entered in the Register of Members, shall have been duly served on or sent to the person from whom he derived his title to such share.

Any notice to be given by the Company shall be signed by the managing Director or by such Director or company secretary (if any) or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed or digitally signed.

WINDING UP

157. Subject to the applicable provisions of the Act

a) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any Shares or other securities whereon there is any liability.

d) Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Act.

158. APPLICATION OF ASSETS

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the Members according to their rights and interests in the Company.

INDEMNITY

159. DIRECTOR’S AND OTHERS’ RIGHT TO INDEMNITY

Subject to the provisions of the Act and other applicable law, every Director and Officer of the Company shall be indemnified by the Company against any liability incurred by him in his capacity as Director or Officer of the Company including in relation to defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, wilful misconduct or bad faith acts or omissions of such Director or officer of the Company.

160. INSURANCE

The Company shall obtain and at all times maintain, a valid Directors' and officers' liability insurance for all the Directors. Subject to the Law, the Company shall indemnify and hold harmless the Directors and the observer from and against any act, omission or conduct (including, without limitation, contravention of any Law) of or by the Company or on its behalf, as a result of which, in whole or in part, the Directors are made a party to, or otherwise incurs any Loss.

SECRECY CLAUSE

161. SECRECY

No Member or other person (not being a Director) shall be entitled to inspect the Company's works without the permission of the Board/Directors or to require discovery of any information respectively and detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process, or of any matter whatsoever, which may be related to the conduct of the business of the Company and which in the opinion of the Board/Directors will be inexpedient in the interest of the Members of the Company to communicate to the public.

MISCELLANEOUS

From the date of consummation of the Company's IPO, in the event Norwest (together with its affiliates, the "**NVP Group**") holds 5% or more of the Shares of the Company, Norwest'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

GENERAL POWER

Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

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 268.

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 and Corporate Office, from 10.00 a.m. to 5.00 p.m. IST on Working Days 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).

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.

A. Material contracts for the Offer

1. Offer Agreement dated January 18, 2025 between our Company, the Selling Shareholders and the BRLMs.

2. Registrar Agreement dated January 18, 2025 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 April 30, 2015 in the name of 'Veritas Finance Private Limited'.

3. Fresh certificate of incorporation dated October 23, 2024, issued by the RoC, consequent upon change in the name of our Company from Veritas Finance Private Limited to Veritas Finance Limited, pursuant to conversion to a public limited company.

4. Certificate of registration issued by the RBI dated October 15, 2015, allotting registration number N.07.00810, pursuant to which our Company was registered as an NBFC under Section 45-IA of the RBI Act.

5. Veritas Employee Stock Option Scheme, 2016 approved pursuant to the resolutions passed by our Board on January 8, 2016 and our Shareholders on January 8, 2016 and as amended by Board and Shareholders resolutions dated January 9, 2025 and January 13, 2025 respectively

6. Veritas Employee Stock Option Scheme, 2018 approved pursuant to the resolutions passed by our Board on January 29, 2018 and our Shareholders on February 26, 2018 and as amended by Board and Shareholders resolutions dated January 9, 2025 and January 13, 2025 respectively

7. Veritas Employee Stock Option Scheme, 2018 approved pursuant to the resolutions passed by our Board on October 31, 2018 and our Shareholders on November 22, 2018 and as amended by Board and Shareholders resolutions dated January 9, 2025 and January 13, 2025 respectively

8. Veritas Employee Stock Option Scheme, 2021 approved pursuant to the resolutions passed by our Board on January 20, 2021 and our Shareholders on February 11, 2021 and as amended by Board and Shareholders resolutions dated January 9, 2025 and January 13, 2025 respectively

9. Veritas Employee Stock Option Scheme, 2024 approved pursuant to the resolutions passed by our Board on March 6, 2024 and our Shareholders on March 15, 2024 and as amended by Board and Shareholders

resolutions dated January 9, 2025 and January 13, 2025 respectively

10. Resolutions of the Board of Directors and Shareholders' dated January 9, 2025 and January 13, 2025 respectively, authorising the Offer and other related matters.

11. Resolutions of the Board of Directors dated January 17, 2025, approving this Draft Red Herring Prospectus.

12. Resolution of the IPO Committee dated January 18, 2025 approving this Draft Red Herring Prospectus

13. Copies of the annual reports of our Company for the Financial Years 2024, 2023 and 2022.

14. Consent letters and authorisations received from the Selling Shareholders as applicable, authorising their participation in the Offer.

15. CRISIL consent letter dated January 18, 2025 for the CRISIL Report.

16. The report titled "*CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Report on Loans and Financial Services in India, released in Mumbai, India*" dated January 2025 prepared by CRISIL, which has been commissioned by and paid for by our Company pursuant to an engagement letter with CRISIL MI&A dated June 14, 2024, exclusively for the purposes of the Offer.

17. The examination report of the Statutory Auditors dated January 9, 2025 on our Company's Restated Summary Statements, included in this Draft Red Herring Prospectus.

18. The report on statement of special tax benefits dated January 18, 2025 from S.R. Batliboi & Associates LLP, Chartered Accountants.

19. 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, independent chartered accountant, Sundaram and Srinivasan (Previous Statutory Auditor), Directors of our Company, Indian legal counsel to the Company, and Company Secretary and Compliance Officer as referred to in their specific capacities.

20. Certificates dated January 18, 2025 issued by R P S V & Co., Chartered Accountants with respect to the (a) key performance indicators; (b) basis for Offer Price and transactions in Specified Securities; (c) the weighted average price, average cost of acquisition and price at which Equity Shares were acquired; (d) financial indebtedness of the Company; (e) outstanding dues to creditors; and (f) tax litigation.

21. Resolution dated January 17, 2025 passed by the Audit Committee approving the Key Performance Indicators for disclosure.

22. Consent dated January 18, 2025 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 Current Statutory Auditors, and in respect of their (i) examination report dated January 9, 2025 on our Restated Summary Statements; and (ii) their report dated January 18, 2025 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.

23. Amended and restated shareholders' agreement dated May 6, 2024 entered into between our Company, Norwest Venture Partners X – Mauritius ("**NVP**"), British International Investment plc ("**BII**"), Lok Capital Growth Fund ("**LCGF**"), Growth Catalyst Partners LLC ("**GCP**"), Evolvence India Fund III Ltd, Caspian Impact Investment Adviser Limited ("**Caspian**"), Kedaara Capital Fund II LLP ("**Kedaara**"), Multiples Private Equity Fund III, Mallika Srinivasan, Venus Investments Private Limited, Avendus Future Leaders Fund II ("**Avendus**") and D. Arulmany as supplemented by the deed of accession and amendment to the shareholders' agreement dated November 25, 2024, entered into by and amongst our Company, Kedaara, NVP, BII, LCGF, Caspian, GCP,, Evolvence India Fund III Ltd, Multiples Private Equity Fund III, Mallika Srinivasan, Venus Investments Private Limited, Avendus, D. Arulmany, J. Prakash Rayen, V.G. Suchindran, Lavanya R., R. Ramesh, N. Mohankumar, Evolvence India Coinvest PCC, Lok Capital IV LLC, and Lok Capital Co-Investment Trust, as amended by the waiver cum amendment agreement to the SHA dated January 18, 2025.

24. Waiver-cum-Amendment Agreement dated January 18, 2025 to the SHA.

25. Board Resolution dated January 9, 2025 and Shareholders Resolution dated January 13, 2025, approving the terms of appointment and remuneration of our Managing Director.

26. Employment agreement dated September 16, 2020 entered into between our Company and our Managing

Director.

27. Undertaking dated [●] submitted by the BRLMs to SEBI in relation to the utilization of the proceeds from the Pre-IPO Placement.

28. Undertaking dated [●] submitted by the BRLMs to SEBI in relation to disclosure of the Pre-IPO Placement by way of public advertisement and the Price Band advertisement.

29. Due diligence certificate dated January 18, 2025 addressed to SEBI from the BRLMs.

30. In-principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.

31. Tripartite agreement dated March 8, 2016, between our Company, NSDL and the Registrar to the Offer.

32. Tripartite agreement dated August 17, 2017, between our Company, CDSL and the Registrar to the Offer.

33. SEBI observation letter dated [●].

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

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Raj Vikash Verma
Chairperson and Non-Executive Independent Director

Place: Gurgaon

Date: January 18, 2025

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

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D. Arulmany
Managing Director and Chief Executive Officer

Place: Chennai

Date: January 18, 2025

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

Priyamvada Ramkumar
Non-Executive Nominee Director

Place: Erode

Date: January 18, 2025

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

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Parin Nalin Mehta
Non-Executive Nominee Director

Place: Mumbai

Date: January 18, 2025

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

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Sudhir Narayanakutty Variyar
Non-Executive Nominee Director

Place: Mumbai

Date: January 18, 2025

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

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Suresh Subramanian
Non-Executive Independent Director

Place: Chennai

Date: January 18, 2025

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

Mathew Joseph
Non-Executive Independent Director

Place: Chennai

Date: January 18, 2025

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

Sankarson Banerjee
Non-Executive Independent Director

Place: Mumbai

Date: January 18, 2025

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

Susan Thomas
Non-Executive Independent Director

Place: Chennai

Date: January 18, 2025

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

SV Laxmi

Chief Financial Officer

Place: Chennai

Date: January 18, 2025

DECLARATION BY SELLING SHAREHOLDER

We, Norwest Venture Partners X – Mauritius, acting as an Investor Selling Shareholder, hereby confirm that all statements and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, as an Investor 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.

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Signed for and on behalf of Norwest Venture Partners X – Mauritius

Name: Kristee Bhurtun-Jokhoo

Designation: Director

Place: Mauritius

Date: January 18, 2025

DECLARATION BY SELLING SHAREHOLDER

We, Lok Capital Growth Fund, acting as an Investor Selling Shareholder, hereby confirm that all statements and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, as an Investor 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 Lok Capital Growth Fund

Name: Venkatesh Natarajan

Designation: Co-founder & Managing Partner, Lok Advisory Services (Investment Manager)

Place: Gurugram, Haryana

Date: January 18, 2025

DECLARATION BY SELLING SHAREHOLDER

We, Growth Catalyst Partners LLC, acting as an Investor Selling Shareholder, hereby confirm that all statements and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, as an Investor Selling Shareholder and our portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements 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.

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Signed for and on behalf of Growth Catalyst Partners LLC

Name: Ashfaf Ramtoola

Designation: Director

Place: Mauritius

Date: January 18, 2025

DECLARATION BY SELLING SHAREHOLDER

We, British International Investment plc, hereby confirm that all statements and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, as an Investor Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and/or undertakings including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholders or any other persons in this Draft Red Herring Prospectus.

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Signed for and on behalf of British International Investment plc

Name: Maximilian Biswanger

Designation: Investment Director, Head of DFS Equity

Place: London

Date: January 18, 2025

DECLARATION BY SELLING SHAREHOLDER

We, Kedaara Capital Fund II LLP, acting as an Investor Selling Shareholder, hereby confirm that all statements and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, as an Investor 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.

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Signed for and on behalf of Kedaara Capital Fund II LLP

Name: Rishiraj Khajanchi

Designation: Authorised Signatory

Place: Mumbai, Maharashtra

Date: January 18, 2025

DECLARATION BY SELLING SHAREHOLDER

I, Vidya Arulmany, acting as a Selling Shareholder, hereby confirm, and declare that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, severally and not jointly, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. I 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.

Vidya Arulmany

Place: Chennai

Date: January 18, 2025

DECLARATION BY SELLING SHAREHOLDER

I, P. Surendra Pai, hereby confirm, and declare that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. I 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.

P. Surendra Pai

Place: Redwood City, California

Date: January 18, 2025

DECLARATION BY SELLING SHAREHOLDER

I, Savita S Pai, hereby confirm, and declare that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. I 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.

Savita S Pai

Place: Redwood City, California

Date: January 18, 2025

DECLARATION BY SELLING SHAREHOLDER

I, Sheela Pai Cole, hereby confirm, and declare that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. I 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.

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Sheela Pai Cole

Place: Redwood City, California

Date: January 18, 2025

DECLARATION BY SELLING SHAREHOLDER

I, Moneisha Sharad Gandhi, hereby confirm, and declare that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. I 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.

Moneisha Sharad Gandhi

Place: Mumbai

Date: January 18, 2025