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DRAFT RED HERRING PROSPECTUS
Dated: December 15, 2024
Please read section 32 of the Companies Act, 2013
(*This Draft Red Herring Prospectus will be updated upon filing with the RoC*)
100% Book Built Offer

LAXMI INDIA FINANCE LIMITED

Corporate Identity Number: U65929RJ1996PLC073074

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
2 DFL, Gopinath Marg, MI Road, Jaipur - 302001, Rajasthan, India.	Sourabh Mishra *Company Secretary and Compliance Officer*	**Email:** investors@lifc.in **Telephone:** +91 9773376198	www.lifc.co.in

THE PROMOTERS OF OUR COMPANY ARE DEEPAK BAID, PREM DEVI BAID, ANEESHA BAID, HIRAK VINIMAY PRIVATE LIMITED, DEEPAK HITECH MOTORS PRIVATE LIMITED, PREM DEALERS PRIVATE LIMITED AND VIVAN BAID FAMILY TRUST

DETAILS OF THE OFFER TO THE PUBLIC

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATIONS
Fresh Issue and Offer for Sale	Up to 10,453,575 Equity Shares of face value of ₹5 each aggregating up to ₹[●] million	Up to 5,638,620 Equity Shares of face value of ₹5 each aggregating up to ₹ [●] million	Up to 16,092,195 Equity Shares of face value of ₹5 each aggregating up to ₹ [●] million	This Offer is being made in compliance with 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 480. For details in relation to share reservation among Qualified Institutional Buyers, Non-Institutional Bidders, Retail Individual Buyers and Eligible Employees, see "*Offer Structure*" on page 498.

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 ₹)*
Deepak Baid	Promoter Selling Shareholder	Up to 3,084,952 Equity Shares of face value of ₹5 each aggregating up to ₹[●] million	32.73
Prem Devi Baid	Promoter Selling Shareholder	Up to 913,070 Equity Shares of face value of ₹5 each aggregating up to ₹[●] million	24.92
Aneesha Baid	Promoter Selling Shareholder	Up to 1,261,902 Equity Shares of face value of ₹5 each aggregating up to ₹[●] million	37.89
Deepak Hitech Motors Private Limited	Promoter Selling Shareholder	Up to 180,000 Equity Shares of face value of ₹5 each aggregating up to ₹[●] million	30.40
Prem Dealers Private Limited	Promoter Selling Shareholder	Up to 90,000 Equity Shares of face value of ₹5 each aggregating up to ₹[●] million	31.94
Preeti Chopra	Promoter Group Selling Shareholder	Up to 54,348 Equity Shares of face value of ₹5 each aggregating up to ₹[●] million	71.09
Rashmi Giria	Promoter Group Selling Shareholder	Up to 54,348 Equity Shares of face value of ₹5 each aggregating up to ₹[●] million	78.32

**As certified by M/s. S. C. Bapna & Associates, Chartered Accountants, Statutory Auditors of the Company, by way of their certificate dated December 15, 2024.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity shares of our Company, there has been no formal market for Equity Shares. The face value of Equity Shares is ₹5. The Floor Price, Cap Price and Offer Price, as determined by our Company, in consultation with the Book Running Lead Manager, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 120 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors 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 Bidders is invited to "*Risk Factors*" on page 35.

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 omissions 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 Selling Shareholder, severally and not jointly, accepts responsibility for only such statements specifically confirmed or made by them in this Draft Red Herring Prospectus to the extent such statements pertain to such Selling Shareholders and/or its respective portion of the Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, assumes no responsibility for any other statement in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company, its business, any other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

LISTING

The Equity Shares to 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, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC (as defined hereinafter) in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 554.

BOOK RUNNING LEAD MANAGER

NAME AND LOGO		CONTACT PERSON	EMAIL AND TELEPHONE
PL Capital	**PL CAPITAL MARKETS PRIVATE LIMITED**	Akanksha Prakash/ Ashwinikumar Chavan	**Tel:** +91 22 6632 2222 **E-mail:** laxmiindiaipo@plindia.com

REGISTRAR TO THE OFFER

NAME AND LOGO		CONTACT PERSON	EMAIL AND TELEPHONE
LINKIntime	**LINK INTIME INDIA PRIVATE LIMITED**	Shanti Gopalkrishnan	**Telephone:** +91 810 811 4949 **E-mail:** laxmifinance.ipo@linkintime.co.in

BID/ OFFER PERIOD

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

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

(2) *Our* Company, *in consultation with the Book Running Lead Manager, 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 Day.*

DRAFT RED HERRING PROSPECTUS
Dated December 15, 2024
Please read section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

LAXMI INDIA FINANCE LIMITED

Our Company was incorporated under the provisions of the Companies Act, 1956 as 'Laxmi India Finleasecap Private Limited' pursuant to a certificate of incorporation dated May 10, 1996, issued by Registrar of Companies, Delhi and Haryana. Our Company has been granted a certificate of registration dated March 28, 2001 under its former name 'Laxmi India Finleasecap Private Limited' by the RBI to carry on the business of a non-banking financial company without accepting public deposits. Our Company changed its registered office to the state of West Bengal pursuant to the order dated July 19, 2011 passed by the Hon'ble Company Law Board, Bench at New Delhi. Further, the registered office of our Company was shifted from the state of West Bengal to the state of Rajasthan pursuant to the order dated December 01, 2020 passed by the Regional Director, Eastern Region. Subsequently, a certificate of registration dated April 25, 2018 was granted by the RBI pursuant to shifting of the registered office of our Company to the state of West Bengal from Delhi. Pursuant to shifting of registered office of our Company to the state of Rajasthan, the RBI had granted a certificate of registration dated March 15, 2021. Thereafter, the name of our Company was changed to Laxmi India Finance Private Limited to align it with our business activities pursuant to a resolution passed by our Shareholders dated January 25, 2023 and a fresh certificate of incorporation was issued by the RoC on March 10, 2023. Consequently, the RBI had granted a certificate of registration dated March 31, 2023, to our Company. Our Company was converted into a public limited company and the name of our Company was changed to 'Laxmi India Finance Limited' pursuant to a special resolution passed by our Shareholders dated August 9, 2024 and a fresh certificate of incorporation issued by the RoC on October 08, 2024. We have made an application to the RBI for obtaining a certificate of registration consequent to conversion of the Company from private limited company to a public limited company. For further details, see "*History and Certain Corporate Matters*" on page 240.

Registered and Corporate Office: 2 DFL, Gopinath Marg, MI Road, Jaipur-302001, Rajasthan, India
Telephone: +91 9773376198; **Website**: www.lifc.co.in; **Contact Person**: Sourabh Mishra, Company Secretary and Compliance Officer; **E-mail**: investors@lifc.in
Corporate Identity Number: U65929RJ1996PLC073074

THE PROMOTERS OF OUR COMPANY ARE DEEPAK BAID, PREM DEVI BAID, ANEESHA BAID, HIRAK VINIMAY PRIVATE LIMITED, DEEPAK HITECH MOTORS PRIVATE LIMITED, PREM DEALERS PRIVATE LIMITED AND VIVAN BAID FAMILY TRUST

INITIAL PUBLIC OFFER OF UP TO 16,092,195 EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH ("EQUITY SHARES") OF LAXMI INDIA FINANCE LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION ("THE OFFER") COMPRISING A FRESH ISSUE OF UP TO 10,453,575 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 5,638,620 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER FOR SALE") BY THE SELLING SHAREHOLDERS, CONSISTING OF UP TO 3,084,952 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY DEEPAK BAID, UP TO 913,070 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY PREM DEVI BAID, UP TO 1,261,902 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY ANEESHA BAID, UP TO 180,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY DEEPAK HITECH MOTORS PRIVATE LIMITED, UP TO 90,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY PREM DEALERS PRIVATE LIMITED, UP TO 54,348 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY PREETI CHOPRA AND UP TO 54,348 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY RASHMI GIRIA (COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, "OFFERED SHARES"). THE OFFER SHALL CONSTITUTE UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 5 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLM, AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] AND ALL EDITIONS OF [●] (WHICH ARE WIDELY CIRCULATED ENGLISH DAILY NEWSPAPER AND HINDI DAILY NEWSPAPER (HINDI ALSO BEING THE REGIONAL LANGUAGE OF RAJASTHAN, WHERE OUR REGISTERED OFFICE IS LOCATED), ATLEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO THE BSE AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE" TOGETHER WITH THE BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES, IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH, AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREINAFTER) ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". OUR COMPANY IN CONSULTATION WITH THE BRLM, MAY OFFER A DISCOUNT OF ₹ [●] TO THE OFFER PRICE (EQUIVALENT OF ₹[●] PER EQUITY SHARE) TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company in consultation with Book Running Lead Manager, 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, will 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 BRLM and at the terminals of the Syndicate Members and by intimation to the Self-Certified Syndicate Banks ("**SCSBs**") other Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") ("**QIB Portion**"), provided that our Company, in consultation with the BRLM, 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 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 ("**Anchor Investor Portion**"). In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only 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. 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 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, 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 Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts and UPI ID (in case of UPI Bidders) (as defined hereinafter), in which case the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or under the UPI Mechanism, 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 504 of this Draft Red Herring Prospectus

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 5. The Floor Price, Cap Price and Offer Price, each as determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations, and as stated in "*Basis for Offer Price*" on page 120, should not be taken 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 or sustained trading in the Equity Shares or 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 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 not 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 Bidders is invited to "*Risk Factors*" on page 35.

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 Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only such statements specifically confirmed or made by such Selling Shareholders and/or its respective portion of the Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, assumes no responsibility as a Selling Shareholder, for any other statements in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company, its business, any other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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 Limited and National Stock Exchange of India Limited for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the Registrar of Companies, Rajasthan, located at Jaipur **("RoC")** in accordance with Section 26(4) and Section 32 of the Companies Act, 2013. For details of the material contracts and documents that will be available for available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 554.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER
PL Capital PRABHUDAS LILLADHER	LINK Intime
PL CAPITAL MARKETS PRIVATE LIMITED. 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai - 400 018, Maharashtra, India. **Telephone:** +91 22 6632 2222 **Email:** laxmiindiaipo@plindia.com **Investor grievance email:** grievance-mbd@plindia.com **Contact Person:** Akanksha Prakash/ Ashwinikumar Chavan **Website:** www.plindia.com **SEBI registration number:** INM000011237 **CIN:** U67190MH1983PTC029670	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400083, Maharashtra, India **Telephone**: +91810 811 4949 **Email**: laxmifinance.ipo@linkintime.co.in **Investor grievance email:** laxmifinance.ipo@linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **Website**: www.linkintime.co.in **SEBI Registration Number**: INR000004058 **CIN**: U67190MH1999PTC118368

BID/ OFFER PROGRAMME

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

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

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the same meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the Listing Regulations, the SCRA, the Depositories Act or the rules and regulations made under each of such Acts or Regulations. 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. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail.

Notwithstanding the foregoing, the terms not defined herein but used in "Industry Overview", "Key Regulations and Policies", "Statement of Possible Special Tax Benefits", "Restated Financial Statements", "Basis for Offer Price", "Outstanding Litigations and Material Developments", "Offer Procedure" and "Description of Equity Shares and Main Provisions of Articles of Association", "History and Certain Corporate Matters", "Financial Indebtedness", and "Other Regulatory and Statutory Disclosures" beginning on pages 143, 225, 138, 316, 120, 471, 504, 527, 240, 468 and 479 respectively, will have the meaning ascribed to such terms in those respective sections.

General Terms

Term	Description
"our Company" "the Company" or "the Issuer"	Laxmi India Finance Limited, a public limited company incorporated under the Companies Act and having its registered office at 2 DFL, Gopinath Marg, M.I. Road, Jaipur-302001, Rajasthan, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, our Company

Company Related Terms

Term	Description
"Articles of Association" or "AoA" or "Articles"	Articles of association of our Company, as amended from time to time
"Audit Committee"	Audit committee of our Board, as described in "*Our Management - Committees of the Board – Audit Committee*" on page 279
"Auditors" or "Statutory Auditors"	The current statutory auditors of our Company, namely, M/s. S. C. Bapna & Associates, Chartered Accountants
"Board" or "Board of Directors"	The board of directors of our Company as described in "*Our Management – Board of Directors*" on page 269
"Chief Financial Officer" or "CFO"	The chief financial officer of our Company, being Gopal Krishan Sain. For further details see, "*Our Management – Key Managerial Personnel and Senior Management*" on page 288
"Committee(s)"	Duly constituted committee(s) of our Board as described in "*Our Management – Committees of the Board*" on page 279
"Company Secretary and Compliance Officer"	The company secretary and compliance officer of our Company, being Sourabh Mishra. For further details see, "*Our Management – Key Managerial Personnel and Senior Management*" on page 288
"Corporate Promoters"	Our corporate promoters, namely Hirak Vinimay Private Limited, Deepak Hitech Motors Private Limited, Prem Dealers Private Limited.

Term	Description
"Corporate Social Responsibility Committee"	The corporate social responsibility committee of our Board as described in "*Our Management - Committees of the Board – Corporate Social Responsibility Committee*" on page 284
"Director(s)"	Director(s) on our Board, as appointed from time to time. For further details see, "Our Management – Board of Directors" on page 269
"Equity Shares"	Unless otherwise stated, equity shares of face value of ₹5/- each of our Company
"ESOS 2023" / "ESOP Scheme"	Laxmi India Finance Limited - Employees Stock Option Scheme, 2023 as amended from time to time
"Executive Director(s)"	Executive director(s) on our Board
"Group Company"	The companies identified as a 'group company' in accordance with the SEBI ICDR Regulations, as disclosed in section "*Group Companies*" on page 301
"IPO Committee"	The IPO committee of our Board, as described in "*Our Management – Committees of the Board – IPO Committee*" on page 286
"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 – Board of Directors*" on page 269
"Individual Promoters"	Our individual promoters namely, Deepak Baid, Prem Devi Baid and Aneesha Baid
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company Regulation 2(1)(bb) of the SEBI ICDR Regulations and in terms of section 2(51) of the Companies Act as described in "*Our Management – Key Managerial Personnel*" on page 288
"Managing Director" or "MD"	Managing Director of our Company, being Deepak Baid. For further details see, "*Our Management – Key Managerial Personnel and Senior Management*" on page 288
"Materiality Policy"	The policy adopted by our Board on November 28, 2024, for determining identification of (a) Group Companies; (b) material outstanding litigations; and (c) outstanding dues to material creditors, pursuant to the disclosure requirements of the SEBI ICDR Regulations
"Memorandum of Association" or "MoA"	Memorandum of Association of our Company, as amended from time to time
"Nomination and Remuneration Committee"	The nomination and remuneration committee of our Board as described in "*Our Management - Committees of the Board – Nomination and Remuneration Committee*" on page 282
"Non-Executive Director(s)"	Non-executive director(s) of our Company. For further details, see "*Our Management – Board of Directors*" on page 269
"Promoter(s)"	Our Promoters, namely Deepak Baid, Prem Devi Baid, Aneesha Baid, Hirak Vinimay Private Limited, Deepak Hitech Motors Private Limited, Prem Dealers Private Limited and Vivan Baid Family Trust
"Promoter Group"	Individuals and entities which constitute the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 293
"Promoter Selling Shareholders"	Collectively, Deepak Baid, Prem Devi Baid, Aneesha Baid, Deepak Hitech Motors Private Limited and Prem Dealers Private Limited
"Promoter Group Selling Shareholders"	Collectively, Preeti Chopra and Rashmi Giria
"Promoter Trust"	Our Promoter trust namely, Vivan Baid Family Trust.
"Registered Office"	The registered office of our Company situated at 2 DFL, Gopinath Marg, M.I. Road, Jaipur-302001, Rajasthan, India
"Registrar of Companies" or "RoC"	Registrar of Companies, Rajasthan, at Jaipur

Term	Description
"Restated Financial Statements"	Restated Financial Statements of our Company as at three months period ended June 30, 2024 and for the fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022, comprising the restated financial statement of assets and liabilities of our Company as at three months period ended June 30, 2024 and for the fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022, the restated financial statement of profit and loss (including other comprehensive income/(loss)) and the restated financial statement of cash flows and restated financial statement of changes in equity as at three months period ended June 30, 2024 and for the fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022, summary of material accounting policies and explanatory notes, derived from the audited financial statements as at three months period ended June 30, 2024 and for the fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022, respectively, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") 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, and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 (as amended), the SEBI ICDR Regulations (as amended) and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI
"Risk Management Committee"	The risk management committee of our Board as described in *"Our Management – Committees of the Board – Risk Management Committee"* on page 285
"Selling Shareholders"	Collectively, Promoter Selling Shareholders and Promoter Group Selling Shareholders
"Shareholders"	Equity shareholder(s) of our Company from time to time
"Senior Management Personnel" or "SMP"	The senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in "*Our Management – Senior Management Personnel*" on page 288
"Stakeholders' Relationship Committee"	The Stakeholders' relationship committee as described in "*Our Management –– Committees of the Board – Stakeholders Relationship Committee*" on page 283
"Whole-time Director(s)"	Whole-time director(s) on our Board, as described in "*Our Management*" on page 269

Offer Related Terms

Term	Description
"Abridged Prospectus"	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf
"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 Offered Shares pursuant to the Offer for Sale to successful Bidders.
"Allotment Advice"	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
"Allottee"	A successful Bidder to whom the Equity Shares are Allotted
"Anchor Investor"	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 and who has Bid for an amount of at least ₹100.00 million
"Anchor Investor Allocation Price"	The price at which Equity Shares will be allocated to Anchor Investors during the Anchor Investor Bid/Offer Period in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager
"Anchor Investor Application Form"	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations

Term	Description
	and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
"Anchor Investor Bid/Offer Period" or "Anchor Investor Bidding Date"	The day, being 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 Manager will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
"Anchor Investor Offer Price"	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the Book Running Lead Manager
"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 a date being, 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 Book Running Lead Manager, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out 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 accordance with the SEBI ICDR Regulations
"Application Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and includes applications made by RIBs using the UPI Mechanism where the Bid Amount was blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
"ASBA Account"	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an RIB which was blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
"ASBA Bid"	A Bid made by an ASBA Bidder
"ASBA Bidders"	All Bidders except Anchor Investors
"ASBA Form"	An application form, whether physical or electronic, which shall be used by ASBA Bidders to submit Bids and shall be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
"Banker(s) to the Offer"	Collectively, Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and Refund Bank(s)
"Basis of Allotment"	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer as described in "*Offer Procedure*" beginning on page 504 of this Draft Red Herring Prospectus
"Bid(s)"	An indication by an ASBA Bidder to make an offer during the Bid/Offer Period 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 Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, and in terms of this Red Herring Prospectus and the 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 multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid. Eligible Employees applying in the Employee Reservation Portion can apply at the Cut Off Price and the Bid Amount shall be the Cap Price (net of Employee Discount, if any),

Term	Description
	multiplied by the number of Equity Shares Bid for such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000. However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000.
"Bid cum Application Form"	Anchor Investor Application Form or the ASBA Form, as the context requires
"Bid Lot"	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
"Bid/ Offer Closing Date"	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of [●] English daily newspaper all editions of a Hindi daily newspaper (Hindi also being the regional language of Rajasthan, where our Registered Office is located), each with wide circulation Our Company in consultation with the Book Running Lead Manager, 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 revisions, the revised Bid/ Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges and shall also be notified on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Members and by intimation 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 will be published, as required under the SEBI ICDR Regulations
"Bid/ Offer Opening Date"	Except in relation to Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting bids, being [●] (which shall be published in all editions of [●] English daily newspaper all editions of a Hindi daily newspaper (Hindi also being the regional language of Rajasthan, where our Registered Office is located), each with wide circulation
"Bid/ Offer Period"	Except in relation to any Bids the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations, provided that such period shall be kept open for a minimum of three Working Days Our Company in consultation with the Book Running Lead Manager, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations
"Bidder" or "Applicant"	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, 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 SCSB Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
"Book Building Process"	The book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Manager" or "BRLM" or "Lead Manager"	The book running lead manager to the Offer namely, PL Capital Markets Private Limited.

Term	Description
"Broker Centres"	The broker centres notified by the Stock Exchanges where Bidders could submit the ASBA Forms to a Registered Broker (in case of UPI Bidders, only using UPI Mechanism). The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"CARE"	CARE Advisory Research & Training Limited
"CARE Report"	Industry Report titled "Research report on NBFC Industry", dated December 2024 prepared and issued by CARE Analytics and Advisory Private Limited exclusively commissioned and paid for by us in connection with the Offer, a copy of which will be available on the website of our Company at https://lifc.co.in/investor-services/ from the date of this Draft Red Herring Prospectus until the Bid/Offer Closing Date
"CAN" or "Confirmation of Allocation Note"	The note or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date
"Cap Price"	The higher end of the Price Band, above which the Offer Price and Anchor Investor open 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 shall not exceed 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 Registrar to the Offer, the BRLM, the Banker(s) to the Offer, the Syndicate Member, for, among other things, collection of the Bid Amounts from the Anchor Investors transfer of funds to the Public Offer Account, and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
"Client ID"	The client identification number maintained with one of the Depositories in relation to demat 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 the SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE, as updated from time to time
"Cut-off Price"	The Offer Price, finalized by our Company in consultation with the Book Running Lead Manager 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"	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 CDP Locations"	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com),
"Designated Date"	The date on which funds from the Escrow Account(s) are transferred to the Public Offer Account(s) or the Refund Account(s), as the case may be and instructions are issued to the SCSBs (in case of UPI Bidders using UPI Mechanism, instruction issued through the Sponsor Bank(s)) for the transfer of amounts blocked in the ASBA Accounts to the Public Offer Account(s)or the Refund Account, as the case maybe, in terms of this Red Herring Prospectus and Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares will be Allotted to successful Bidders in the Offer
"Designated Intermediary(ies)"	Collectively, the members of the Syndicate, sub-Syndicate or agent , SCSBs (others than in relation to RIBs using the UPI mechanism), Registered Brokers, CDPs and RTA, who are authorized to collect Bid cum Application Forms from the relevant Bidders, in relation to

Term	Description
	the Offer In relation to ASBA Forms submitted by RIIs and Non-Institutional Investors bidding with an application size of upto ₹5,00,000 (not using the UPI Mechanism) and 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 Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Investors (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 could submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com).
“Designated SCSB Branches”	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognizedFpi=yes&intmId=35 , or at such other website as may be prescribed by SEBI from time to time
“Designated Stock Exchange”	[●]
“Draft Red Herring Prospectus” or “DRHP”	The draft red herring prospectus dated December 15, 2024 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 (excluding such employees who are not eligible to invest in the Offer under applicable laws), of our Company or; or a Director of our Company, whether whole-time or not, as on the date of the filing of the Red Herring Prospectus with the RoC and on date of submission of the Bid cum Application Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; or (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the 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 allocation 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 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 constitute an invitation to purchase the Equity Shares
“Eligible NRI(s)”	NRI(s) eligible to invest under FEMA Regulation, 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 may, in consultation with the BRLM, 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

Term	Description
"Employee Reservation Portion"	The portion of the Offer being up to [●] Equity Shares aggregating ₹ [●] million which shall not exceed 5% of the post-Offer Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis
"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 Bidders (excluding the ASBA Bidders)will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid
"Escrow Collection Bank"	Bank(s) which are clearing member(s) and registered with SEBI as banker(s) to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 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"	Lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price will be finalized and below which no Bids will be accepted
"Fraudulent Borrower"	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
"Fresh Issue"	Fresh issue of up to 10,453,575 Equity Shares aggregating to ₹ [●] million by our Company
"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 no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and 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 BRLM
"Gross Proceeds"	The gross proceeds of the Fresh Issue which will be available to our company
"Monitoring Agency"	[●], being a credit rating agency registered with SEBI
"Monitoring Agency Agreement"	The monitoring agency agreement to be, entered into between our Company and the Monitoring Agency
"Mobile App(s)"	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognizedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism
"Mutual Fund Portion"	The portion of the Offer being 5% of the net QIB Portion consisting of [●] Equity Shares of face value of ₹5 each which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
"Mutual Funds"	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
"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 expenses. For further details, see "*Objects of the Offer*" on page 112.
"Net QIB Portion"	QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Bidders" or "Non-"Institutional Investors"/ "NIIs"	All Bidders that are not QIBs (including Anchor Investors) or Retail Individual Investors, or the Eligible Employees Bidding in the Employee Reservation Portion, who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)

Term	Description
"Non-Institutional Category/ Portion"	The portion of the Offer being not less than 15% of the Net Offer consisting of [●] Equity Shares of face value of ₹5 each, available for allocation to Non-Institutional Investors, of which one-third shall be available for allocation to Bidders with an application size of more than ₹ 2,00,000 and up to ₹ 1,000,000 and two-thirds shall be available for allocation to Bidders with an 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 Investors subject to valid Bids being received at or above the Offer Price.
"Non-Resident"	Person resident outside India, as defined under FEMA and includes aNRIs, FVCIs and FPIs
"Offer"	Initial public offering of up to 16,092,195 Equity Shares of face value of ₹ 5 each of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million. The Offer comprises a Fresh Issue, Offer for Sale and the Employee Reservation Portion. For further information, see "The Offer" on page 73
"Offer Agreement"	Offer Agreement dated December 15, 2024 entered amongst our Company, the Selling Shareholders and the Book Running Lead Manager, pursuant to which certain arrangements have been agreed to in relation to the Offer
"Offer for Sale"	The offer for sale of upto 5,638,620 Equity Shares aggregating to ₹ [●] million by the Selling Shareholders in the Offer
"Offer Price"	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company, in consultation with the Book Running Lead Managers, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
"Offer Proceeds"	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to call off the Selling Shareholders, in proportion to the respective portion of the Offered Shares. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" beginning on page 111
"Offered Shares"	Up to 5,638,620 Equity Shares of face value of ₹5 each aggregating to ₹ [●] million being offered by the Selling Shareholders in the Offer for Sale
"Price Band"	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereto. The Price Band and minimum Bid Lot, as decided by our Company, in consultation with the BRLM, will be advertised in all editions of [●] (as English daily newspaper, and all editions of [●] Hindi daily newspaper (Hindi also being the regional language of Rajasthan, where our Registered Office is located), at least two Working Days prior to the Bid/ Offer Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
"Pricing Date"	The date on which our Company, in consultation with the Book Running Lead Manager, will finalize the Offer Price
"Prospectus"	The 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 addendum or corrigendum thereto
"Public Offer Account"	The 'no-lien' and 'non-interest bearing' bank account to be opened with the Public Offer Account Bank(s), under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
"Public Offer Account Bank"	Bank(s) which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account(s) is opened in case being [●].
"Qualified Institutional Buyers" or "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations

Term	Description
"QIB Category" or "QIB Portion"	The portion of the Offer being not more than 50% of the Net Offer or [●] Equity Shares of face value of ₹5 each, available for allocation to QIBs on a proportionate basis subject to valid Bids being received at or above the Offer Price
"Red Herring Prospectus" or "RHP"	The 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 after the Pricing Date
"Refund Account"	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 Anchor Investors shall be made.
"Refund Bank"	Banker(s) to the Offer and with whom the Refund Account will be opened, in this case being [●]
"Registered Brokers"	Stockbrokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, and the UPI circulars issued by SEBI.
"Registrar Agreement"	The registrar agreement dated December 11, 2024 entered into between 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 at the Designated RTA Locations as per the list available on the websites of BSE https://www.bseindia.com/ and NSE https://www.nseindia.com/, and the UPI Circulars.
"Registrar to the Offer" or "Registrar"	Link Intime India Private Limited
"Retail Individual Bidder(s)" or "RIB(s)" or "Retail Individual Investor(s)" / "RII(s)"	Individual Bidders, who have Bid for the Equity Shares for an amount which is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRI(s)
"Retail Portion"	The portion of the Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares of face value of ₹5 each, available for allocation to Retail Individual Investors as per the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
"Resident Indian"	A person resident in India, as defined under FEMA
"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 Forms 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 Bidding in the Retail Portion, Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
"Self-Certified Syndicate Bank(s)" or "SCSB(s)"	(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognizedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognizedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) The banks registered with SEBI, offering services in relation to ASBS (through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognizedFpi=yes&intmId=40. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing

Term	Description
	in the "list of mobile applications for using UPI in public issues" displayed on SEBI website at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognizedFpi=yes&intmId=43. Updated from time to time or such other websites as updated from time to time
"Share Escrow Agent"	The share escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]
"Share Escrow Agreement"	The share escrow agreement to be entered into between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment.
"SMS"	Short Messaging Service
"Specified Locations"	Bidding Centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time.
"Sponsor Bank(s)"	Banker(s) to the Offer, to be 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 UPI Bidders using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars in this case being [●].
"Stock Exchanges"	Collectively, the BSE and the NSE
"Sub-Syndicate Member"	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Member, to collect ASBA Forms and Revision Forms.
"Syndicate Agreement"	The syndicate agreement to be entered into between our Company, the Selling Shareholders, and the member of the Syndicate in relation to the procurement of Bid cum Application Forms by the Syndicate.
"Syndicate Member"	Intermediaries (other than BRLM) registered with SEBI who are permitted to carry out activities in relation to collection of bids and as underwriters, namely [●].
"Syndicate" or "members of the Syndicate"	Together, the Book Running Lead Manager and the Syndicate Member
"Underwriters"	[●]
"Underwriting Agreement"	Agreement dated [●] to be entered 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 Bidders applying as (i) Retail Individual Bidders in the Retail Portion, (ii) Eligible Employees, under the Employee Reservation Portion, and (iii) Non-Institutional Bidders with a Bid Amount of up to ₹ 500,000 in the Non-Institutional Portion by using the UPI Mechanism. 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 ₹ 5,00,000are required to use UPI Mechanism and are required to 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"	The 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.

Term	Description
	SEBI/HO/CFD/DIL2/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/P/CIR/2022/75 dated May 30, 2022, 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) and the SEBI master circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 and the SEBI RTA Master Circular (to the extent it pertains to UPI) and any subsequent circulars or notifications issued by SEBI in this regard along with the circular issued by the National Stock Exchange of India Limited ("**NSE**") having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited ("**BSE**", together with NSE, the "**Stock Exchanges**") 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 Bidder(s) by way of a notification on the UPI linked mobile application and by way of an SMS on directing the UPI Bidder to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Bank to authorize 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 as used by UPI Bidders as mode of payment in terms of the UPI Circulars
"UPI PIN"	Password to authenticate UPI transaction
"Wilful Defaulter"	Wilful Defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
"Working Day"	All days on which commercial banks in Rajasthan are open for business provided however, with reference to (a) announcement of Price Band and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business and (c) 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, as per circulars issued by SEBI including the UPI circulars.

Technical/Industry Related Terms or Abbreviations

Term/Abbreviation	Description/Full Form
APEDA	Agricultural and Processed Food Products Export Development Authority
AIFIs	All-India Financial Institutions
AFCs	Asset finance companies
ASP	Average selling price
AUM	Assets Under Management
CRAR	Capital Adequacy Ratio
CRAR %	CRAR is computed by dividing our Tier I and Tier II capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.
Credit Rating	Credit Ratings represents the long-term credit ratings of our Company's various borrowing facilities on the basis of the assessment by independent rating agencies.
UVs	Car/utility Vehicles
CVs	Commercial vehicles
CPI	Consumer price index
CIC	Core Investment Company
DATC	Data Analytics and Technical Coordination
DC, MSME	Development Commissioner
AFI	Administration & Financial Institutions

Term/Abbreviation	Description/Full Form
ARI	Agro & Rural Industry
EVs	Electric vehicles
ECLGS	Emergency Credit Line Guarantee Scheme
EXIM Bank	Export-Import Bank of India
FAE	First Advance Estimate
FRE	First Revised Estimates
1RE	First Revised Estimates
GST	Goods and services tax
G-secs	Government securities
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GLP	Gross Loan Portfolio
GVA	Gross Value Added
HFCs	Housing finance companies
IIP	Index of Industrial Production
IMD	India Meteorological Department
CV	Indian Commercial Vehicle
InvITs	Infrastructure Investment Trusts
IFW	Integrated Finance Wing
NBFC-ICC	Investment and Credit Companies
ICs	Investment companies
LCV	Light Commercial Vehicles
LAP	Loan against property
LCs	Loan companies
LOS	Loan Origination Software
LTVs	Loan-to-Value ratios
M&HCV	Medium & Heavy Commercial Vehicles
MOU	Memorandum of understanding
MFIs	Micro Finance Institutions
MSMED	Micro, Small & Medium Enterprises Development
MSMEs	Micro, small and medium enterprises (MSMEs)
MFI	Microfinance institution
MGC	Mortgage Guarantee Company
MUVs	Multi-utility vehicles
NABARD	National Bank for Agriculture and Rural Development
NHB	National Housing Bank
NSS	National Sample Survey
NSIC	National Small Industries Corporation
NBFCAA	NBFC-Account Aggregator
NBFC-IDF	NBFC-Infrastructure Debt Fund
NBFC-IFC	NBFC-Infrastructure Finance Company
NBFC-MFI	NBFC-Micro Finance Institution
NBFC-NOFHC	NBFC-Non-Operative Financial Holding Company

Term/Abbreviation	Description/Full Form
NBFC-P2P	NBFC–Peer to Peer Lending Platform
Net Interest Income	Net Interest Income
NIM	Net Interest Margin
NBFCs	Non-Banking Financial Companies
PM VIKAS	PM Vishwakarma Kaushal Samman
PMJDY	Pradhan Mantri Jan Dhan Yojana
PDs	Primary dealers
PSL	Priority sector loans
PLI	Production-linked Incentive
PAT	Profit After Tax
PE	Provisional Estimate
PPP	Purchasing Power Parity
REITs	Real Estate Investment Trusts
RBI	Reserve Bank of India
ROA	Return on Assets
RoNW	Return on Average Net Worth
RoTA	Return on Average Total assets
ROE	Return on Equity
SCB	Scheduled Commercial Banks
2RE	Second Revised Estimates
SME	Small & Medium Enterprises
SIDBI	Small Industries Development Bank of India
SID	Society for Innovation and Development
TCSP	Technology Centre Systems Program
TC	Technology Centres
3RE	Third Revised Estimate
TAT	Turnaround Time
2Ws	Two-wheeler
WEO	World Economic Outlook

Conventional and General Terms or Abbreviations

Term	Description
"₹" or "Rs" or "Rupees" or "INR"	Indian Rupees, the official currency of the Republic of India
A/c	Account
Auditor's Report Directions	Master Direction - Non- Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 dated September 29, 2016
AIFs	Alternative Investments Funds
AGM	Annual general meeting
AUM growth	AUM growth represents the growth percentage in AUM as of the last day of the relevant period/ year over AUM as of the last day of the previous period/ year.
AUM per branch	AUM per branch represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.
AUM per employee	AUM per employee represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our employees as of the last day of relevant period/ year.

Term	Description
Average Cost of borrowings	Average cost of borrowing is Adjusted finance cost divided by average Total borrowings. Average Total Borrowings is the simple average of our total Borrowings outstanding as at the end of the previous year and the last day of the relevant year. Total borrowing represents the aggregate of debt securities, borrowing (other than debts securities) and subordinated liabilities. Adjusted finance cost represents the finance costs reduced by interest on lease liability for the relevant period/ year.
Average ticket size on Disbursement	Average ticket size on disbursement represents the aggregate of all loan amounts extended to our customers in the relevant period/ year divided by number of loan accounts extended in the relevant period/ year.
Average LTV (%) on AUM Secured	Average LTV is Property/ asset value mortgaged for AUM outstanding as of the last day of relevant period/ year
AS/Accounting Standards	Accounting standards issued by the Institute of Chartered Accountants of India, as notified from time to time
Banking Regulation Act	Banking Regulation Act, 1949
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate (as a %): (End Year Value/ Base Year Value) ^ (1/No. of years between Base year and End year) –1 [^ denotes 'raised to']
Capital Employed	Capital employed is calculated as total assets less current liabilities
CARO	Companies Auditor's Report Order, 2020
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III 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 FPIs	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CERSAI	Central Registry of Securitization Asset Reconstruction and Security Interest of India
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
Companies Act or Companies Act 2013	Companies Act, 2013 to the extent in force pursuant to the notification of sections by the Ministry of Corporate Affairs, Government of India as of the date of this Red Herring Prospectus, along with the relevant rules made thereunder
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have an effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder.
Compensation Guidelines	Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs dated April 29, 2022
Competition Act	The Competition Act, 2002
COVID-19	Coronavirus disease 2019, a respiratory illness caused by the Novel Coronavirus and 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
CRAR	CRAR is computed by dividing our Tier I and Tier II capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.
CSR	Corporate Social Responsibility

Term	Description
Debt to Equity	Debt to equity ratio is calculated by dividing the debt (i.e., borrowings (current and non-current) and current maturities of long-term borrowings) by total equity (which includes issued capital and all other equity reserves).
Demat	Dematerialized
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
Dist./Dist	District
Disbursements	Disbursements is the aggregate of all loan amounts extended to customers in the relevant period/ year.
Disbursement Growth	Disbursement growth represents the percentage growth in disbursement for the relevant period/ year over disbursement for the previous period/year.
Disbursement per branch per month	Disbursement per branch per month represents Disbursement as of the last day of the relevant period/ year divided by the aggregate number of our branches divided by number of months as of the relevant period/ year
Disbursement per employee per month	Disbursement per employee per month represents Disbursement as of the last day of the relevant period/ year divided by the aggregate number of our employee divided by number of months as of the relevant period/ year.
DP or Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant’s Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion)
DRT	Debt Recovery Tribunal
EBIT	Earnings before interest and tax
EBITDA	EBITDA is calculated as restated profit for the year/ period, plus total tax expenses, finance costs and depreciation and amortization expenses
EBITDA Margin	EBITDA Margin is the percentage of EBITDA divided by revenue from operations
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
Est.	Estimated
EU	European Union
Euro or €	Euro, the official currency of the Eurozone
FCNR	Foreign Currency Non-Resident
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the provisions of FEMA
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations there under
FEMA Non-debt Instruments Rules/ FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Regulations	The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, 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

Term	Description
Financial Year/ Fiscal/Fiscal Year/ FY	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
Fraudulent Borrower	Fraudulent Borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAR	General Anti-Avoidance Rules
Gazette	Gazette of India
GDP	Gross domestic product
GoI or Government or Central Government	Government of India
Gross non-performing assets Ratio	Gross non-performing assets ratio is Gross non-performing assets divided by Gross Loans outstanding as of the end of the relevant period/ year.Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as of the end of the relevant period/year.
GST	Goods and services tax
GVA	Gross value added
HNI	High Net worth Individual
H.R./HR	Human Resources
HUF	Hindu undivided family
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ICAI Guidance Note	Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Ind AS 24	Indian Accounting Standard 24, "Related Party Disclosures", notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015
Ind AS 37	Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015
Ind AS 110	Indian Accounting Standard 110, "Consolidated Financial Statements", notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP/ IGAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
Impairment on financial instruments / Average Total Assets	Impairment on financial instruments to average total assets represents impairment on loans, bad debts written off (net of recoveries) for the relevant period/ year to the average total assets for the relevant period/ year.
IPC	The Indian Penal Code, 1860
IPO	Initial public offering

Term	Description
IST	Indian Standard Time
IT	Information Technology
IT Act or Income Tax Act	The Income Tax Act, 1961
KYC	Know your customer
Listing Agreement	The equity listing agreement to be entered into by our Company with each of the Stock Exchanges
Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
March 2021 Circular	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 amended by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.
MCA	Ministry of Corporate Affairs
MICR	Magnetic Ink Character Recognition
Mn/ mn	Million
MSMEs	Micro, small or a medium enterprise
m-o-m	Month on Month
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N/A/ N.A./ NA	Not applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Funds Transfer
Net Interest Income	Net interest income represents the difference between interest income and finance costs for the period/ year. Interest income represents the sum of interest income on financial assets measured at amortized cost, interest on deposits with Bank and income on investment, for the relevant period/ year.
Net Interest Margin	Net Interest Margin represents the difference between interest income and finance costs for the period/ year to the average total assets for the period/ year.
Net NPAs to net advances (Net NPA Ratio) (%)	Net NPAs to net advances (Net NPA Ratio) represents our Net Non-performing assets to our Gross Loans reduced by impairment loss allowance on Gross Non-performing assets as of the end of the relevant period/ year. Net NPA represents Gross non-performing assets reduced by provisions for NPAs (excluding provisions on standard assets) as at the end of relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year.
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, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
No(s).	Number(s)
Non-GAAP Measure(s)	Non-GAAP measures comprises EBIT, EBITDA, EBITDA Margin Other Operating Expenses, Capital Employed, Return on Capital Employed, Return on Equity, Debt to Equity, PAT Margin, CAGR and others
Novel Coronavirus	Severe acute respiratory syndrome coronavirus 2, a strain of coronavirus that causes coronavirus disease 2019, a respiratory illness.
NPCI	National Payments Corporation of India
NRE Account	Non-resident external rupee account

Term	Description
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 or an overseas citizen of India cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident ordinary account
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
Other Operating Expenses	Other operating expenses is calculated as other expenses less freight and forwarding charges and advertisement and sales promotion expenses.
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit after tax
PAT per Employee	PAT per employee represents PAT as of the last day of the relevant period/ year divided by the aggregate number of our employee as of the last day of relevant period/ year.
PAT per Branch	PAT per branch represents PAT as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year
PAT Margin	PAT Margin is calculated as restated profit for the year/ period divided by total income, represented as a percentage.
PhD	Doctor of Philosophy
P/E	Price/earnings
P/E Ratio	Price to Earnings ratio
Product Wise AUM	Product wise AUM represents AUM split between loan products (Vehicle, MSME, Construction and Others) of the company outstanding as of last day of the relevant period/ year.
Product Wise Disbursement	Product Wise Disbursement represents Disbursement split between loan products (Vehicle, MSME, Construction and Others) of the company in the relevant period/ year
Provision Coverage Ratio on Gross non-performing assets	Provision Coverage Ratio on Gross non-performing assets (%) is calculated as provisions for NPAs (excluding provisions on standard assets) divided by Gross Non-Performing Assets as at the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year.
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
Return on Assets	Return on Average Total assets (RoTA) represent profit for the period/ year divided by average of total assets as at the end of the relevant period/ year and our total assets as at the end of the previous year.
RONW	Return on Average Net Worth (RoNW) is calculated as the profit for the period/ year as a percentage of Average Total Net Worth for such period/ year.
ROCE	RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by capital employed. Capital employed is calculated as net worth and total debt including lease liabilities.
ROE	Return on equity is calculated as restated profit for the year/ period divided by average total equity

Term	Description
RTGS	Real Time Gross Settlement
RUB	Russian Ruble
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI ICDR Master Circular	SEBI master circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI RTA Master Circular	SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI SBEBSE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
Spread	Spread is the difference between yield on average gross loans and average cost of borrowing.
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
Stamp Act	The Indian Stamp Act, 1899
STT	Securities transaction tax
Total Borrowings	Aggregate of debt securities, borrowing (other than debts securities) and subordinated liabilities
TAN	Tax deduction Account Number
U.S. Securities Act	U.S. Securities Act of 1933
U.S./USA/United States	United States of America
USD or US$	United States Dollars
VaR	Value at risk
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Yield on average Gross Loans	Yield on average gross loans is Interest income on financial assets measured at amortised cost divided by average gross loans.
y-o-y	Year on Year

CURRENCY CONVENTIONS, CURRENCY OF PRESENTATION, USE OF FINANCIAL INFORMATION, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" 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 in this Draft Red Herring Prospectus to the "U.S.", "US", "U.S.A" or "United States" are to the United States of America and its territories and possessions.

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

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

Financial Data and Other 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. Accordingly, all references to a particular Financial Year or Fiscal Year or Fiscal, unless stated otherwise, are to the 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless otherwise stated or context requires otherwise, the financial information and financial ratios included in this Draft Red Herring Prospectus have been derived from our Restated Financial Statements.

Restated Financial Statements of our Company comprising of the restated statement of assets and liabilities for the three months period ended June 30, 2024 and years ended March 31, 2024, March 31, 2023 and March 31, 2022, the restated statement of profit and loss (including other comprehensive income), the restated statement of changes in equity and, the restated statement of cash flows for the three months period ended June 30, 2024 and years ended March 31, 2024, March 31, 2023 and March 31, 2022, and notes to the Restated Financial Statements, prepared in accordance with the requirements of Section 26 of the Companies Act 2013; Paragraph (A) of Clause 11 (I) of Part A of Schedule VI of the SEBI ICDR Regulations 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. Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Red Herring Prospectus to a particular FY, Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12-month period ended on March 31 of that particular calendar year.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact 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 impact 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. For risks relating to significant differences between Ind AS and other accounting principles, see *Risk Factor No. 56– Significant differences exist between Indian accounting standard and other accounting principles, such as international financial reporting standards and United States generally accepted accounting principles, which investors may be more familiar with and may consider material to their assessment of our financial condition*" on page 68.

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

Unless the context otherwise indicates, any percentage amounts or ratios (excluding certain operational metrics), relating to the financial information of our Company in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Financial Statements.

Non-GAAP Measures

Certain Non-GAAP measures relating to our financial performance, such as, Net worth, Net interest, Average interest earning assets, Net interest margin, Average AUM, Operating expenses to Average AUM(%), Net total income, Cost to income ratio, Credit cost, Credit cost to Average Term loans (Gross) (%), Credit cost to Average AUM (%), Debt to Equity ratio, Return on total assets, Return on AUM, Return on Equity, Interest Income / Average AUM (%), Finance cost / Average AUM (%), Other Operating Income, Other Operating Income / Average AUM (%), Net total income / Average AUM (%), Pre Provisioning Operating Profit, Pre Provisioning Operating Profit / Average AUM (%), Profit before tax / Average AUM (%), Gross Stage 3 Loans (%), Net Stage 3 Loans (%), Provision Coverage Ratio, Net asset value per equity share, Total borrowings, Total Interest earning assets, Average interest-earning assets / Average total assets (%), Average interest-bearing Liabilities / Average total assets (%), Average interest-earning assets / Average Interest bearing liabilities (%), Net yield on interest-earning assets (%), Yield on average Gross loan book (%), Average cost of borrowing, Spread (%), EBITDA, EBITDA to Total Income, Return on Net worth, Operating Expenses, Non-Interest Income and Total equity to Total assets (%) (together, "**Non-GAAP Measures**"), and certain other industry metrics relating to our operations and financial performance presented in this Draft Red Herring Prospectus are a supplemental measure of our performance that are not required by, or presented in accordance with, Ind AS or IFRS. Further, these Non-GAAP Measures and other industry metrics are not a measurement of our financial performance or liquidity under Ind AS, Previous 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 or IFRS. In addition, these Non-GAAP Measures and other industry metrics are not standardized 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 differently from us, limiting their utility as a comparative measure. Although the Non-GAAP Measures and other industry metrics are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance. For further details see "Other Financial Information" on page 426. For further details see "*Risk Factor No. 51 -In this Draft Red Herring Prospectus, we have included certain Non-GAAP ("Generally Accepted Accounting Principles") financial measures and certain other industry measures related to our operations and financial performance. These Non-GAAP measures and industry measures may vary from any standard methodology applicable across the Indian retailing industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.."* on page 66.

Currency and Units of Presentation

All references to:

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

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

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

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

Exchange Rates

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

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

(in ₹)

Currency	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
US$*	83.45	83.37	82.22	75.81

**Source: www.rbi.org.in and www.fbil.org.in*
Note: Exchange rate is rounded off to two decimal points.

In case the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been considered.

Industry and Market Data

Unless otherwise indicated, the industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled "*Research report on NBFC Industry*" dated December 2024 prepared and issued by CARE Analytics and Advisory Private Limited (CareEdge Research) ("**CARE Edge**") and publicly available information as well as other industry publications and sources. The CARE Report has been exclusively commissioned at the request of our Company and paid for by our Company for an agreed fee, pursuant to an engagement letter dated August 22, 2024, entered into between CARE Edge and our Company, for the purposes of confirming our understanding of the industry in which our Company operates, exclusively in connection with this Offer.

For details in relation to risks involving the industry, see *"Risk Factor No. 49- Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid by us for such a purpose.*" on page 66 of this Draft Red Herring Prospectus.

The CARE Report is available on the website of our Company at https://lifc.co.in/investor-services/ and has also been included in "*Material Contracts and Documents for Inspection*" on page 554. CARE Edge is an independent agency and is not a related party of our Company, Directors, Promoters, Key Managerial Personnel, Senior Management, Selling Shareholders or the Book Running Lead Manager. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CARE Report and included in this Draft Red Herring Prospectus with respect to any particular year, refers to such information for the relevant calendar year.

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.

Certain data in relation to our Company used in this Draft Red Herring Prospectus has been obtained or derived from the CARE Report which may differ in certain respects from our Restated Financial Statement as a result of, inter alia, the methodologies used in compiling such data. Accordingly, investment decisions should not be made based on such information.

In accordance with the SEBI ICDR Regulations, we have included in the chapter *"Basis for Offer Price"* on page 120, information pertaining to the peer companies of our Company. Such information has been derived from publicly available data of the peer companies. Accordingly, no investment decision should be made solely on the basis of such information. Such industry sources and publications are also prepared based on information available as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base this information on estimates and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in *"Risk Factors"* on page 35 of this Draft Red Herring Prospectus.

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements regarding our expected financial and results of operations, business, plans, and prospects are forward-looking statements, which include statements with respect to our business strategy, objectives, plans or goals, prospects, our expected revenue and profitability and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements include statements which generally can be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "can", "shall", "could", "expect", "estimate", "intend", "may", "likely" "objective", "plan", "project", "propose", "seek to", "will", "will continue", "will likely", "will pursue" or other words or phrases of similar import. However, these are not the exclusive means of identifying forward-looking statements.

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

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

1. We require substantial capital for our business.

2. Our business is primarily focused on MSME financing.

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

4. Majority of our Assets Under Management (AUM) are concentrated in the north-western region of India.

5. We are subject to certain conditions under our debt financing arrangements.

6. We operate in a highly regulated industry and are subject to risks associated with non-compliance with applicable laws.

7. We require certain statutory and regulatory licenses and approvals are required for conducting our business.

8. Our business is particularly vulnerable to interest rate risk, and volatility in interest rates for both lending and treasury operations.

9. We receive a significant portion of our aggregate recoveries in cash which exposes us to the risk of fraud and misappropriation of funds.

10. We are subject to periodic inspection by the Reserve Bank of India.

For further details regarding factors that could cause the actual results to differ from the expectations, please refer to the chapter titled *"Risk Factors"*, *"Our Business"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* on pages 35, 195 and 429 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. Forward-looking statements reflect our current views as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct.

These statements are based on the management's beliefs, assumptions, current plans, estimates and expectations, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Our Company, our Directors, Selling Shareholders, BRLM or any of their respective affiliates or advisors do not 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 SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by them in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to the Offer. Further, each Selling Shareholders shall, severally and not jointly (solely to the extent of statements specifically made or confirmed by such Selling Shareholders in relation to its portion of Offered Shares in this Draft Red Herring Prospectus), ensure that Bidders in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings specifically made or confirmed by such Selling Shareholders in the Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus 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 in the sections "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", "Restated Financial Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Outstanding Litigations and Material Developments", "Offer Procedure" and "Description of Equity Shares and Main Provisions of the Articles of Association" on at pages 35, 73, 88, 111, 195, 143, 293, 316, 429, 471, 504 *and 527 respectively.*

Summary of our primary business

We are a non-deposit taking non-banking financial company categorized as a 'NBFC–Middle Layer' primarily operating in Micro, Small and Medium Enterprises ("**MSME**") financing vertical and vehicle financing vertical. We offer MSME loans, vehicle loans, construction loans and other lending products to cater to the financial needs of our customers. As on September 30, 2024, we conduct our operations through 139 branches located in rural, semi-urban and urban areas in the states of Rajasthan, Gujarat, Madhya Pradesh and Chhattisgarh. As of June 30, 2024, our assets under management (AUM) stood at ₹10,355.35 million with our MSME and vehicle loan verticals contributing 75.49% and 17.46%, respectively. Further, our customer base comprises 26,065 customers, including 15,732 active MSME customers and 6,146 active vehicle loan customers as on June 30, 2024.

Summary of the Industry in which we operate

We operate in the credit market as a non-banking financial company (NBFC).

Total systemic credit has shown consistent growth from FY19 to FY24, with a notable acceleration in recent years. Looking ahead, systemic credit is projected to grow at a stable rate of 11.8% in both FY25 and FY26, with total credit expected to reach Rs. 243.06 trillion in FY25 and Rs. 271.80 trillion in FY26 and approx. Rs. 300 trillion in FY27, reflecting ongoing growth in both corporate and retail lending as the economy continues to expand. NBFC credit has been the fastest-growing segment within the credit market, reflecting the growing role of NBFCs in providing financing to underserved sectors like small and medium enterprises (SMEs) and retail customers. This rapid growth is driving the increase in their share of total credit. Commercial credit to MSMEs in India grew at a steady pace of 11% CAGR in the 4-year period from Sep-19 to Sep-23. CareEdge Research expects NBFC MSME AUM to grow at a CAGR of approx. 22% to 24% and cross Rs. 6 trillion mark by end of FY27. *(Source: CARE Report)*

Promoters of our Company

Deepak Baid, Prem Devi Baid, Aneesha Baid, Hirak Vinimay Private Limited, Deepak Hitech Motors Private Limited, Prem Dealers Private Limited and Vivan Baid Family Trust are the Promoters of our Company.

For details, see "*Our Promoters and Promoter Group*" on page 293.

Offer Size

The following table summarizes the details of the Offer:

Offer(1)(2)(3)(4)	Up to 16,092,195 Equity Shares of face value of ₹5 each for cash at price of ₹[●] per Equity Share of face value of ₹5 each (including a premium of [●] per Equity Share aggregating up to ₹ [●] million
Of which	
i) Fresh Issue(1)	Up to 10,453,575 Equity Shares of face value of ₹5 each aggregating up to ₹ [●] million

ii) Offer for Sale[(2)(3)]	Up to 5,638,620 Equity Shares of face value of ₹5 each aggregating up to ₹ [●] million
The Offer comprises:	
Employee Reservation Portion[(4)]	Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹ [●] million
Net Offer	Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹ [●] million

(1) *The Offer including the Fresh Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on November 28, 2024 and by our Shareholders pursuant to a special resolution passed at their meeting held on November 29, 2024. .*

(2) *Our IPO Committee has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated November 29, 2024. For further details, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 73 and 479, respectively.*

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

Name of the Selling Shareholders	***Maximum number of Offered shares***	***Aggregate proceeds from Offer for Sale***	***Date of Board Resolution / Authorization***	***Date of consent letter***
Promoter Selling Shareholders				
Deepak Baid	*Up to 3,084,952*	*Up to ₹[●] million*	-	*November 29, 2024*
Prem Devi Baid	*Up to 913,070*	*Up to ₹[●] million*	-	*November 29, 2024*
Aneesha Baid	*Up to 1,261,902*	*Up to ₹[●] million*	-	*November 29, 2024*
Deepak Hitech Motors Private Limited	*Up to 180,000*	*Up to ₹[●] million*	*November 29, 2024*	-
Prem Dealers Private Limited	*Up to 90,000*	*Up to ₹[●] million*	*November 29, 2024*	-
Promoter Group Selling Shareholders				
Preeti Chopra	*Up to 54,348*	*Up to ₹[●] million*	-	*November 29, 2024*
Rashmi Giria	*Up to 54,348*	*Up to ₹[●] million*	-	*November 29, 2024*

(4) *Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000s. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. For further details, see "Offer Procedure" and "Offer Structure" beginning on pages 504 and 498, 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 of the Offer, see "*The Offer*" and "*Offer Structure*" on pages 73 and 498, respectively.

Objects of the Offer

The Net Proceeds from the Fresh Issue are proposed to be utilized in accordance with the details provided in the following table:

Particulars	**Amount (in ₹ million)[(1)]**
Augmentation of our capital base to meet our future capital requirements towards onward lending	[●]
General corporate purposes[(1)]	[●]

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

For further details, see "*Objects of the Offer*" on page 112.

Aggregate pre-Offer shareholding of the Promoters, Promoter Group and Selling Shareholders

Name	Number of Equity Shares held as on the date of this Draft Red Herring Prospectus	Percentage of total pre-Offer paid up equity share capital (%)	Percentage of the post-Offer paid-up Equity Share capital (%)
Promoter			
Deepak Baid*	7,384,952	17.66	[●]
Prem Devi Baid*	1,413,070	3.38	[●]
Aneesha Baid*	2,261,902	5.41	[●]
Hirak Vinimay Private Limited	21,748,484	52.01	[●]
Deepak Hitech Motors Private Limited*	2,801,082	6.70	[●]
Prem Dealers Private Limited*	1,079,114	2.58	[●]
Vivan Baid Family Trust	14,400	0.03	[●]
Total (A)	**36,703,004**	**87.78**	[●]
Promoter Group			
Preeti Chopra*	213,960	0.51	[●]
Rashmi Giria*	319,224	0.76	[●]
Total (B)	**533,184**	**1.27**	**[●]**
Total (A+B)	**37,236,188**	**89.05**	**[●]**

* *Also the Selling Shareholders*

Summary of Selected Financial Information

The details of our Equity Share capital, Other Equity, Net Worth, total income, Profit for the period/year, Earning per share (Basic and diluted), Net Asset Value per Equity Share and total borrowings for the three months period ended June 30, 2024 and financial years ended March 31, 2024, 2023 and 2022 derived from the Restated Financial Statements are as follows:

(₹ in million, unless otherwise stated)

Particulars	Three months period ended June 30, 2024	For the Fiscals		
		2024	2023	2022
Equity Share Capital	198.63	198.63	183.17	158.90
Other Equity	1,884.86	1,818.71	1,342.30	1,107.51
Net Worth(i)	2,079.18	2,012.15	1,523.27	1,261.87
Total Income	512.55	1750.18	1306.68	982.45
Profit for the year	66.16	226.21	160.28	145.72
- Earnings per share (basic)	3.34	12.22	10.04	9.99
- Earnings per share (diluted)	3.34	11.31	10.03	9.99
Net Asset Value per Equity Share(ii)	104.68	101.30	76.69	79.41
Total Borrowings(iii)	9,059.98	7,666.77	6,154.87	4,113.56

Notes:

(i) 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, as per the Restated Financial Statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

(ii) Net Asset Value per Equity Share represents Net Worth as at the end of the relevant fiscal, as divided by the number of Equity Shares outstanding at the end of the relevant Fiscal.

(iii) Total borrowings represent aggregate of debt securities, borrowing (other than debts securities) and subordinated liabilities as of the last day of relevant fiscal.

For further details, see *"Restated Financial Statements"* on page 316.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Financial Statements

No reservations, qualifications and adverse remarks have been made by our Statutory Auditors in their reports which have not been given effect to in the Restated Financial Statements.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, Directors and Promoters as on the date of this Draft Red Herring Prospectus is provided below:

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million)(1)
Company						
By the Company	2718(3)	Nil	Nil	NA	Nil	1268.38
Against the Company	Nil	5	Nil	NA	1	22.89
Directors(2)						
By the Directors	Nil	Nil	Nil	NA	Nil	Nil
Against the Directors	Nil	Nil	Nil	NA	Nil	Nil
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	1	8	Nil	Nil	Nil	9.10
Outstanding litigation which may have a material impact on our Company	NA					

(1)*To the extent quantifiable*
(2) *Excluding Individual Promoters*
(3) *Exclusive of 662 cases filed u/s. S. 138 of Negotiable Instruments Act, 1881 involving an aggregate sum of ₹ 402.80 million where the corresponding loan accounts have been assigned by our Company to certain asset reconstruction companies / financial institutions and substitution of our name in such proceedings with the assignee's name is pending.*

The amounts mentioned above may be subject to additional interest/ penalties levied by the concerned authorities which have not been included above as it may not be ascertainable as on date of this Draft Red Herring Prospectus. For further details regarding these legal proceedings, please see *"Outstanding Litigations and Material Developments"* on page 471.

Risk Factors

For details of the risks applicable to us, see "*Risk Factors*" beginning on page 35. Investors are advised to read the risk factors carefully before making an investment decision in the Offer.

Summary of Contingent Liabilities

The following is a summary table of our contingent liabilities as of three months period ended June 30, 2024, as per Ind AS 37:

(₹ in million)

Particulars	Three months period ended June 30, 2024
Claims against the company not acknowledged as debt (i) Probable GST Liability related to corporate guarantee issued/taken	1.90

For further details, please see the *"Note 47 – Provisions, Contingent Liabilities, Contingent Assets"* under the chapter *"Restated Financial Statements"* on page 316.

Summary of Related Party Transactions

The following is the summary of related party transactions (post inter-company eliminations) for the three months period ended June 30, 2024 and for the Fiscals 2024, 2023 and 2022, in accordance with the requirements under Ind AS 24 read with the SEBI ICDR Regulations, and as derived from the Restated Financial Statements.

(in ₹ million)

Nature of Transaction	Name of Related Party	Quarter ended June 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Director Remuneration	Deepak Baid	6.90	28.75	27.60	24.00
	Aneesha Baid	4.31	17.97	17.25	15.00
	Prem Devi Baid	3.45	14.38	12.46	8.73
Sitting Fees	Anil B Patwardhan	0.09	0.69	0.52	0.20
	Yaduvendra Mathur	-	0.52	0.40	-
	Mr. Kishore Kumar Sansi	0.09	0.42	-	-
	Mr. Surendra Mehta	0.15	0.66	-	-
Salary, Allowances & Bonus	Piyush Somani	-	3.98	3.39	2.75
	Gopal Krishan Sain	1.40	0.22	-	-
	Neha Somani	-	-	-	1.39
	Anurag Jain	-	-	-	0.29
	Gajendra S Shekhawat	-	0.64	0.82	0.51
	Sourabh Mishra	0.45	0.29	-	-
Rent paid to	Aneesha Baid	0.15	0.46	0.16	0.43
	Deepak Baid	0.13	0.47	2.61	2.23
	Prem Devi Baid	0.25	0.76	0.32	0.29
Unsecured Loan from	Aneesha Baid	-	-	-	41.24
	Deepak Baid	-	-	8.00	307.55
	Deepak Baid HUF	-	-	-	-
	Prem Devi Baid	-	-	-	79.62
	Tejkaran Baid & Sons HUF	-	-	-	0.10
	Champalal Distributors Private Limited	-	-	-	-
	Deepak Hitech Motors Private Limited	-	-	-	5.00
	Prem Dealers Private Limited	-	-	-	7.60
	Starpoint Constructions Private Limited (Associate)	-	-	-	12.20
Purchase of Fixed Assets (Immovable Property)	Deepak Baid	-	-	30	-
Loan Repaid	Aneesha Baid	-	-	7.08	47.72

Nature of Transaction	Name of Related Party	Quarter ended June 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
	Deepak Baid	-	-	36.94	312.24
	Deepak Baid HUF	-	-	-	2.09
	Prem Devi Baid	-	-	11.57	103.92
	Tejkaran Baid & Sons HUF	-	-	-	1.44
	Champalal Distributors Private Limited	-	-	-	-
	Deepak Hitech Motors Private Limited	-	-	-	5.00
	Prem Dealers Private Limited	-	-	-	7.60
	Starpoint Constructions Private Limited (Associate)	-	-	-	12.56
Interest on loan (expenses)	Aneesha Baid	-	-	0.18	1.88
	Deepak Baid	-	-	0.30	3.96
	Deepak Baid-HUF	-	-	-	0.10
	Prem Devi Baid	-	-	0.24	4.06
	Tejkaran Baid & Sons-HUF	-	-	-	0.10
	Champalal Distributors Private Limited	-	-	-	-
	Deepak Hitech Motors Private Limited	-	-	-	-
	Prem Dealers Private Limited	-	-	-	0.10
	Starpoint Constructions Private Limited (Associate)	-	-	-	0.36
Advances to staff	Aneesha Baid	-	-	-	-
	Deepak Baid	-	-	-	-
	Prem Devi Baid	-	-	-	-
	Sourabh Mishra	-	0.40	-	-
Advances to staff Repaid	Aneesha Baid	-	-	-	-
	Deepak Baid	-	-	-	-
	Prem Devi Baid	-	-	-	-
	Sourabh Mishra	0.05	0.05	-	-
Interest on Advances to staff(income)	Aneesha Baid	-	-	-	-
	Deepak Baid	-	-	-	-
	Prem Devi Baid	-	-	-	-
	Sourabh Mishra	-	-	-	-
Advance for CSR Expenses	Tejkaran Foundation	1.00	-	-	-

For details of related party transactions of our Company, as per the requirements under Ind AS 24 'Related Party Disclosures' for the three months period ended June 30, 2024 and for the Fiscals March 31, 2024, March 31, 2023 and March 31, 2022, please see *"Note 48 – Related Party Transactions"* under the chapter *"Restated Financial Statements"* on page 316.

Financing Arrangements

There have been no financing arrangements whereby the Promoters, members of the Promoter Group, directors of our Promoters, our Directors and their 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 the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted Average Price at which the Equity Shares were acquired by our Promoters and Selling Shareholders in the last one year preceding the date of this Draft Red Herring Prospectus

Except as stated below, there have been no Equity Shares that were acquired in the last one year preceding the date of this Draft Red Herring Prospectus by our Promoters or the Selling Shareholders.

Name	No. of Equity Shares acquired in last one year from the date of this DRHP	Weighted Average Price (in ₹)*
Promoter		
Deepak Baid**	1,184,431	18.37
Promoter Group Selling Shareholders		
Preeti Chopra	105,264	97
Rashmi Giria	105,264	95

**As certified by M/s. S. C. Bapna & Associates, Chartered Accountants, Statutory Auditors of the Company, by way of their certificate dated December 15, 2024*
***Promoter Selling Shareholder, in addition to being Promoter*

Weighted average cost of acquisition of all shares transacted by our Promoters, members of the Promoter Group and the Selling Shareholders in last three years, eighteen months and one year preceding the date of this Draft Red Herring Prospectus

Particulars	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 ₹)*
Promoters			
Last one year	18.37	[●]	23-190
Last 18 months	18.37	[●]	23-190
Last three years	39.81	[●]	23-190
Promoter Group			
Last one year	95.67	[●]	97-194
Last 18 months	95.67	[●]	97-194
Last three years	75.42	[●]	92-194
Selling Shareholders			
Last one year	27.46	[●]	23-194
Last 18 months	27.46	[●]	23-194
Last three years	41.38	[●]	23-194

**As certified by M/s. S. C. Bapna & Associates, Chartered Accountants, Statutory Auditors of the Company, by way of their certificate dated December 15, 2024*
^ To be updated on finalization of the Price Band.

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

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

Name	Date of acquisition of equity shares	No. of equity shares acquired	Face Value (in ₹)	Acquisition price per equity share (in ₹)
Promoters				
Deepak Baid*	August 16, 2024	97,474	10	190
	March 28, 2023	1,956,522	10	92

Name	Date of acquisition of equity shares	No. of equity shares acquired	Face Value (in ₹)	Acquisition price per equity share (in ₹)
	March 06, 2024	1,086,957	10	23
	March 31, 2022	137,342	10	84
Prem Devi Baid*	March 31, 2022	54,395	10	84
Aneesha Baid*	March 28, 2023	820,383	10	92
	March 31, 2022	46,359	10	84
Deepak Hitech Motors Private Limited*	March 28, 2023	1,086,957	10	92
	March 31, 2022	148,810	10	84
Prem Dealers Private Limited*	March 31, 2022	148,810	10	84
Hirak Vinimay Private Limited*	March 21, 2023#	8,107,047	10	-
	March 31, 2022	148,810	10	84
Promoter Group				
Preeti Chopra*	December 9, 2024	52,632	5	97
	December 7, 2024	52,632	5	97
	March 28, 2023	54,348	10	92
Rashmi Giria*	March 28, 2023	54,348	10	92
	August 16, 2024	52,632	10	190
	November 19, 2024	52,632	10	190
Shareholders with other rights				
Rajesh Bansal	March 07, 2024	26,500	10	190
Rachana Goenka	March 11, 2024	26,500	10	190
Srinithi Ventures	March 11, 2024	53,000	10	190
Trivikram Ventures	March 11, 2024	53,000	10	190
KJMC Corporate Advisors (India) Limited	March 11, 2024	26,500	10	190
VPK Global Ventures Fund	March 11, 2024	53,000	10	190
Benani Wealthfront LLP	March 11, 2024	26,500	10	190
Arun Mittal	March 05, 2024	26,500	10	190
Tarlaben Bhupendra Patel	March 06, 2024	26,500	10	190
Rajiv Gupta	March 11, 2024	26,500	10	190
Rakesh Rosan Dalmia	March 11, 2024	53,000	10	190
Intellect Fincap Advisors Private Limited	March 11, 2024	26,500	10	190
Harit Exports Private Limited	March 11, 2024	53,000	10	190
Anuj Premkumar Agarwal	March 11, 2024	26,500	10	190
Ashni Akarsh Mehta	March 11, 2024	26,500	10	190
	August 16, 2024	1,767	10	190
Angira Ravi Goenka	March 11, 2024	26,500	10	190
Avkash Anil Ganeriwal	March 11, 2024	26,500	10	190
Vipulbhai Kanubhai Patel	March 11, 2024	26,500	10	190
Vishal Sampat	March 11, 2024	26,500	10	190
	August 16, 2024	1,767	10	190
Shyam Sundar	July 11, 2024	21,000	10	190

Acquired under the Scheme of Amalgamation of Champalal Distributors Private Limited, Gatik Realcon Private Limited, Sulochana Sarees Private Limited, Starpoint Constructions Private Limited with Hirak Vinimay Private Limited approved by the Hon'ble National Company Law Tribunal, Kolkata Bench vide its order dated January 12, 2023.

**Also the Selling Shareholders*

For further details, see "*History and Certain Corporate Matters*" and "*Description of Equity Shares and Main Provisions of Articles of Association*" on pages 240 and 527, respectively.

Average Cost of acquisition of Equity Shares for our Promoters and the Selling Shareholders

The average cost of acquisition per Equity Share by our Promoters and Selling Shareholders is set forth in the table below:

Name of the Promoter / Selling Shareholders	No. of Equity Shares held	Average cost of Acquisition* (₹ per Equity Share)
Promoters		
Deepak Baid**	7,384,952	32.73
Prem Devi Baid**	1,413,070	24.92
Aneesha Baid**	2,261,902	37.89
Hirak Vinimay Private Limited#	21,748,484	17.94
Deepak Hitech Motors Private Limited**	2,801,082	30.40
Prem Dealers Private Limited**	1,079,114	31.94
Vivan Baid Family Trust	14,400	5.00
Promoters Group Selling Shareholders		
Preeti Chopra	213,960	71.09
Rashmi Giria	319,224	78.32

**As certified by M/s. S. C. Bapna & Associates, Chartered Accountants, Statutory Auditors of the Company, by way of their certificate dated December 15, 2024*
***Also the Promoter Selling Shareholders*
#Equity Shares acquired by Hirak Vinimay Private Limited under the Scheme of Amalgamation of Champalal Distributors Private Limited, Gatik Realcon Private Limited, Sulochana Sarees Private Limited, Starpoint Constructions Private Limited with Hirak Vinimay Private Limited approved by the Hon'ble National Company Law Tribunal, Bench at Kolkata vide its order dated January 12, 2023, have been excluded as the cost of acquisition is not ascertainable.

Details of Pre-IPO Placement

Our Company is not contemplating a pre-IPO placement.

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

Our Company has not issued Equity Shares for consideration other than cash during the last one year immediately preceding the date of filing this Draft Red Herring Prospectus.

Split/ consolidation of Equity Shares in the last one year

Pursuant to a resolution passed by our Board on November 13, 2024 and a resolution passed by the Shareholders on November 16, 2024, each equity share of face value of ₹10 each has been split into two Equity Shares of face value ₹5 each. Accordingly, the issued, subscribed and paid-up capital of our Company was sub-divided from 20,907,150 equity shares of face value of ₹10 each to 41,814,300 Equity Shares of face value of ₹5 each. For further details, see "*Capital Structure – Notes to the Capital Structure*" on page 88.

Exemption from complying with any provisions of securities laws

As on the date of this Draft Red Herring Prospectus, our Company has not applied for or received any exemption from the SEBI from complying with any provisions of securities laws.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Restated Financial Statements" on pages 195, 143, 429 and 316, respectively, of this Draft Red Herring Prospectus, as well as the other financial and statistical and other information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of our Company and our business and the terms of the Offer including the merits and risks involved.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. 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.

This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 24 of this Draft Red Herring Prospectus.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Statements included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Statements" beginning on page 316 of this Draft Red Herring Prospectus. Unless the context otherwise requires, in this section, references to "we", "us", "our", "our Company", or "the Company" refers to Laxmi India Finance Limited.

Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Research Report on NBFC Industry" dated December 2024 (the "CARE Report") prepared and issued by CARE Analytics and Advisory Private Limited (CareEdge Research) commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

1. ***We require substantial capital for our business and any disruption in our sources of funding or our inability to secure funding on favourable terms could adversely affect our liquidity, business, cash flows, results of operations and financial condition.***

Our ability to raise funds on acceptable terms and in a timely manner, depends on various factors including our current and future results of operations, risk management policies, credit ratings, brand equity, the regulatory environment and policy initiatives in India and developments affecting the Indian economy including the effect of events such as the COVID-19 pandemic, macro and micro economic and financial conditions or lack of liquidity in the market. Our business and results of operations depend on our ability to raise both, debt and equity from various external sources on suitable terms and in a timely manner.

We have historically met our financing requirements through several sources, including term loans and working capital facilities, securitized loans and non-convertible debentures. As of June 30, 2024, we have diversified sources of funding, and have access to funds from 43 lenders, including 7 public sector banks, 10 private banks, 5 small finance banks, 21 non-banking financial companies and financial institutions. The table below sets forth the different funding sources of our Company with respect to our outstanding principal and their respective contribution as a percentage of our total borrowings as at the dates indicated below:

(*₹ in million, unless otherwise specified*)

Source of funding	June 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings	Amount	% of total borrowings
Secured term loans	8,540.06	94.26	7,361.06	96.01	5,894.47	95.77	3,733.16	90.75
Secured loans repayable on demand:								
(a) Cash credit	-	-	25.48	0.33	-	-	29.96	0.73
(b) Overdraft facilities	-	-	50.03	0.66	19.80	0.32	-	-
Secured non-convertible debentures	347.04	3.83	50.02	0.65	231.74	3.77	287.89	7.00
Co-Lending arrangements	5.15	0.06	5.42	0.07	8.86	0.14	8.18	0.20
Subordinated liabilities	79.36	0.88	79.36	1.04	-	-	-	-
Unsecured loans	88.36	0.97	95.40	1.24	0.00	0.00	54.36	1.32
Total Borrowings	**9,059.98**	**100.00**	**7,666.77**	**100.00**	**6,154.87**	**100.00**	**4,113.55**	**100.00**

The table below provides a break-up of our borrowing mix with respect to our outstanding principal by type of lenders (excluding non-convertible debentures):

Particulars	June 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Number of Facilities	Amount (₹ in million)	Number of Facilities	Amount (₹ in million)	Number of Facilities	Amount (₹ in million)	Number of Facilities	Amount (₹ in million)
Public sector banks	11	2,071.64	10.00	1,918.57	8.00	1,537.14	4.00	511.03
Private banks	20	1,901.96	19.00	1,750.17	19.00	1,225.21	9.00	616.73
Small finance banks	14	1,037.37	16.00	782.35	16.00	670.53	15.00	595.91
NBFCs and Financial institutions	52	3,701.97	48.00	3,165.65	45.00	2,490.24	59.00	2,102.01

We are dependent on our top 10 lenders for a significant portion of our borrowings. The following table sets forth the break-up of our liability profile with our existing top 10, top 11-20 and the remaining lenders, as of the dates indicated:

Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Top 10 lenders	62.54%	62.27%	52.30%	56.40%
Top 11- 20 lenders	23.30%	20.08%	25.30%	28.63%
Remaining lenders	14.16%	17.65%	22.40%	14.97%

We cannot assure you that we will be able to maintain the liability profile and business levels given in the table above, or that we will be able to significantly reduce their concentration in the future. We have made applications to our lenders for seeking their consent / no-objection (NOC) to disclose their name(s) as a lender in the Offer Documents which consent is awaited as on the date of the Draft Red Herring Prospectus. Our ability to operate and grow depends on maintaining uninterrupted access to diverse capital sources and securing funding at competitive rates. Failure to secure funds on favourable terms, competitive interest rates, and within the required timeframe may adversely impact our liquidity position and financial condition. Moreover, restrictive financing terms may limit our financial and operational flexibility. Furthermore, an inability to raise funds on acceptable terms may compromise our debt servicing capabilities, both for existing and future obligations, which may lead to a deterioration in our credit profile and increase in the cost of borrowing. We cannot assure you that our business will continue to generate sufficient cash to enable us to service our existing and future debt or to fund our other liquidity needs. In addition, we may raise equity financing in the future. Our access to the equity markets is required to maintain parameters such as our debt-to-equity ratio, which in turn affects our ability to raise funds at competitive costs. If we are unable to obtain adequate financing in a timely manner and on acceptable terms, our business, results of operations and financial condition may be adversely affected.

2. ***Our business is primarily focused on micro, small and medium enterprises (MSMEs) and any adverse development in this sector or in government policies affecting this sector could affect our business, cash flows and results of operations.***

Our business is substantially focused on providing financial services to MSMEs in India. The following table sets forth the assets under management (AUM) in our MSME financing vertical as of the dates indicated:

(*in ₹ million, unless specified otherwise*)

Particulars	June 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Amount	% of overall AUM	Amount	% of overall AUM	Amount	% of overall AUM	Amount	% of overall AUM
AUM	7817.33	75.49	7108.45	73.94	5230.25	76.16	4277.91	80.47

This concentration of business in the MSME sector exposes us to various risks that could adversely affect our business, cash flows, and results of operations. For instance, our business is susceptible to regulatory risks stemming from changes in Indian regulations and policies, particularly those affecting MSMEs. The Government of India has implemented various policies and laws to promote the growth and development of MSMEs, including the Micro, Small and Medium Enterprises Development Act, 2006. Any amendments to this Act or the introduction of new laws and regulations may alter the operating environment for MSMEs, potentially impacting our business. The Reserve Bank of India's guidelines and regulations on non-banking financial companies (NBFCs) also impact our operations and any changes to these guidelines can affect our lending practices, capital requirements, and liquidity. Business failures or financial emergencies among our MSME customers can lead to defaults on loan repayments, resulting in significant credit losses. Insufficient collateral, inadequate credit assessment, and concentration of loans to specific industries or geographic regions within the MSME sector increase our exposure to sector-specific risks. Inadequate risk management practices, internal controls, or failure to adapt to changing market conditions can lead to credit losses, operational disruptions, or reduced competitiveness. Disruptions to our loan origination, servicing, or collection processes can affect our ability to manage our MSME loan portfolio. Fluctuations in interest rates can increase borrowing costs for our MSME customers, potentially reducing demand for our loans. Inflationary pressures can erode the purchasing power of our customers, impacting their ability to repay loans. Economic downturns can reduce consumer demand and spending, affecting the economic activity of our MSME customers and leading to reduced demand for our loans and increased defaults. Reduced demand for MSME financing, increased defaults, or difficulty in accessing funding from lenders or investors can impact our cash flows, liquidity, and profitability. Changes in lender or investor perceptions of the MSME sector can also affect our cost of funding.

Any adverse developments in the MSME sector could necessitate significant changes to our business strategies, potentially impacting our financial performance and stability. Our inability to adapt to these changes could compromise our competitive position, growth prospects, and overall success.

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

Our business operations primarily involve transactions with mid to low-income customers in rural and semi-urban areas of India, who are vulnerable to adverse economic conditions. The following table sets forth the details of branches across rural, semi urban and urban areas in the above states as at the dates indicated:

(*₹ in million, unless specified otherwise*)

Area	June 30, 2024			March 31, 2024			March 31, 2023			March 31, 2022		
	AUM	Number of branches	% of total branches	AUM	Number of branches	% of total branches	AUM	Number of branches	% of total branches	AUM	Number of branches	% of total branches
Urban	3505.36	32	23.70	3221.15	32	23.70	2581.79	28	23.53	2055.14	23	24.73
Semi-Urban	5347.62	74	54.82	5020.71	74	54.82	3302.39	66	55.46	2439.76	49	52.69
Rural	1502.37	29	21.48	1371.82	29	21.48	983.48	25	21.01	821.10	21	22.58
Total	**10355.35**	**135**	**100**	**9613.69**	**135**	**100**	**6867.66**	**119**	**100**	**5316.02**	**93**	**100**

Our customers typically have limited sources of income, savings, and credit histories, and often lack financial information. We also extend credit to first-time borrowers, who do not have a track record of formal loan repayment and therefore, it becomes challenging to carry out credit risk analysis of such customers. As a result, such customers may pose a higher risk of default in comparison to customers with greater financial resources and established credit history, or customers living in urban areas with better access to education, employment opportunities and social services. As on June 30, 2024, the first-time borrowers constituted 38.19% of our aggregate customer base. In particular, self-employed customers are often considered to be higher credit risk customers due to their potential to be more exposed to fluctuations in cash flows from income, business failure, insolvency and their increased exposure to adverse economic conditions. These customers may also be adversely affected by various factors such as lack of liquidity, market recession, loss of employment or personal exigencies.

We maintain internal control processes to ensure the defined procedures are followed and any deviations are reported to the management. While we follow the Know Your Customer ("KYC") guidelines set by the Reserve Bank of India ("RBI"), many of our customers often do not have any credit history supported by tax returns, proper proof of income, bank or credit card statements, statements of previous loan exposures, or other related documents that would help us assess their creditworthiness. Such customers typically have less financial wherewithal and may be particularly susceptible to adverse economic conditions, which may in turn adversely impact their ability to make timely payments or at all. As a result, we are more vulnerable to customer default risks including delay in repayment of principal or interest on our loans. Although we have an underwriting process, there can be no assurance that these measures are adequate to ensure a lower delinquency rate. Our profitability depends on our ability to evaluate the right income levels of our customers, assess the credit risks and to price our loans accordingly. Our customers may default on their obligations as a result of various factors. If our borrowers fail to repay loans in a timely manner or at all, our business, cash flows, financial condition and results of operations may be adversely impacted. To the extent we are not able to successfully manage the risks associated with lending to the customers in rural and semi-urban areas, our business, cash flows, financial condition and results of operations may be adversely impacted.

For further details in relation to our underwriting process, see "Our Business – Description of our Business and Operations – Underwriting and Collections" on page 214.

4. ***Majority of our Assets Under Management (AUM) are concentrated in the north-western region of India and any adverse developments in this region could have an adverse effect on our business, cash flows and results of operations.***

Our business is heavily concentrated in the north-western region of India, with a significant majority of our Assets Under Management (AUM) and branches located in the state of Rajasthan. The remaining branches are spread across the states of Gujarat, Madhya Pradesh and Chhattisgarh. The following table sets forth the geographical spread of our branches as at the dates indicated:

State	June 30, 2024	March 31, 2024	March 31, 2023	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
Rajasthan	89	65.93	89	65.93	90	75.63	75	80.65
Madhya Pradesh	24	17.78	24	17.78	14	11.76	8	8.60
Gujarat	18	13.33	18	13.33	15	12.61	10	10.75
Chhattisgarh	4	2.96	4	2.96	-	-	-	-
Total	135	100	135	100	119	100	93	100

The following table sets forth details of our AUM for the above states, as at the dates indicated:

(*in ₹ million, unless specified otherwise*)

State	**June 30, 2024**		**March 31, 2024**		**March 31, 2023**		**March 31, 2022**	
	AUM	**% Share of AUM**	**AUM**	**% Share of AUM**	**AUM**	**% Share of AUM**	**AUM**	**% Share of AUM**
Rajasthan	8,402.26	81.14	7,872.92	81.89	6,084.02	88.59	4,968.81	93.47
Madhya Pradesh	1,176.95	11.37	1,000.53	10.41	342.62	4.99	97.94	1.84
Gujarat	757.16	7.31	727.09	7.56	441.02	6.42	249.27	4.69
Chhattisgarh	18.98	0.18	13.15	0.14	0.00	0.00	0.00	0.00
Total	**10,355.35**	**100.00**	**9,613.69**	**100.00**	**6,867.67**	**100.00**	**5,316.02**	**100.00**

This geographic concentration exposes us to regional economic, social, and political risks that could adversely affect our business, cash flows, and results of operations. Local economic conditions, cultural factors, and infrastructure vary significantly across regions, influencing business operations and access to financing. Adverse developments in these regions, such as social unrest, changes in local government policies, natural disasters, or economic downturns, can disrupt business operations, increase loan defaults, and reduce demand for financing. For instance, changes in local or state government policies, such as new taxes or regulations, can create challenges or opportunities that require us to adapt our business strategies quickly.

While we have prioritized organic geographic diversification in last three Fiscals, with a focus on strategic management of state concentration risk by expanding into new geographical areas that offer significant growth opportunities, our inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates could have an adverse effect on our business and results of operations. Failure to effectively manage regional risks could result in additional expenditures, diversion of resources, and negative impacts on our finances, operations, and cash flow, ultimately threatening our long-term success. Furthermore, our inability to diversify the geographic presence of our Company and mitigate these regional risks may compromise our growth prospects and stability.

5. ***We are subject to certain conditions under our debt financing arrangements. Any failure to meet such conditions and restrictions could result in the termination of our credit facilities or acceleration of our debt payment obligations.***

As on June 30, 2024, our total borrowings were ₹9,059.98 million which subjects us to certain risks and constraints, including, *inter alia*:

(a) fluctuations in market interest rates may increase the cost of our borrowings;
(b) ability to obtain additional financing in the future at acceptable terms;
(c) non-compliance with financial covenants may also result in restrictive provisions, limiting our use of funds and hindering our operational flexibility; and
(d) lenders may exercise their right to recall loans.

We are required to comply with various restrictive covenants and conditions restricting certain corporate actions, and we are required to take prior consent or intimate the lenders and/or debenture trustee (acting on or for behalf of the debenture holders) before carrying out such actions, including, but not limited to the following:

i to effect any adverse changes to or effect a major change in its capital structure;
ii to formulate or effect any scheme of amalgamation or merger or reconstruction;
iii to undertake any activity other than the activities indicated in the objects clause of the memorandum of association of our Company;
iv for any transfer of the controlling interest or the management set up;
v to undertake guarantee obligations on behalf of any other person;
vi for declaring any dividend if any instalment towards principal or interest remains unpaid on its due date;
vii to change constitutional documents; and
viii to nominate directors on our Board.

For the purpose of the Offer, our Company has made relevant applications to 43 lenders including 1 debenture trustees (acting on behalf of the debenture holders), as applicable, for seeking their consent / no-objection (NOC) to undertake the activities relating to the Offer including any consequent actions. As on date of this Draft Red Herring Prospectus, we have received consents / NOCs from 8 lenders. While we are taking reasonable efforts towards obtaining such consents / no-objection (NOC) from the respective lenders and/or debenture trustees, as of the date of this Draft Red Herring Prospectus, undertaking the Offer could be construed as an event of default under the relevant financing arrangement which may in turn result in cross default in certain other agreements. Any consequential action by such lenders / debenture trustees may adversely affect our ability to conduct our business.

Further, our financing arrangements also include financial covenants that require us to, among other things, maintain ratios relating to capital adequacy, value of hypothecated assets, qualifying asset norms, debt to equity and failure to observe covenants under our financing arrangements or failure to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, trigger of cross-default provisions and the enforcement of security provided. While there have been no instances of delay in the repayment of principal and by us in the past, we cannot assure you that we will be able to repay our loans in full, or at all, at receipt of a recall or acceleration notice, or otherwise. We may be restricted from obtaining alternative financing by the terms of our existing or future debt instruments. Any acceleration of amounts due under our facilities may also trigger cross default provisions under our other financing agreements. Any of these circumstances could adversely affect our business, credit ratings, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could adversely affect the price of the Equity Shares. Additionally, we cannot assure that our business will generate sufficient cash to service our debt or meet liquidity needs. We may need to refinance all or part of our debt on or before maturity. However, we cannot guarantee that refinancing will be possible on commercially reasonable terms or at all. If we encounter difficulties in refinancing our debt, our business, financial condition, results of operations, and cash flows may be adversely affected.

For further details on the aggregate borrowings of our Company along with principal terms of our outstanding borrowings, see "*Financial Indebtedness*" on page 468.

6. ***We operate in a highly regulated industry and are subject to risks associated with non-compliance with applicable laws. Any changes in the laws, rules and regulations applicable to our Company or any failure or omission to obtain, maintain or renew these licenses and approvals in a timely manner, or at all, could adversely affect our business, cash flows and results of operations.***

We operate in a highly regulated industry which requires us to adhere to various laws, rules and regulations. Any changes in the laws, rules and regulations applicable to us may adversely affect our business, financial condition, cash flows and results of operations. For example, we are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure provisioning and other master directions. Adverse regulatory developments regarding non-performing assets and provisioning may negatively impact our financial performance. The RBI also regulates the credit flow to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI, from time to time, amends the regulatory framework governing NBFCs to address concerns arising from certain divergent regulatory requirements for banks and NBFCs.

The Indian banking and financial services industry is governed by increasingly complex laws and regulations, covering issues such as interest rates, liquidity, investments, ethics, money laundering, and privacy. These laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could adversely affect our business and our financial performance. Further, many of the regulations applicable to our operations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be deemed to be in contravention of such laws and may be subject to penalties and legal proceedings against us. Unfavourable changes in or interpretations of existing laws, rules and regulations, may result in non-compliance or require additional approvals, potentially impacting our operations.

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. For further details, see Risk Factor No. 10 "*-We are subject to periodic inspection by the Reserve Bank of India. Non-compliance with the observations of the Reserve Bank of India could adversely affect our business, financial condition, results of operations and cash flows.*", "*Key Regulations and Policies*" and "*Government and Other Approvals*" on pages 43, 225 and 476, respectively.

7. ***We require certain statutory and regulatory licenses and approvals are required for conducting our business. Our inability to obtain, renew or maintain certain statutory and regulatory permits and approvals required to operate our business may adversely impact our business, results of operation and cash flows.***

We are required to obtain, renew and maintain certain statutory and regulatory licenses and approvals to operate our business. Some of these approvals are granted for a limited duration and are subject to numerous conditions. For instance, our certificate of registration from the Reserve Bank of India (RBI) to operate as an NBFC-ICC, categorized as a 'NBFC – Middle Layer' under the NBFC Scale Based Directions, requires compliance with specific terms and conditions to continue our NBFC operations. Further, we have also filed an application dated December 11, 2024 seeking approval from the RBI *inter alia* in relation to the proposed Offer, as per the NBFC Scale Based Directions ("**RBI Approval**"). As of the date of the Draft Red Herring Prospectus, we have not received the RBI Approval. Additionally, we require various registrations to operate our branches in the ordinary course of business. These registrations are required under respective legislations governing shops and establishments, professional tax, labour-related registrations (including employee state insurance and employee provident fund) and GST registrations of the particular state in which we operate. Certain approvals that are required to operate such branches are pending to be applied or applied for but have not been received as on the date of this Draft Red Herring Prospectus. Further, the approvals obtained by us are required to be renewed from time to time. Accordingly, we have either made an application to the appropriate authorities for renewal of such approvals or are in the process of making such applications. For further details, see "*Government and Other Approvals*" on page 476.

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. There can be no assurance that we will be able to maintain or renew such licenses, registrations, permits or approvals nor that we will not be subject to new licensing requirements, particularly in relation to new business operations. There can be no assurance that the relevant authorities will grant the required permissions or renew the expired licenses and approvals in the anticipated timeframe, or at all. In addition, any non-compliance with the terms and conditions of such licenses, registrations, permits or approvals could result in the suspension or revocation of such licenses, registrations, permits or approvals. If we fail to obtain any applicable approvals, licenses, registrations or consents in a timely manner or at all, some of our contracts with third parties may be terminated and we may not be able to undertake certain operations of our business which may affect our business, results of operations and cash flows.

8. ***Our business is particularly vulnerable to interest rate risk, and volatility in interest rates for both lending and treasury operations, could have an adverse effect on our net interest income and net interest margin, thereby affecting our results of operations and cash flows.***

The results of our operations depend upon the level of our interest margins as our primary revenue source is interest income. Interest rates are highly sensitive and any fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors. Any change in interest rates would affect our interest expense on our floating interest-bearing liabilities as well as our net interest income and net interest margin. The following table sets forth details of our yield on average Gross Loans, average cost of borrowing and interest margins as on the indicated dates:

Particulars	As of June 30, 2024	As of March 31,		
		2024	2023	2022
Gross Loans	9086.41	8203.31	5728.46	4522.73
Profit for the period/year	66.16	226.21	160.28	145.72
Yield on average Gross Loans (%)* (1)	5.44%	20.87%	21.34%	18.06%
Average cost of borrowing (%)* (2)	2.87%	12.06%	12.24%	12.46%
Interest Income	479.44	1647.85	1248.22	952.79
Interest margin (%)* (3)	2.26%	9.23%	9.27%	8.46%

** Not annualized for the period ended June 30, 2024*

Notes:

(1) Yield on average gross loans, which is a Non-GAAP measure, represents interest income on financial assets measured at amortized cost for the relevant period/ year divided by average gross loans. Average Gross Loans is the simple average of Gross Loans as at the end of relevant period/year and Gross Loans as at the end of relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 312.

(2) Average cost of borrowing, which is a Non-GAAP measure, is adjusted finance costs for the relevant period/ year divided by average total borrowings. Adjusted finance costs represents the finance costs reduced by interest on lease liability for the relevant period/ year. Average total borrowings, which is a Non-GAAP measure, is the simple average of total borrowings as at the end of relevant period/ year and total borrowings as at the end of relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 312.

(3) Interest Margin, which is a Non-GAAP measure, represents the difference between interest income and finance costs for the period/ year to the average total assets for the period/ year. Average total assets is the simple average of total assets as at the end of relevant period/ year and total assets as at the end of relevant previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 312.

We provide loans at fixed rates of interest. We borrow funds on both fixed and floating rates. We are therefore exposed to interest rate risks because we provide loans at fixed interest rates, for which the amounts and periods may differ from our funding sources. The following table sets forth the breakdown of our borrowings by interest rate types as of the dates indicated:

(₹ in million, except percentages)

Particulars	June 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Amount	% of total borrowings	Amount (₹ in million)	% of total borrowings	Amount (₹ in million)	% of total borrowings	Amount (₹ in million)	% of total borrowings
Floating rate borrowings	7412.38	81.81	6303.62	82.22	4342.40	70.55	1867.07	45.39
Fixed rate borrowings	1,647.62	18.19	1,363.15	17.78	1,812.48	29.45	2,246.49	54.61
Total	**9,059.98**	**100**	**7,666.77**	**100**	**6,154.87**	**100**	**4,113.55**	**100**

In a rising interest rate environment, we may not be able to pass on increased costs of funds to customers with fixed rate loan agreements, resulting in an adverse impact on our net interest income and net interest margins. Additional risks arising from increasing interest rates for our customers, among others, include reductions in the volume of commercial vehicle loans as a result of clients' inability to service high-interest rate payments; and reduction in the value of fixed income securities held in our investment portfolio.

Changes in market interest rates affect the interest rates we charge on our interest-earning assets differently from the interest rates we pay on our interest-bearing liabilities. An increase in interest rates could result in an increase in interest expense relative to interest income if we are not able to increase the rates charged on our portfolio loans and advances or if the volume of our interest-bearing liabilities is larger or growing faster than the volume of our interest-earning assets. Further, such increase in interest rates could affect our ability to raise low cost funds as compared to some of our competitors who may have access to lower cost funds.

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

9. We receive a significant portion of our aggregate recoveries in cash which exposes us to the risk of fraud and misappropriation of funds which may consequently affect our business.

Our business at times involves recovering principal and interest in cash transactions that exposes us to the risk of fraud by employees, agents, customers or third parties, theft, burglary, and misappropriation or unauthorized transactions by our employees. The following table sets forth details of our cash collection from our customers as of the period/ year ends indicated:

(₹ in million, except percentages)

Particulars	For the period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of total collections	Amount	% of total collections	Amount	% of total collections	Amount	% of total collections
Collections in cash	519.69	39.92	1734.33	42.06	1432.40	46.78	1331.16	49.00

Our security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or detect such activities in all cases, which may adversely affect our operations and profitability. Our employees may also become targets or victims of theft, burglary and other crimes if they are present when these crimes are committed and may sustain physical and psychological injuries as a result. We may encounter difficulties recruiting and retaining qualified employees due to this risk and our business and operations may be adversely affected. Publicity arising from such disclosure of fraud may also have an adverse impact on our customers' confidence in our security measures. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill.

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

As an NBFC, we have to mandatorily obtain a certificate of registration issued by the RBI and comply with other regulatory requirements. We therefore require certain statutory and regulatory approvals, licenses and, registrations for operating and expanding our business. We are subject to periodic inspections by the RBI under the Reserve Bank of India Act, 1934 on our operations, risk management systems, internal controls, regulatory compliance and credit monitoring systems, pursuant to which the RBI issues observations, directions and monitorable action plans on issues related to, among other things, any operational risks and regulatory non-compliances. Upon final determination by the RBI of the inspection results, we may be required to take actions specified therein by the RBI to its satisfaction. Non-compliance with observations made by the RBI during these inspections could expose us to penalties and restrictions.

In Fiscals* 2023 and 2022, RBI has recommended certain areas of improvement to our Company in relation to concerns such as, (a) to strengthen its systems and controls to ensure adherence to its policies; as identified in the Company's internal audit and VAPT report; (b) to implement system-based asset classification; (c) to have a board approved BCP / Disaster Recovery Policy; (d) to adhere to timelines while submitting regulatory returns to RBI; (e) to consider Right of Use Assets as intangibles for the calculation of NoF and Tier I Capital; (f) comply with various observations pointed out in IS Audit; (g) to only include the part of the loan assets in its balance sheet as agreed in the co-lending and business correspondent arrangements; (h) highlight the discussions of the members in the Board and committee meetings and not merely accepting the agenda items as presented; (i) to discuss the risks perceived in the Board / Risk Management Committee; and (j) to discuss the performance of the functions defined in the Risk Management policy in the Risk Management Committee.

* *The Company has not been subjected to inspection by the RBI for Fiscal 2024.*

Our Company has taken certain actions and corrective measures in relation thereto and we have responded to the observations made by the RBI in their reports pursuant to inspections undertaken for Fiscals 2023 and 2022. We cannot assure you that RBI will not make similar or other observations in the future. In the event we are unable to resolve such deficiencies and other matters to RBI's satisfaction, or are otherwise in non-compliance with RBI's directions, RBI may take regulatory and supervisory action which many include charging penalties, penalizing our management, restricting our activities or otherwise enforcing increased scrutiny and control over our operations, including by way of withholding approvals, or issuing conditional approvals.

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

As of June 30, 2024, 98.01% of our loan portfolio was secured and have an average Loan-to-Value (LTV) ratio of 49%. Set forth below are our product-wise average LTV ratios on AUM on origination basis for the corresponding periods:

Product	Primary Collateral	For three months ended on June 30, 2024 (%)	Fiscal 2024 (%)	Fiscal 2023 (%)	Fiscal 2022 (%)
MSME Loans	Self-occupied residential properties or commercial properties	43.60	43.67	43.76	43.87
Vehicle Loans	Vehicle being financed				
(a) Commercial Vehicles		72.40	71.79	71.07	72.56
(b) Two-Wheelers		81.46	81.01	79.55	78.59
(c) Tractors		76.93	75.82	74.05	76.56
(d) Electric Vehicles		74.87	75.50		
Construction Loans	Self-occupied residential properties or commercial properties or land	40.75	41.25	41.72	42.87

Risks arising from immovable property as collateral

Where immovable property is provided as security, (i) its value may decline, (ii) its ownership documents may not be duly registered or adequately stamped, which renders such documents inadmissible in evidence, unless stamped prior to enforcement with payment of requisite penalties, or (iii) there may be challenges in title verification. Consequently, should any default arise in relation to the corresponding loans, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such mortgaged properties. As a result, if our customers default in the future, we may not be able to fully recover the outstanding loan balance by liquidating the collateral under the relevant financing facility, and, in turn, incur losses. Even where we are able to successfully enforce our security, we may not be able to fully recover the outstanding loan balance due to costs incurred in the enforcement process.

Risks arising from a vehicle as collateral.

Depreciation in the value of the vehicle may result in losses on seizure and sale of the vehicle. We may not be able to realize the assessed or full value of our collateral, due to factors such as condition of the confiscated vehicle and the lack of value of vehicle in the re-sale market. In the case of a default where we are unable to recover principal and interest payments from the customer, there can be no assurance that we will be able to sell such vehicles at prices sufficient to cover the amounts under default. Moreover, there may be delays associated with such process. Any such losses could adversely affect our financial condition and results of operations. We may also encounter difficulties in repossessing and liquidating the collateral against our vehicle loan products. Further, there are various risks that arise out of lending for the purchase of a used vehicle by the customer. Used vehicle valuations are subjective and prone to errors, which can result in inaccurate credit appraisals and bad debts.

We may also be affected by failure of employees or external parties engaged for this purpose to comply with internal procedures and inaccurate appraisal of credit or financial worth of our clients. Such failure to properly appraise the value of the collateral provides us with no recourse against the borrower and the loan sanction may eventually result in a bad debt on our books of accounts. In the event we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected.

Any inability or delay in enforcing our security and liquidating collateral for defaulted loans could result in financial losses, adversely impacting our business, financial condition, operational results, and cash flows. Further, enforcing our legal rights by litigating against defaulting customers is generally a slow and expensive process in India. Also, given the profile of our customers, recovery through such litigation may not result in a viable outcome for us and result in us incurring high costs associated with such recovery proceedings.

For further details, see Risk Factor No. 3 "- *A majority of our business operations involve transactions with mid to low-income customers in rural and semi-urban areas of India who are susceptible to adverse economic conditions."* on page 38.

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

We face potential liquidity risks due to asset-liability mismatches, which could adversely affect our operations and profitability. Our assets and liabilities have differing maturity periods, creating a discrepancy that may lead to liquidity challenges. Although we had a positive asset-liability position as of June 30, 2024 across various maturities and had no cumulative mismatches up to the five years maturity, we cannot assure you that we will be able to continue to maintain a favourable asset-liability maturity profile in the future.

While we carefully track and categorize our assets and liabilities by maturity dates, we cannot guarantee a favourable balance in the future. A significant portion of our operations is funded through different types of loans, including both secured and unsecured loans from banks and financial institutions, along with other financial tools. If our assets and liabilities keep mismatching in their maturity dates, it may create liquidity risks that could harm our business, financial stability, and cash flow. For further details of our asset liability management, see "Our Business – Description of our Business and Operations – Risk Management – Liquidity Risk" on page 208.

We cannot assure you that our businesses will generate sufficient cash flow from operations such that our anticipated revenue growth will be realised or that future borrowings will be available to us under credit facilities in amounts sufficient to enable us to repay our existing indebtedness or fund our expansion efforts or other liquidity needs.

13. Some of our Promoters and Directors have extended personal guarantees in connection with some of our loan facilities obtained by our Company, and any failure or default by our Company to repay such loans could trigger repayment obligations on them, which may impact their ability to effectively service their obligations as our Promoters and Directors and thereby, adversely impact our business and operations.

Some of our Promoters, Deepak Baid*, Prem Devi Baid*, Aneesha Baid*, Hirak Vinimay Private Limited, Prem Dealers Private Limited* and Deepak Hitech Motors Private Limited* have provided personal and corporate guarantees to secure our existing borrowings which are continuing as on the date of this Draft Red Herring Prospectus. For details, please see "*History and Certain Corporate Matters - Details of guarantees given to third parties by our Promoter Selling Shareholders who are participating in the Offer for Sale*" on page 245.
**Also Promoter Selling Shareholders*

In the event any of default under any of the aforesaid facilities, there is a risk that the relevant lender for such facilities may invoke the guarantee(s) or require additional guarantees or collateral to be provided or may enforce its rights against our Promoters. If we are unable to procure alternative guarantees or additional securities satisfactory to the lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. In addition, our Promoters may be required to liquidate their respective shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. Accordingly, our business, the financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters in connection with our Company's borrowings.

14. ***Any inability to expand our business into new regions and markets in India could adversely affect our business, results of operations, financial condition and cash flows.***

Between March 2020 and March 2024, total credit in rural areas grew significantly from ₹7.26 trillion to ₹12.52 trillion, achieving a robust year-on-year growth rate of 17.5% in March 2024 *(Source: CARE Report*). In semi-urban areas, credit surged from ₹12.38 trillion to ₹22.57 trillion, reflecting an impressive growth rate of 22.3% *(Source: CARE Report*). As per the CARE Report, the rural and semi-urban credit market in India is significantly under-penetrated, presenting a substantial opportunity for NBFCs to capitalize on this whitespace.

As part of our growth strategy, we continue to evaluate opportunities into new markets to acquire new customers and selectively expand our operations to locations where we expect that customers are underserved, have lower penetration, and where there could be an opportunity for us to service an increased customer base. However, we recognize that factors like competition, customer needs, regulations, and local business practices may vary significantly in these new markets compared to our current ones. Our experience in existing markets might not always apply to these new environments. Furthermore, when we enter new regions, we will not only face competition from other banks and financial institutions but also from local private lenders. These local financiers are often more familiar with the specific regulations and customs, and they may have established relationships with potential customers.

Furthermore, as we expand into new regions, we may face several challenges, including obtaining government approvals, marketing our brand in unfamiliar areas, attracting customers without significant experience, dealing with local taxes, and hiring new employees. Addressing these challenges could require significant investments that may not yield the expected results, and any failure to successfully expand could negatively affect our business and financial performance. Our inability to expand our current operations or the sub-optimal performance of our new branches may adversely affect our business, financial condition, results of operations and cash flows.

15. ***As the NCDs of our Company are listed on BSE, we are subject to certain obligations and reporting requirements under SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.***

As the NCDs of our Company are listed on BSE, our Company is subject to the obligations and reporting requirements under SEBI Listing Regulations. In the past, there have been 8 instances when our Company had not complied with certain provisions of the SEBI Listing Regulations: (i) Our Company did not file its unaudited financial results for the Quarter ended September 30, 2021 as required under Regulations 52 (1), 52(4) and 54(2), within the prescribed period. BSE levied a fine of ₹5,25,100/- (including GST), ₹1,05,020/- (including GST) and ₹ 1,05,020/- (including GST) respectively for the said non-compliance. Our Company has paid the said fine amount on January 19, 2024; (ii) BSE has levied a fine of ₹ 11,800/- (including GST) on our Company for delay in submitting the notice of record date in terms of regulation 60(2) of SEBI Listing Regulations for the month of August 2021. Our Company has paid the said fine amount on December 8, 2022; (iii) BSE has levied a fine of ₹ 11,800/- (including GST) on our Company for delay in submitting the notice of record date in terms of regulation 60(2) of SEBI Listing Regulations for the month of November 2021. Our Company has paid the said fine amount on December 8, 2022; (iv) BSE has imposed a fine of ₹1,180/- (including GST) for non-compliance with Regulation 50(1) of SEBI Listing Regulations for quarter ending on March 2021. The said fine was waived off by BSE on March 8, 2023; and (v) BSE had imposed a penalty of ₹ 4,93,240/- (including GST) and ₹ 35,400/- (including GST) for Non-Compliance under Regulation 57(1) and Regulation 13(3) in March 2022 and quarter ending on December 2022 respectively. Subsequently, the said penalties have been withdrawn by BSE on November 23, 2022 and March 8, 2023, respectively. Our Company was debarred from accessing the BSE's Electronic Book Platform for bidding of debt securities issued on private placement private basis on account of delay in payment of penalties, up to July 2, 2024. The said debarment is not in force as on the date of this Draft Red Herring Prospectus.

Though our Company intends to comply with all such obligations/reporting requirements, there have been certain instances of non-compliance and delays in complying with such obligations/reporting requirements. Any such delays or non-compliance may render our Company to prosecution and/or penalties. Although our Company have not received any further communication from BSE or any authority in this regard, there could be a possibility that penalties may be levied against our Company for certain instances of non-compliance and delays in complying with such obligations / reporting requirements.

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

Our credit assessment process relies heavily on the accuracy and completeness of information provided by our customers and third-party service providers. We depend on customers to furnish correct information regarding their income, assets, financial transactions, and credit history. Although we adhere to the Know Your Customer (KYC) guidelines prescribed by the Reserve Bank of India (RBI) and verify income and residence details, our reliance on erroneous or misleading information may affect our judgement of credit worthiness of potential customers, and the value of and title to collateral. Further, we may have customers who are unable to document their entire income comprehensively. As per the CARE Report, micro & some small segment MSMEs are relatively unorganized with limited documented income proof. As of June 30, 2024, 38.19% of our customers do not have any credit history in the formal secured lending ecosystem. Accordingly, we may not be able to assess their creditworthiness accurately. While there have been no material instances of such misleading information being provided to us in the three preceding Fiscals and the three months ended June 30, 2024, to an extent our NPAs may be deemed to have resulted from our erroneous judgment of customers' ability or willingness to repay their debt, including owing to circumstances that arise after loans have been sanctioned. We may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation by our customers or employees. While we conduct credit checks, site visits, and personal discussions, we cannot assure you that accurate or comprehensive credit information will be available. These risks could adversely affect our financial performance, stability, and ability to effectively manage credit risks.

17. ***We rely on our credit ratings to access debt markets and financial institutions. While our credit ratings have been upgraded in the past, any future downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations and financial condition.***

Credit ratings reflect an independent agency's assessment of our financial stability, operational performance, strategic positioning, and ability to fulfil our obligations. Our Company being NBFC is heavily dependent on its ability to raise funds from the debt markets and other financial institutions. The cost and availability of capital depends in part on our short-term and long-term credit ratings. We are hence highly sensitive to changes in our credit ratings.

The details of credit rating, which has been obtained by us are given below:

Instrument	Rating Agency	Credit Rating	Date on which rating assigned / re-affirmed
Non-Convertible Debentures	Acuite Ratings	A- Stable	August 2, 2024
Bank Loan Rating	Acuite Ratings	A- Stable	August 2, 2024

Details relating to changes in our credit ratings during the Financial Years 2022, 2023 and 2024 and the three months ended June 30, 2024 are set forth below:

Rating Agency	Date of change	Nature of Change	Initial Rating	New Rating	Instrument
Acuite Rating	March 30, 2022	Upgrade	BBB+ Stable	A - Stable	Term Loan
Acuite Rating	March 30, 2022	Upgrade	BBB+ Stable	A - Stable	Non-Convertible Debentures
Acuite Rating	March 30, 2022	Upgrade	BBB+ Stable	A - Stable	Cash Credit

As of June 30, 2024, and for the previous three Fiscals, our credit ratings have not been downgraded. We cannot guarantee that our credit ratings will improve in the future. If we were to experience a downgrade, it could lead to higher borrowing costs and limit our access to capital and debt markets, ultimately harming our net interest margin and overall business operations. A downgrade could also trigger the recall of existing financing facilities, impose additional terms on future loans, hinder our ability to issue new debt and equity, and complicate our efforts to raise capital competitively. Credit rating agencies can suspend, withdraw, or modify their ratings at any time, and these ratings should be considered independently. They are not endorsements to buy, sell, or hold securities, so investors should make their own informed decisions. Any negative change in our credit ratings could significantly impact our business, financial health, operational results, and cash flow.

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

As an NBFC-Middle Layer, we are required to maintain a minimum capital adequacy ratio (CAR), consisting of Tier I- Capital and Tier II- Capital, of not less than 15.00% of our aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items, of which Tier I capital cannot be less than 10.00%.

The following table sets forth our capital risk to asset ratios as of the dates and for the period/ year indicated:

(*₹ in million, except percentages and ratios*)

Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Tier-I Capital(1)	1879.84	1783.73	1352.98	1144.10
Tier-II Capital(2)	75.43	75.21	28.01	14.93
Total Capital Funds	1955.27	1858.94	1380.99	1159.03
Risk Weighted Assets(3)	9393.24	8522.69	5982.12	4950.63
CAR(4) (%)	20.82%	21.81%	23.09%	23.41%
Tier-I Capital(1) (%)	20.01%	20.93%	22.62%	23.11%
Tier-II Capital (2) (%)	0.80%	0.88%	0.47%	0.30%

(1) *Tier I- Capital comprises of of paid up equity capital, free reserves ,Securities Premium balance, as reduced by (i) accumulated loss balance if any, (ii) book value of intangible assets and ROU, (iii) net un-realised gains arising on fair valuation of financial instruments (net of effect of taxation) and (iv) Deferred Revenue Expenditure if any.*

(2) *Tier II- Capital comprises of general provision and loss reserves (12 month expected credit losses) and Subordinate debts, to the extent the aggregate does not exceed Tier 1 capital.*

(3) *Risk weighted assets represents the weighted sum of our credit exposures based on their risk as prescribed by the RBI guidelines.*

(4) *CAR is computed by dividing our Tier I and Tier II- Capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.*

As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to remain in compliance with the applicable capital adequacy ratios. we will be required to raise additional Tier I capital and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that our Promoter or shareholders will approve additional investments into our Company, or that we will be able to raise adequate additional capital in the future on terms favourable to us, or at all. Our failure to maintain minimum capital adequacy requirements in future, may result in issuance of directions by the RBI which may affect our business, financial condition and results of operations. While there have been no such instances in the past, there can be no assurance that we will be able to maintain our CRAR within the regulatory requirements and a failure to do so could have a material adverse effect on our business, results of operations, cash flows and financial condition.

19. We rely on our information technology systems for our operations and its reliability and functionality is critical to the success of our business. If our information security measures are compromised, damaged or interrupted by cyber incidents, breaches, or other security problems, our business, reputation and financial condition could be adversely affected.

Our information technology ("**IT**") systems are a critical part of our business that help us manage, among other things, loan origination functions, collections, our risk management, as well as our increasing portfolio of offerings. For further details, see "*Our Business – Information Technology*" on page 218. 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, cyberattacks or similar events, or loss of support services from third-parties, such as internet backbone providers). In addition, we use third party software, platforms, services and data storage services, on-cloud data centres. An infiltration of our or such third parties' information technology systems may result in data losses or theft of our or customers' proprietary business or personally identifiable information. This could result in exposure to litigations, liabilities, remediation costs, disruption of internal operations, weakening of our competitive position, increased cybersecurity protection costs and loss of customer confidence.

Although we have not experienced any significant disruptions to our information technology systems in the past, we cannot assure you that we will not encounter disruptions in the future. Data security breaches could lead to the loss of intellectual property, public exposure of personal information of our customers and employees, which could result in breaches of applicable data security laws and resultant imposition of monetary penalties. Although we have not experienced any data security breaches in the past, any such security breaches or compromise of technology systems could result in institution of legal proceedings and potential imposition of penalties, which may have an adverse effect on our business, results of operations and reputation.

We intend to continue to implement security technology and establish operational procedures to prevent break-ins, damage and failures, however, there can be no assurance that these security measures will always be adequate or successful. Any cyber security breach could also subject us to additional regulatory scrutiny. We are dependent on various external vendors for certain elements of our operations, such as our cloud as well as loan origination and management systems, which we use and access through agreements with these external vendors. 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.

In addition, we could face litigation, significant damages for contract breach or other breaches of law, significant monetary penalties, or regulatory actions for violation of applicable laws or regulations and incur significant costs for remedial measures to prevent future occurrences and mitigate past violations.

20. There can be no assurance that our growth and financial performance will continue or will sustain at a similar rate or that we will be able to manage our rapid growth and maintain operational efficiencies.

We have witnessed consistent improvement in our balance sheet position in the last three Fiscals. The following table sets forth the details of our net worth and revenue from operations as of the dates / periods indicated:

(₹ in million, except percentages)

Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Net Worth[1]	2,079.18	2,012.15	1,523.27	1,261.87
Revenue from Operations	508.36	1,731.37	1,295.29	975.94

[1] *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, as per the Restated Financial Statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

There can be no assurance that our growth and financial performance will continue or will sustain at a similar rate or that we will be able to manage our growth and maintain operational efficiencies. If we grow our business assets too quickly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing. This would have a negative impact on the quality of our assets, our business, results of operations, cash flows and financial condition. The following table sets forth our CAGR in AUM and profit after tax between the periods indicated:

(₹ in million, except percentages)

Particulars	June 30, 2024	March 31, 2022	CAGR
AUM	10355.35	5316.02	34.49%
Profit after Tax	66.16	145.72	30.37%

Our strategy is to focus on profitable and sustainable growth of our AUM by growing our loan book and expanding our customer base. For details on our strategies, please refer to "*Our Business –Strategies*" on page 206.

21. If we are unable to control the level of Gross Non-Performing Asset in our portfolio effectively or if we are unable to maintain adequate provisioning coverage or if there is any change in regulatorily-mandated provisioning requirements, our financial condition and results of operations could be adversely affected.

Various factors that are beyond our control, such as macro-economic factors and adverse regulatory changes as well as customer-specific factors, such as wilful default and mismanagement of a customer's operations, may cause a further increase in the level of GNPAs and have a material adverse impact on the quality of our loan portfolio. Our customers may default on their repayment obligations due to various reasons including business failure, economic fluctuations can lead to increased defaults, especially if borrowers face cash flow challenges or industry-specific downturns, insolvency, lack of liquidity, increase in operating costs, or personal emergencies such as the death of an income-generating family member. Many of our customers may not have credit histories or formal income proofs, like tax returns, which makes it hard for us to assess their creditworthiness. Additionally, we might not get updated information about any changes in their financial situations, or we could receive incorrect or incomplete information due to misrepresentation by customers or employee. Any increase in our GNPAs could adversely impact our credit ratings and translate into an increase in our cost of funds. Furthermore, if the level of GNPAs increases, we will have to increase our respective provisions accordingly which may have a material adverse effect on our business, results of operations, cash flows and financial condition.

The table below sets forth our certain days past due (DPD) to Gross Loans, our Gross NPA to Gross Loans and Net NPA to Gross Loans as of the dates indicated:

(₹ in million, except percentages)

Metric	As on June 30, 2024		As on March 31, 2024		As on March 31, 2023		As on March 31, 2022	
	Total Gross Loans*	% of Total Gross Loans*	Total Gross Loans*	% of Total Gross Loans*	Total Gross Loans*	% of Total Gross Loans*	Total Gross Loans*	% of Total Gross Loans*
30+ DPD	505.09	5.56	401.93	4.90	203.15	3.55	282.20	6.24
60+ DPD	299.92	3.30	241.91	2.95	118.61	2.07	209.33	4.63
Gross NPA (i.e., 90+ DPD)	96.53	1.06	59.71	0.73	33.28	0.58	128.61	2.84
Net NPA	57.34	0.63	27.22	0.33	18.10	0.32	85.74	1.90

**Gross loans represents the aggregate amount of loan receivables from customers, including future principal, overdue principal, overdue interest and interest accrued but not due before considering impairment allowances, as of the last day of the relevant Fiscal.*

The table below sets forth our Provision Coverage Ratio, as at the dates indicated:

Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Provision Coverage Ratio on GNPAs	40.60%	54.41%	45.60%	33.33%

We cannot assure you that we will be able to maintain or reduce our current levels of NPAs in the future. As the number of our loans that become NPAs increase, the credit quality of our loan portfolio decreases. Further, as our loan portfolio grows, our NPAs may increase, and the current level of our provisions may not adequately cover any such increases. Negative trends or financial difficulties or general economic slowdown could unexpectedly increase delinquency rates. We cannot assure you that there will not be a significant increase in the portion of our loans that are classified as NPAs as our loan portfolio matures or as a result of changes in the applicable regulations.

22. ***We have incurred negative cash flows in the past and may continue to have negative cash flows in the future as we invest in further expanding our distribution network across India.***

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

(₹ in million)

Particulars	For three months end June 30, 2024	For the year March 31, 2024	For the year March 31, 2023	For the year March 31, 2022
Net cash from / (used in) operating activities	(887.91)	(2,237.54)	(1,694.14)	(187.93)
Net cash generated from / (used in) investing activities	1.93	(67.96)	51.41	(196.95)
Net cash generated from financing activities	1,392.47	1,775.36	2,126.77	331.87
Net increase/(decrease) in cash and cash equivalents	506.49	(530.14)	484.04	(53.02)

Such negative cash flows from operating activities for the three months ended June 30, 2024, and for Fiscals 2024, 2023 and 2022 were mainly attributable to an increase in loans disbursed. Negative cash flows from investing activities in Fiscals 2024 and 2022 were mainly attributable to our purchase of investments.

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, prospects, results of operations and financial condition may be materially and adversely affected. For further details, see "Restated Financial Information – Restated Financial Statement of Cash Flow" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 322 and 429, respectively. We may continue to incur negative cash flows as we continue investing in our distribution network.

23. ***Our Promoter Group Members may be engaged in a line of business similar to ours. Any conflict of interest which may occur as a result could adversely affect our business, prospects, results of operations and financial condition.***

Certain of our Promoter Group Members are engaged in a line of business similar to that of ours. They are directors on the board of certain companies which are in a line of business similar to ours. These entities may provide comparable services, expand their presence, solicit our employees or acquire interests in competing ventures in the locations or verticals in which we operate.

There can be no assurance that our Promoter / Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. A conflict of interest may occur between our business and the business of such entities, which could have an adverse effect on our business, financial condition, results of operations and cash flows. In case of such existing conflict, our customers may favour other companies in which our Promoter Group Members have interests. We will endeavour to take adequate steps to address any conflict of interest by adopting the necessary procedures and practices as permitted by applicable law, to address any conflict which may arise in the future.

24. ***We conduct majority of our operations on rented / leased premises. In case of non-renewal of rent / lease agreements or dispute in relation to use of the premises, our business and results of operations can be adversely affected.***

As of September 30, 2024, majority of our operations including 139 branches, are undertaken from rented or leased premises. Our registered office building is owned by us though the title in respect of a part thereof which was acquired by us under the agreement dated April 1, 2011 entered into with our Promoter, Deepak Baid (as proprietor of M/s. Deepak Finance and Leasing Co.) is yet to be perfected by execution of appropriate conveyance / sale deed. The parcel of land on which our registered office building is situated is held by us on leasehold basis. For further details, see "Our Business – Properties" on page 224.

The period of lease typically ranges from 11 months to 5 years, and the rentals are typically payable on the basis of prevailing market rates depending on the geographical location of the property. The rent / lease agreements entered into by us can be terminated, and any such termination could result in any of our offices being shifted or shut down. Some of the rent / lease agreements may have expired in the ordinary course of business and we are currently involved in negotiations for the renewal of lease agreements. While we have not faced major issues renewing the leases of our offices in the past, if these agreements are not renewed or not renewed on terms favourable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business and results of operations. We cannot assure you that we will be able to renew our leases on commercially acceptable terms, or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements, and we may be unable to relocate our premises in a timely manner or at an acceptable cost, which may adversely affect our business, results of operations, cash flows and financial condition.

25. ***The educational qualification proofs of certain Directors and Individual Promoters are not traceable. We have relied on declarations and undertakings furnished by such individuals for details of their profile included in this Draft Red Herring Prospectus.***

Our Directors, who are also our Individual Promoters, Deepak Baid, Prem Devi Baid and Aneesha Baid, have been unable to trace copies of documents pertaining to their educational qualifications, namely, bachelor's in commerce from University of Rajasthan, SSC and bachelor's degree in commerce from University of Bangalore, respectively. While Deepak Baid and Aneesha Baid have written letters to the concerned universities requesting for a copy of their marksheets, a response from the universities is awaited and there can be no assurance that the universities will respond to such letters in a timely manner or at all. There can be no assurance that they will be able to trace the relevant documents pertaining to their educational qualifications in future or at all. Accordingly, reliance has been placed on declarations and undertakings furnished by such Director to us and the BRLM to disclose details of their educational qualifications in this Draft Red Herring Prospectus. We and the BRLM have been unable to independently verify these details prior to inclusion in this Draft Red Herring Prospectus.

26. ***There are outstanding litigations involving our Company, Promoters and our Directors. Any adverse outcome in any of these proceedings may adversely affect our reputation, results of operations and financial condition.***

Our Company, our Promoters and some of our Directors are involved in certain outstanding legal proceedings, which are pending at different levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding litigation involving our Company, Promoters and Directors as on the date of this Draft Red Herring Prospectus have been provided below in accordance with the materiality policy adopted by our Board. As of the date of this Draft Red Herring Prospectus, we do not have any Group Companies.

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million)*
Company						
By the Company	2718	Nil	Nil	NA	Nil	1268.38
Against the Company	Nil	5	Nil	NA	1	22.89
Directors						
By the Directors	Nil	Nil	Nil	NA	Nil	Nil
Against the Directors	Nil	Nil	Nil	NA	Nil	Nil

Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	1	8	Nil	Nil	Nil	9.10
Outstanding litigation which may have a material impact on our Company	-					

(1) *To the extent quantifiable*

(2) *Excluding Individual Promoters*

(3) *Exclusive of 662 cases filed u/s. S. 138 of Negotiable Instruments Act, 1881 involving an aggregate sum of ₹ 402.80 million where the corresponding loan accounts have been assigned by our Company to certain asset reconstruction companies / financial institutions and substitution of our name in such proceedings with the assignee's name is pending.*

The amounts mentioned above may be subject to additional interest/ penalties being levied by the concerned authorities which have not been included above as not being ascertainable as on date of this Draft Red Herring Prospectus. For further details regarding these legal proceedings, please refer to chapter titled *"Outstanding Litigations and Material Developments"* on page 471.

There can be no assurance that the aforesaid proceedings will be decided in favour of our Company, Promoters or our Directors, as the case may be. In addition, we cannot assure you that no additional liability will arise out of these proceedings that could divert our management's time and attention and consume financial resources. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. Any adverse order or direction in these cases by the concerned authorities even though not quantifiable, may have an adverse effect on our business, results of operations and financial condition. If any new proceedings are initiated or new developments arise, such as change in law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

Furthermore, if we get involved in disputes with third-parties in the course of our operations such as service providers or customers, the same may lead to legal or other proceedings and may result in substantial costs, delays in our development and operation schedule, and the diversion of resources and management's attention, regardless of the outcome. We may also have disagreements with regulatory authorities in the course of our operations, which may subject us to legal proceedings and unfavourable decisions that may result in penalties or delay or disrupt our development and operations.

27. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with our Shareholders.

We have entered into certain transactions with related parties in the past, including with our Promoters and from time to time, we may enter into related party transactions in the future. For further information on our related party transactions, please see "*Note 48 – Related Party Transactions*" in the chapter titled "*Restated Financial Statements*" on page 316.

The table below provides details of our relevant related party transactions which have been compared to relevant line items of the profit and loss statements and the balance sheet:

Nature of Transaction	Name of Related Party	Quarter ended June 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Director Remuneration	Deepak Baid	6.90	28.75	27.60	24.00
	Aneesha Baid	4.31	17.97	17.25	15.00
	Prem Devi Baid	3.45	14.38	12.46	8.73
Sitting Fees	Anil B Patwardhan	0.09	0.69	0.52	0.20

	Yaduvendra Mathur	-	0.52	0.40	-
	Mr. Kishore Kumar Sansi	0.09	0.42	-	-
	Mr. Surendra Mehta	0.15	0.66	-	-
Salary, Allowances & Bonus	Piyush Somani	-	3.98	3.39	2.75
	Gopal Krishan Sain	1.40	0.22	-	-
	Neha Somani	-	-	-	1.39
	Anurag Jain	-	-	-	0.29
	Gajendra S Shekhawat	-	0.64	0.82	0.51
	Sourabh Mishra	0.45	0.29	-	-
Rent paid to	Aneesha Baid	0.15	0.46	0.16	0.43
	Deepak Baid	0.13	0.47	2.61	2.23
	Prem Devi Baid	0.25	0.76	0.32	0.29
Unsecured Loan from	Aneesha Baid	-	-	-	41.24
	Deepak Baid	-	-	8.00	307.55
	Deepak Baid HUF	-	-	-	-
	Prem Devi Baid	-	-	-	79.62
	Tejkaran Baid & Sons HUF	-	-	-	0.10
	Champalal Distributors Private Limited	-	-	-	-
	Deepak Hitech Motors Private Limited	-	-	-	5.00
	Prem Dealers Private Limited	-	-	-	7.60
	Starpoint Constructions Private Limited (Associate)	-	-	-	12.20
Purchase of Fixed Assets (Immovable Property)	Deepak Baid	-	-	30-	-
Loan Repaid	Aneesha Baid	-	-	7.08	47.72
	Deepak Baid	-	-	36.94	312.24
	Deepak Baid HUF	-	-	-	2.09
	Prem Devi Baid	-	-	11.57	103.92
	Tejkaran Baid & Sons HUF	-	-	-	1.44
	Champalal Distributors Private Limited	-	-	-	-
	Deepak Hitech Motors Private Limited	-	-	-	5.00
	Prem Dealers Private Limited	-	-	-	7.60
	Starpoint Constructions Private Limited (Associate)	-	-	-	12.56
Interest on loan(expenses)	Aneesha Baid	-	-	0.18	1.88
	Deepak Baid	-	-	0.30	3.96
	Deepak Baid-HUF	-	-	-	0.10
	Prem Devi Baid	-	-	0.24	4.06
	Tejkaran Baid & Sons-HUF	-	-	-	0.10
	Champalal Distributors Private Limited	-	-	-	-
	Deepak Hitech Motors Private Limited	-	-	-	-
	Prem Dealers Private Limited	-	-	-	0.10

	Starpoint Constructions Private Limited (Associate)	-	-	-	0.36
Advances to staff	Aneesha Baid	-	-	-	-
	Deepak Baid	-	-	-	-
	Prem Devi Baid	-	-	-	-
	Sourabh Mishra	-	0.40	-	-
Advances to staff Repaid	Aneesha Baid	-	-	-	-
	Deepak Baid	-	-	-	-
	Prem Devi Baid	-	-	-	-
	Sourabh Mishra	0.05	0.05	-	-
Interest on Advances to staff (income)	Aneesha Baid	-	-	-	-
	Deepak Baid	-	-	-	-
	Prem Devi Baid	-	-	-	-
	Sourabh Mishra	-	-	-	-
Advance for CSR Expenses	Tejkaran Foundation	1.00	-	-	-

All related party transactions that we may enter into post-listing will be subject to approval by our Audit Committee, Board, or Shareholders, as required under the Companies Act, 2013 and the SEBI Listing Regulations. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

28. Our inability to manage the growth of our operations could disrupt our business and reduce our profitability

We have experienced significant growth in recent years on account of the expansion of our operations and branch network, implementation of our business strategy and growth in the Indian economy. There is no assurance that we will be successful in executing our business growth strategies. Even if we are able to grow our business in the future, our growth rate may not continue at a rate similar to what we have experienced in the past. The following table sets forth our total income, profit for the year, AUM, number of branches and their respective year-on-year growths for the years indicated:

Particulars	For the period ended	As of and for Fiscals ended March 31			Year-on-Year growth	
	June 30, 2024	2024(A)	2023(B)	2022(C)	Fiscal 2024 v. Fiscal 2023 (D = (A-B)/B)	Fiscal 2023 v. Fiscal 2022 (D = (B-C)/C)
Total Income	512.55	1750.18	1306.68	982.45	33.94%	33.00%
Profit for the year	66.16	226.21	160.28	145.72	41.13%	9.99%
AUM	10355.35	9613.69	6867.67	5316.02	39.98%	29.19%
Number of Branches	135	135	119	93	13.45%	27.96%

A significant portion of the loans disbursed were concentrated within semi-urban and rural areas. The following table provides details of the urban, semi-urban and rural distribution of our loan disbursements as a percentage of our total loans disbursed during the three month period ended June 30, 2024 and in Fiscals 2024, 2023 and 2022:

(₹ in million, except percentages)

State	June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of total disburse	Amount	% of total disburseme	Amount	% of total disbursem	Amount	% of total

		ments		nts		ents		disburse ments
Urban	494.31	32.20	1,574.40	29.96	1,186.27	34.56	810.90	34.27
Semi-Urban	824.00	53.67	2,868.32	54.59	1,759.57	51.26	1,187.00	50.17
Rural	216.86	14.13	811.57	15.45	487.07	14.19	368.10	15.56
Total	**1,535.16**	**100.00**	**5,254.28**	**100.00**	**3,432.91**	**100.00**	**2,366.00**	**100.00**

Our inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates could have an adverse effect on our business and results of operations. Our success in implementing growth strategies hinges on accurately identifying key target markets, competitively managing our pricing, and efficiently scaling our network. Additionally, as we grow, we will need to build and maintain relationships with a larger number of customers, service providers, lenders, and other stakeholders.

To manage our growth successfully, it is crucial to implement and enhance our operational systems, processes, and controls promptly. Failing to do so may hinder our ability to meet customer demands, recruit and retain staff, or operate efficiently. Sustaining our growth rate will also depend on our capability to select and keep key managerial personnel, enforce effective risk management policies, and train our management to tackle new challenges. Furthermore, various external factors beyond our control could impact our ability to grow our business and loan portfolio, including demand for small business loans in India, overall economic conditions, RBI monetary and regulatory policies, inflation, competition, and access to affordable capital.

We cannot assure you that our existing or future management, operational and financial systems, will be sufficient to support our ongoing operations or foster beneficial business relationships. Inadequate management of our growth could have detrimental effects on our business and operational outcomes.

29. Our inability to compete effectively in an increasingly competitive industry may adversely affect our net interest margins, income and market share.

The financial services sector in India is made up of various financial entities, including traditional banks, public and private sector banks, non-banking financial companies (NBFCs), and small finance banks. Our competitors may have more financial resources, larger business volumes, and broader customer bases. They might also enjoy better brand recognition, more effective distribution channels, and offer more appealing customer schemes, especially in the post-COVID-19 landscape. They may also have access to lower funding costs compared to us.

Interest rates play a crucial role in customers' decisions when choosing a financier. Competitors may provide loans at lower rates due to their access to cheaper capital, which helps them maintain market share. This competition is expected to increase as more domestic and international players enter the Indian financial services market, influenced by regulatory changes. Furthermore, digital platforms could disrupt our business model and the effectiveness of the products and services we offer. We also face competition from innovative business models that use technology to connect savers with customers. Our loan portfolio mainly targets micro, small, and medium enterprises (MSMEs), providing loans primarily for their working capital needs. We also offer a select number of secured retail loans for used and new vehicles, as well as cars, tractors, and new two-wheelers.

For further details of our competitors, see "Basis for Offer Price" on page 120 and "Industry Overview" beginning on page 143.

30. We rely on our internal credit policy to make credit decisions. If we do not make accurate credit decisions, our business and financial results may be adversely affected.

In making a decision whether to extend credit to prospective customers, we depend on information provided by both the customers and third-party intermediaries. This information helps us assess their ability to handle credit, repay debts, and determine the overall risk associated with lending to them, all in line with our internal credit policies. The data we use includes information from our loan origination system, loan management software, feedback from our credit and underwriting teams, credit bureaus, independent verification from our technology systems, observations from our front-line staff, and details about income and collateral value. If any of these data components are unstable, biased, or lack essential information, we may make incorrect decisions that could negatively impact our financial results. If we fail to accurately assess a customer's creditworthiness, including their actual risk profile and ability to repay, we may have to set aside more funds for potential losses than we anticipated.

Moreover, if any information about a prospective customer is false, inaccurate, or incomplete, and we fail to identify these issues, we could face unexpected provisioning expenses and losses. Additionally, if we cannot access the necessary third-party data for our evaluations, especially in cases involving specific customers like first time borrowers, our ability to accurately assess potential customers will be compromised, leading to difficulties in predicting credit losses within our loan portfolio. This situation could significantly affect our operational results, cash flow, and financial health

Furthermore, if we make errors in developing or validating the underwriting models or tools we use for securing our loans, those loans may face higher default rates and losses. This could require us to pay down the principal on our securitized loans or other borrowings, and we might lose the ability to use those funds for future loans.

Additionally, the performance of our customers' loans in the future may not match past experiences that shaped our underwriting processes. Changes in economic conditions, regulatory actions, lending practices of other institutions, and the reliability of the data we use can all influence this. Such changes could lead to increased delinquency rates and losses for investors in our securitized debt, potentially forcing us to pay down the principal of our debt securities or other borrowings. If this occurs, it could adversely affect our ability to borrow for future loans, further impacting our growth and overall financial performance.

31. While we strive to be compliant with all applicable laws, we have inadvertently violated certain provisions of the Companies Act and we may be subject to regulatory action from the regulatory authorities in this respect.

In the past, some of the filings made by us with the RoC contain certain factual discrepancies to the extent of (a) non-inclusion of board meetings, shareholders meetings and committee meetings in the annual returns filed for Fiscals 2015, 2016, 2017 and 2018, as applicable; (b) discrepancies in the directors' attendance reported in the annual return filed for Fiscal 2017; (c) inadvertent filing of the incorrect board's report for Fiscal 2019; and (d) incorrect disclosure regarding the statutory auditor's auditor appointment in case of casual vacancy. In this regard, the Company has intimated the RoC by way of filing e-Form GNL-2 (SRN: AB2164914) dated December 14, 2024 and e-Form GNL-2 (SRN: AB2166309) December 14, 2024 alongwith necessary clarification letters. While no legal proceedings or regulatory action has been initiated against our Company as of the date of this Draft Red Herring Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future and we cannot assure you that we will not be subject to penalties imposed by concerned regulatory authorities in this respect.

32. Our Statutory Auditor has included certain qualifications and emphasis of matter in our Restated Financial Statements

The examination report dated November 13, 2024 prepared by our Statutory Auditors in respect of the Restated Financial Statements for Fiscals 2024, 2023 and 2022 contain the following qualification and emphasis of matters paragraph:

i. The Independent Auditor's Report issued by us dated 13th November, 2024, on the interim financial statements of the Company as at and for the three-month ended June 30, 2024 as referred to in Paragraph 4 above, which includes Emphasis of Matter paragraph as mentioned below*:*

We draw attention to Note 105 of these Interim Financial Statements, which describe the effects of change in accounting policy/correction of accounting errors.
Our Opinion is not modified on the above matter.

ii. The Independent Auditor's report dated 4th May 2024, 6th May 2023 and 6th May 2022 on the financial statements of the Company as at and for the year ended March 31, 2024, March 31, 2023, March 31, 2022 respectively, issued by the Company's previous auditor, A Bafna & Co. (the "Previous Auditors") which includes qualification and Emphasis of Matter paragraph as mentioned below*:*

i. Qualification in in the Previous Auditors Report for the year ended 31st March, 2024:

- *In our opinion, proper books of account as required by law have been kept by the Company so far it appears from our examination of those books except non maintenance of Audit Trail (Edit Log) in core Business & Accounting software (Jaguar) of the Company throughout the year.*
- *Company has not implemented the feature of recording audit trail facility in its core business software (Jaguar) and same has not operated throughout the year for all transactions recorded in that software.*

ii. Emphasis of Matter paragraph in the Previous Auditors Report for the year ended 31st March, 2022*:*

We invite attention to Note No. 54 to the financial statements regarding uncertainties associated with the COVID-19 pandemic and impact assessment made by the company on its business and financial statements for the year ended 31st March 2022, the said assessment made by the management is highly dependent upon how the circumstances evolve in subsequent periods.
Our Opinion is not modified on the above matters.

As per the report issued by our Statutory Auditor, there are no qualifications in the auditor's report on the audited financial statements of the Company as at and for each of the years ended March 31, 2024, 2023 and 2022, which require any adjustments to the Restated Financial Statements. There can be no assurance that our audit reports for any future periods will not contain qualifications, emphasis of matters or other observations which could affect our results of operations.

33. Our Statutory Auditors have included certain remarks in connection with the Companies (Auditor's Report) Order ("CARO") in their audit reports in the audited financial statements for Fiscals 2022, 2023 and 2024.

Our statutory auditors have commented upon certain matters included in the CARO Report in the audited financial statements of our Company for Fiscals 2024, 2023 and 2022 in relation to the following:

Period	**Details of Observation**					
Fiscal 2024	Name of statute	Nature of the disputed dues	Amount under dispute (Rs. In lacs)	Amount paid (Rs. In lacs)	Period to which the amount relates	Forum where the dispute is pending
	Income Tax Act, 1961	Income tax	6.38	-	AY 2013-14	ACIT, Kolkata
Fiscal 2023	Name of statute	Nature of the disputed dues	Amount under dispute (Rs. In lacs)	Amount paid (Rs. In lacs)	Period to which the amount relates	Forum where the dispute is pending
	Income Tax Act, 1961	Income tax	6.38	-	AY 2013-14	PCIT, Kolkata
Fiscal 2022	Name of statute	Nature of the disputed dues	Amount under dispute (Rs. In lacs)	Amount paid (Rs. In lacs)	Period to which the amount relates	Forum where the dispute is pending
	Income Tax Act, 1961	Income tax	6.38	-	AY 2013-14	Revised order pending from Income Tax Authority

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<td>Fiscal 2023</td>
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<tr><th>Description of property</th><th>Carrying value (Rs.)</th><th>Held in the name of</th><th>Whether promoter, director or their relative or employee</th><th>Period held</th><th>Reason for not being held in the name of company</th></tr>
<tr><td>Plot No.2, DFL, Gopinath Marg, M.I. Road Jaipur</td><td>31,34.218</td><td>Mr. Deepak Baid</td><td>Managing Director</td><td>Since 01/04/2011</td><td>Property was being used for carrying on the business by Mr. Deepak Baid as a proprietor firm, but in April 01, 2011, firm converted into company and all fixed assets of the firm vest in Laxmi India Finance Private, now company is in the process for transfer the title on its name.</td></tr>
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<tr><td>Plot No.2, DFL, Gopinath Marg, M.I. Road Jaipur</td><td>29,81,676</td><td>Mr. Deepak Baid</td><td>Managing Director</td><td>Since 01/04/2011</td><td>Property was being used for carrying on the business by Mr. Deepak Baid as a proprietor firm, but in April 01, 2011, firm converted into company and all fixed assets of the firm vest in Laxmi India Finance Private, now company is in the process for transfer the title on its name.</td></tr>
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34. Regulatory or legislative developments regarding privacy and data security matters could adversely affect our ability to conduct our business.

Our Company is subject to various laws and regulations related to privacy, data protection, and information security. Changes in these laws or regulations may significantly impact our business, results of operations, and financial condition. Additionally, many laws and regulations relating to privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data are subject to varying degrees of enforcement and new and changing interpretations by courts or regulators. Compliance with these regulations requires us to incur additional expenses and allocate management time and resources. Non-compliance with these regulations may result in penalties, negative publicity, and harm our reputation.

We are also required to comply with the Information Technology Act, 2000, and the rules thereof, which provide for civil and criminal liability, including compensation to persons affected, penalties, and imprisonment for various cyber-related offenses. Additionally, we are required to comply with the Master Directions – Information Technology Governance, Risk, Control and Assurance Practices, which obligate us to establish an IT Governance Framework, IT Infrastructure and Services Management framework, IT Information and Security Risk management Framework, business continuity plan, and disaster recovery policy. The Digital Personal Data Protection Act, 2023, which was notified on August 11, 2023, replaces the existing data protection provisions as contained in Section 43A of the Information Technology Act and seeks to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. The introduction of new information technology legislation may require us to modify our existing systems or invest in new technologies to ensure compliance, which may require us to incur additional expenses and adversely affect our financial condition.

For further details, see "*Key Regulations and Policies*" on page 225. For further details of our data security policies, see "*Our Business – Description of our Business and Operations – Information Technology*" on page 218.

35. Some of the loans we provide are unsecured and are subject to certain operational and credit risks which may result in increased levels of non-performing assets (NPAs), adversely affecting our business, prospects, results of operations and financial condition.

In addition to our secured MSME, Vehicle and Construction loans, we provide small-ticket unsecured business and personal loans to MSME and retail customers for their working capital requirements and personal use, respectively. These unsecured loans do not have collateral backing them and present a higher risk of loss in case of a credit default, compared to loans to customers in other asset-backed financing products. In the event of a default, we may not be able to recover these loans through our standard recovery proceedings.

As of June 30, 2024, our portfolio of unsecured loans amounted to ₹205.60 million, constituting 1.99% of our total assets under management (AUM). We cannot guarantee that our monitoring and risk management processes will work effectively or that the reserves we set aside for potential loan losses will be enough to cover actual losses. If our recovery team cannot collect payments on unsecured loans, we may initiate legal proceedings may not be commercially feasible or conclude in a manner favourable to us in a timely manner or at all. If our customers fail to repay these unsecured loans or if we cannot recover the money through legal means, we may experience an increase in our NPAs.

36. Majority of our Directors do not have prior experience of holding a directorship in a company listed on the Stock Exchanges.

Majority of our Directors do not have any prior experience of holding directorship in a company listed on the Stock Exchanges. Post listing of the Equity Shares, our Company will be subject to the applicable regulatory requirements, including the regulations prescribed under SEBI Listing Regulations and the Companies Act. We cannot assure you that we will be able to comply with the applicable regulatory requirements at all times. Any non-compliance with the regulatory framework, due to lack of experience or otherwise, may subject us to adverse regulatory actions, and have an impact on the listing price of our Equity Shares.

37. There have been certain instances of delays/ defaults in payment of statutory dues in the past. Any further delays / defaults may attract penalties from the government authorities and in turn may have a material adverse impact on our financial position.

We are required to make certain payments to various statutory authorities from time to time, including but not limited to payments pertaining to employee provident fund, employee state insurance and income tax. The table below sets forth the details of the statutory dues paid by us in relation to our employees for the Fiscals indicated below:

(₹ in million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Employee Provident fund	24.91	16.33	8.77
Employee State Insurance	5.88	4.54	2.27
Professional Tax	0.29	0.16	0.05

Further, the table below sets out details of the delays in payments of statutory dues by us for the aforesaid periods:

Nature of Dues	Amount (₹ in million)	Period to which sum relates	Current Status
Income Tax	0.6	F.Y. 2013-14	Paid
Penalty / Fine levied by BSE	0.01	August 2021	Paid
Penalty / Fine levied by BSE	0.01	November 2021	Paid
Penalty / Fine levied by BSE	0.53	Quarter ended September 2021	Paid
Penalty / Fine levied by BSE	0.11	Quarter ended September 2021	Paid
Penalty / Fine levied by BSE	0.11	Quarter ended September 2021	Paid
Penalty / Fine levied by BSE	0.49	March 2022	Waived-off
Penalty / Fine levied by BSE	0.035	December 2022	Waived-off
Penalty / Fine levied by BSE	0.001	March 2021	Waived-off

We cannot assure you that no such delays will occur in the future or that we will not be subject to such penalties and fines in the future, and it may have a material impact on our financials or results of operations.

38. ***We have certain contingent liabilities as per Ind AS 37 that have not been provided for in our financial statements, which if they materialize, may adversely affect our business, results of operations, cash flows and financial condition.***

As of June 30, 2024, our contingent liabilities as per the Restated Financial Information, were as follows:

Particulars	Three months period ended June 30, 2024
Claims against the company not acknowledged as debt (i) Probable GST Liability related to corporate guarantee issued/taken	1.90

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Fiscal or in the future. For details regarding our contingent liabilities, please see "*Note 47 – Provisions, Contingent Liabilities, Contingent Assets" under the chapter "Restated Financial Statements*" on page 316, and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities and Commitments" on page *429.*

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

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

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

For further details, see *"Objects of the Offer"* on page 112.

40. We may face difficulties and incur additional expenses in operating in semi-urban and rural markets, where infrastructure may be limited.

We primarily serve low and middle income small business customers, salaried or working class individuals and self-employed customers in urban and semi-urban areas in India. In semi-urban and rural locations, infrastructure may be limited, particularly in respect electricity, transportation, internet and telecommunication connectivity. At some of our branch offices in remote markets, we may face difficulties in conducting operations, such as accessing power facilities, transporting people and equipment, and implementing technology measures. We may also face increased costs in conducting our business and operations and implementing security measures. We cannot assure you that such costs will not increase in the future as we expand our branch network further into semi-urban markets and also into rural markets, which could adversely affect our profitability.

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

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations. The following table sets forth details of our insurance coverage as at the dates indicated:

(₹ in million, except percentages)

Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Total Insurance coverage maintained	442.28	442.28	454.94	425.00
Total Insurance coverage maintained in relation to Property, Plant & Equipment (PPE) and Inventories	37.28	37.28	49.94	20.00
Value of Property, Plant & Equipment and Inventories	109.70	110.70	100.84	60.32
Percentage of Insurance cover to PPE and Inventories	33.98%	33.67%	49.53%	33.16%

There can be no assurance that our current insurance policies will insure us fully against all risks and losses that may arise in the future, or that we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. Even if such losses are insured, we may be subject to certain deductibles, exclusions and limits on coverage, and our insurance claims may not be successful. While such instances have not materialized in Fiscals 2024, 2023 and 2022, the occurrence of a serious uninsured loss or a successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, results of operations, cash flows and financial condition. If we are unable to pass the effects of increased insurance costs on to our customers, the costs of higher insurance premiums could have a material adverse effect on our costs and profitability

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

42. Our Promoters and Promoter Group will be able to exercise significant influence and control over us after the Offer and may have interests that are different from or conflict with those of our other shareholders.

As on the date of this Draft Red Herring Prospectus, our Promoters and Promoter Group hold 89.05% of the share capital of our Company on fully diluted basis, for further information on their shareholding pre and post Offer, see

"*Capital Structure*" on page 88. A After the completion of the Offer, our Promoters and Promoter Group are expected to hold [●]% of our outstanding Equity Shares, and will continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of our assets, any assignment or transfer of interest in any of our properties, and the policies for dividends, lending, investments and capital expenditures. Further, the involvement of our Promoters in our operations, including through strategy, direction and customer relationships have been integral to our development and business and the loss of any of our Promoters may have a material adverse effect on our business. Our Individual Promoters, Deepak Baid, Prem Devi Baid and Aneesha Baid are also Directors on our Board. The interests of our Promoters and Promoter Group, as our controlling shareholders could conflict with our Company's interests or the interests of our other shareholders. There is no assurance that our Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or your favour.

For details in relation to the interests of our Promoters and Promoter Group in our Company, see "*Our Promoters and Promoter Group*", "*Our Management*" and "*Restated Financial Statements*" on pages 293, 269 and 316 respectively.

43. We are dependent on our Key Managerial Personnel and Senior Managerial Personnel for the continued success of our business and any failure to attract, motivate, and retain our employees could adversely affect our business, results of operation, cash flows and financial condition, or affect our ability to maintain and grow our business.

We rely on the inputs and experience of our senior management for the development of our business, operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these key individuals or find adequate replacements in a timely manner, or at all. Losing their services could adversely impact our business, results of operations, and cash flows. The following table sets forth our attrition rate, for the periods/ years indicated:

Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Number of Key Managerial Personnel and Senior Management Personnel	10	11	11	9
Key Managerial Personnel and Senior Management Personnel Attrition Rate (%) (1)	8.33%	4.17%	4.17%	9.09%
Number of Employees	1213	1144	906	605
Employee Attrition Rate (%) (2)	6.68%	20.67%	20.06%	16.39%

Notes:

(1) *Key Managerial Personnel and Senior Management Personnel Attrition Rate represents the number of Key Managerial Personnel and Senior Management Personnel that resigned as a percentage of the average number of Key Managerial Personnel and Senior Management Personnel during the relevant period/ year.*

(2) *Employee Attrition Rate represents the number of employee(s)that resigned as a percentage of the average number of employees during the relevant period/ year.*

The continuity and growth of our business depend on our ability to attract and retain qualified personnel. Our ability to be competitive in the market depends on our ability to attract and retain qualified personnel. Our failure to recruit, retain and train qualified management, experienced personnel, or to control labour costs, could harm our business and results of operations. Any loss of the services of such persons, or failure to train and motivate our employees may erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us and consequently have an adverse effect on our business, results of operations, cash flows and financial condition. While each of our Key Managerial Personnel and Senior Management Personnel who joined our Company have entered into an employment agreement containing a non-compete provision with us, we cannot assure you that the non-compete provisions will be enforceable. In addition, a high turnover in employees may also adversely affect our reputation and our ability to attract talent, and we may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires.

44. We may not be able to identify, monitor and manage risks and effectively implement our risk management policies and any failure or significant weakness of our internal processes or systems could cause operational errors or incidents of fraud, which would adversely affect our business, profitability, reputation, cash flows and financial condition.

We have established internal control systems and processes as well as internal audit team to scrutinize, and periodically test and update, all facets of our operations, as necessary. We consider that our risk management, compliance, audit and operational risk management functions are commensurate with the size and complexity of our operations and equipped to make an independent and objective evaluation of the adequacy and effectiveness of internal controls on an on-going basis to ensure that our employees adhere to compliance requirements and internal guidelines. For further details in relation to our risk management framework, see "*Our Business – Description of our Business and Operations – Risk Management*" on page 215.

Our management information systems and internal procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. Our assumptions may be inaccurate for many reasons, such as certain matters being inherently difficult to predict and beyond our control. If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, results of operations, cash flows and financial condition. If internal system or process weaknesses are identified, our actions may not be sufficient to correct such weakness. Failures or material errors in our internal systems may lead to pricing errors, inaccurate financial reporting, fraud and failure of critical systems and infrastructure. Such instances may also adversely affect our reputation, business and results of operations. Adverse publicity arising from disclosure of fraud may also have an adverse impact in our customers' confidence in our security measures. During last three Fiscals and the period ended June 30, 2024, there have been no instances of material frauds. We cannot assure you that that we would be able to prevent frauds in the future or that our existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on our business, profitability and reputation.

Our investment and interest rate risk are also determined by our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon our ability to manage changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our provision for loan losses. While we have not experienced instances of the aforementioned risks in the period ended June 30, 2024 and Fiscals 2024, 2023 or 2022 that had a material adverse impact on our business and operations.

45. Our inability to detect money-laundering and other illegal activities fully and on a timely basis may expose us to additional liability and adversely affect our business and reputation.

We are required to comply with applicable anti-money-laundering ("**AML**") and anti-terrorism laws and other regulations in India. In the ordinary course of our operations, we run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers and assessment of penalties or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. Although we endeavor to have adequate 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. We have not experienced any material instances of money laundering or similar illegal activities in the three preceding Fiscals. 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.

46. The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company in consultation with the BRLM. Our market capitalization to revenue from operations for Financial Year 2024 is [●] times at upper end of the Price Band and [●] times at lower end of the Price Band. Our price to earnings (P/E) ratio (based on our profit for the Financial Year 2024) multiple is [●] and [●] times at the lower and upper end of the Price Band, respectively. The average P/E of the listed peer group of our Company is [●]. Furthermore, the Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLM through the Book Building Process. These will be based on numerous factors, including factors as described under "Basis for Offer Price" on page 120 and may not be indicative of the market price for the Equity Shares after the Offer.

The market price of the Equity Shares could be subject to significant fluctuations after the Offer and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price resulting in a loss of all or part of the investment. The relevant financial parameters based on which the Price Band would be determined shall be disclosed in the advertisement to be issued for publication of the Price Band. For further details, see "*Basis for Offer Price*" on page 120.

47. We propose to utilize the Net Proceeds of the Fresh Issue to augment capital base (Tier I) of our Company to meet future capital requirements arising out of the growth in our business. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds.

The Net Proceeds of the Fresh Issue are intended to be utilized to augment capital base (Tier I) of our Company to meet our future capital requirements which are expected to arise out of growth of our business. For details, see "*Objects of the Offer*" beginning on page 112. The funding requirements mentioned as a part of the Objects of the Offer are based on internal management estimates in view of past funding requirements and have not been appraised by any bank or financial institution. 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. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, 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. Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and in such manner as prescribed by SEBI. Additionally, the requirement on our Promoters to provide an exit opportunity to such dissenting Shareholders may deter our Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interests of our Company. Further, our Promoters may not always have adequate resources at their disposal to enable them to provide an exit opportunity at the price prescribed by SEBI.

48. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

No dividends have been declared and paid by our Company on the Equity Shares for the three months ended June 30, 2024 and Fiscals 2024, 2023, and 2022, as per the Restated Financial Statements. There can be no assurance that we shall pay any dividend in the future or dividend payout. The declaration and payment of dividends, if any is recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows and working capital requirements and restrictive covenants of our financing arrangements, if any. The declaration of dividend, if any, will depend on a number of internal factors and external factors, which, *inter alia*, include, (i) profits earned during the year; (ii) capital expenditure requirements; (iii) financial requirements for business expansion, diversification, acquisitions of new businesses; (iv) liquidity position; (v) cost of borrowings and outstanding borrowings; (vi) state of the economy and capital markets; and (vii) statutory restrictions. There can be no assurance that we will be able to pay dividends in the future. We may 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.

49. Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid by us for such a purpose.

We have availed the services of an independent third-party research agency, CARE Analytics and Advisory Private Limited, to prepare an industry report titled "Research report on NBFC Industry" dated December 2024 ("**CARE Report**"), that has been exclusively commissioned and paid for by us, for purposes of inclusion of such information in this Draft Red Herring Prospectus. A copy of the CARE Report is available on the website of our Company athttps://lifc.co.in/investor-services/, in compliance with applicable laws. The CARE Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus

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

As of the date of this Draft Red Herring Prospectus, we hold one registered trademark with the Registrar of Trademarks under the Trademarks Act. Our ability to compete effectively is, in part, dependent on securing, maintaining, and protecting our intellectual property and proprietary rights, as well as obtaining necessary licenses for the use of others' intellectual property. However, we cannot guarantee that future trademark or service mark applications will be approved, or that our existing or future trademarks will be valid, enforceable, or offer sufficient protection or competitive advantage. Additionally, we may face challenges in preventing competitors or third parties from using similar marks or infringing upon our intellectual property.

We also cannot guarantee that we have established confidentiality agreements with all parties who have had access to our proprietary information, or that these agreements will fully protect our intellectual property. Our efforts to safeguard our proprietary rights might not always be effective, and we could face situations that require costly litigation to defend our intellectual property. The legal standards relating to the validity, enforceability, and scope of protection of intellectual property and other proprietary rights are still evolving, and there is no assurance that our intellectual property will provide a competitive advantage. Any failure to adequately maintain, protect, or enforce our intellectual property could adversely impact our business.

51. In this Draft Red Herring Prospectus, we have included certain Non-GAAP ("Generally Accepted Accounting Principles") financial measures and certain other industry measures related to our operations and financial performance. These Non-GAAP measures and industry measures may vary from any standard methodology applicable across the Indian retailing industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.

Certain Non-GAAP financial measures such as EBITDA, EBITDA Margin, Net worth and Net Asset Value per equity share, etc. and certain other industry measures related to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance, as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of Indian retail industry. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed in this Draft Red Herring Prospectus. For further details, see "*Other Financial Information*" on page 426.

These Non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies. Accordingly, investors should not place undue reliance on the Non-GAAP financial information included in this Draft Red Herring Prospectus. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*" on page 432.

EXTERNAL RISK FACTORS

52. ***Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as cyclones, typhoons, flooding, storms, tsunamis, tornadoes, fires, explosions, and/or earthquakes), epidemics, pandemics and man-made disasters, including actual or threatened acts of war, terrorist attacks, and other events, many of which are beyond our control, may lead to economic instability, including in India or globally which in turn could materially and adversely affect our business, financial condition and results of operations.

For instance, the conflict between Russia and Ukraine, the Gaza conflict or the ongoing tensions in the Red Sea, events such as impeachments or declarations of martial law (whether lifted or not) such as in South Korea, which are beyond our control, may lead to economic instability, including in India or across global financial markets. The short and long-term implications of such conflicts are difficult to predict at this point of time. To the extent any geopolitical tension may adversely affect our business, it may also have the effect of heightening many of the other risks described herein. Such risks include, but are not limited to, adverse effects on macroeconomic conditions, including inflation; disruptions to our global technology infrastructure, including through cyberattack, ransom attack, or cyber intrusion; adverse changes in international trade policies and relations; disruptions in global supply chains; significant volatility in commodity prices and supply of energy resources; political and social instability; changes in consumer or purchaser preferences and constraints; volatility, or disruption in the capital markets, any of which could negatively affect our business and financial condition. Any terrorist attacks or civil unrest as well as other adverse social, economic, and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

53. ***Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and results of operations.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

54. ***Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on our Equity Shares.***

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realised on the sale of our Equity Shares on a stock exchange held for more than 12 months is subject to long term capital gains tax in India. Such long-term capital gains exceeding 100,000 arising from the sale of listed equity shares on a stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). A securities transaction tax ("**STT**") will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realised on the sale of our Equity Shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long-term capital gains tax in India. Further, any gain realised on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to short-term capital gains tax at a higher rate compared to the transaction where STT has been paid in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. As a result, subject to any relief available under an applicable tax treaty or under the laws of their own jurisdictions, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of our Equity Shares.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July l, 2020 and 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 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. The Finance

Act, 2020, has, inter alia, amended the tax regime, including a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, and that such dividends are likely to be subject to tax deduction at source. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

The Government of India has recently announced the Union Budget for Financial Year 2025 ("**Budget**"). Pursuant to the Budget, the Finance Bill, 2024, *inter alia*, proposes to amend the capital gains tax rates and amounts mentioned above, with effect from the date of announcement of the Budget. However, since the Finance Bill, 2024 have not yet been enacted into law, the Bidders 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.

55. ***Subsequent to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure and Graded Surveillance Measures by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and the Stock Exchanges, in the past, have introduced various pre-emptive surveillance measures with respect to the shares of listed companies in India (the "**Listed Securities**") in order to enhance market integrity, safeguard the interests of investors and potential market abuses. In addition to various surveillance measures already implemented, and in order to further safeguard the interest of investors, the SEBI and the Stock Exchanges have introduced additional surveillance measures ("**ASM**") and graded surveillance measures ("**GSM**").

ASM is conducted by the Stock Exchanges on Listed Securities with surveillance concerns based on certain objective parameters such as price-to-earnings ratio, percentage of delivery, client concentration, variation in volume of shares and volatility of shares, among other things. GSM is conducted by the Stock Exchanges on Listed Securities where their price quoted on the Stock Exchanges is not commensurate with, among other things, the financial performance and financial condition measures such as earnings, book value, fixed assets, net-worth, other measures such as price-to-earnings multiple and market capitalization.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, and low trading volumes as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, limiting trading frequency or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company. Any such instance may result in a loss of our reputation and diversion of our management's attention and may also decrease the market price of our Equity Shares which could cause you to lose some or all of your investment.

56. ***Significant differences exist between Indian accounting standard and other accounting principles, such as international financial reporting standards and United States generally accepted accounting principles, which investors may be more familiar with and may consider material to their assessment of our financial condition***

Our historical financial statements are prepared and presented in conformity with Indian accounting standard ("**Ind AS**") and our Restated Financial Statements are prepared and presented in conformity with the requirement of Section 26 of the Companies Act, 2013, SEBI ICDR Regulations and the guidance Note on reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India. No attempt has been made to reconcile any of the information given in this document to any other principles or to base it on any other standards. Ind AS differs in certain significant respects from international financial reporting standards ("**IFRS**"), United States generally accepted accounting principles ("**U.S GAAP**") and other accounting principles that prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Accordingly, the degree to which the Restated Financial Statements, which are restated as per the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company's Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, 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 Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

57. Third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

Certain provisions in 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 or 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 SEBI Takeover Regulations. Further, in accordance with the Master Directions, any takeover or acquisition of control, could also require prior permission of RBI.

58. We cannot assure you that prospective investors will be able to sell any of our Equity Shares they purchase in the Offer immediately on an Indian stock exchange.

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the Stock Exchanges within a prescribed time. Accordingly, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all and there could be a failure or delay in listing our Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell our Equity Shares. There can be no assurance that our Equity Shares will be credited to investors' dematerialized accounts, or that trading in our Equity Shares will commence, within the prescribed time periods or at all. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or dematerialized credits are not made to investors within the prescribed time periods.

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

Under the Companies Act, 2013, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of our Equity Shares who have voted on such resolution. However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us 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. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

60. The ability of investors to acquire and sell Equity Shares is restricted by the distribution and transfer restrictions set forth in this Draft Red Herring Prospectus.

No actions have been taken to permit a public offering of our Equity Shares in any jurisdiction, other than India. As such, our Equity Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Further, our Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions. Please see "Other Regulatory and Statutory Disclosures — Disclaimer in Respect of Jurisdiction" on page 479. We, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of our Equity Shares made other than in compliance with the restrictions set forth herein.

RISKS RELATING TO THE EQUITY SHARES AND THIS OFFER

61. ***Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Offer Price may not be indicative of the market price of the Equity Shares after the Offer.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company in consultation with the Book Running Lead Managers. Furthermore, the Offer Price of the Equity Shares will be determined by our Company in consultation with the Book Running Lead Managers through the Book Building Process. These will be based on numerous factors, including factors as described under "Basis for Offer Price" beginning on page 120 and may not be indicative of the market price for the Equity Shares after the Offer.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts, the activities of competitors, future sales of the Equity Shares by our Company or our shareholders, 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. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Offer Price.

62. ***The average cost of acquisition of Equity Shares by our Promoter Selling Shareholders could also be lower than the Offer Price.***

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

Particulars	Equity Shareholding	Average Cost of Acquisition per Equity Share (in ₹)
Promoters		
Deepak Baid	7384952	32.73
Aneesha Baid	2261902	37.89
Prem Devi Baid	1413070	24.92
Prem Dealers Private Limited	1079114	31.94
Deepak Hitech Motors Private Limited	2801082	30.40
Other Selling Shareholders		
Preeti Chopra	213960	71.09
Rashmi Giria	319224	78.32

For details, see "*Basis for Offer Price*" and "*Capital Structure*" on pages 120 and 88, respectively. The Offer Price is not indicative of the price at which our Company has issued the Equity Shares in the past or that will prevail in the open market following listing of the Equity Shares.

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

In the preceding one year from the date of this Draft Red Herring Prospectus, our Company has issued Equity Shares at a price that may be lower than the Offer Price. For details of the issued Equity Shares in the preceding one year from the date of this Draft Red Herring Prospectus, see "Capital Structure – Notes to Capital Structure" on page 88. The price at which Equity Shares have been issued by our Company in the preceding one year is not indicative of the price at which they will be issued or traded after listing.

64. We will not receive any proceeds from the Offer for Sale portion

The Offer includes an offer for sale of Equity Shares aggregating up to 5,638,620 Equity Shares of face value of ₹5 each aggregating up to ₹ [●] million by the Selling Shareholders. The proceeds from the Offer for Sale (after deducting the applicable Offer expenses) will be paid to the Selling Shareholders and we will not receive any such proceeds. For details, see "The Offer", "Capital Structure" and "Objects of the Offer" on pages 73, 88 and 112, respectively.

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

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

66. Any future issuance of Equity Shares or securities linked to Equity Shares may dilute prospective investors' shareholding, and sale of our Equity Shares by our major shareholders may also adversely affect the trading price of our Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering or an issuance of Equity Shares to employees upon exercise of vested options held by them under the employee stock ownership plan scheme, may lead to the dilution of investors' shareholdings in us. There can be no assurance that we will not issue further Equity Shares or that the Shareholders will not dispose of our Equity Shares. Any future issuances could also dilute the value of your investment in our Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

Any sales (or pledge or encumbrance) of substantial amounts of our Equity Shares in the public market after the completion of the Offer by our major shareholders, including our promoters (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or the perception that such sales could occur, could adversely affect the market price of our Equity Shares and materially impair our future ability to raise capital through offerings of our Equity Shares.

67. Rights of shareholders of companies under Indian law may be more limited than under the 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 under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

68. We cannot assure you that prospective investors will be able to sell any of our Equity Shares they purchase in the Offer immediately on an Indian stock exchange.

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorising the issuance of our Equity Shares. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the Stock Exchanges within a prescribed time. Accordingly, we cannot assure you that trading in our Equity Shares will commence in a timely manner or at all and there could be a failure or delay in listing our Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell our Equity Shares. There can be no assurance that our Equity Shares will be credited to investors' dematerialized accounts, or that trading in our Equity Shares will commence, within the prescribed time periods or at all. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or dematerialized credits are not made to investors within the prescribed time periods.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares(1)(2)	Up to 16,092,195 Equity Shares of face value of ₹5 each aggregating to ₹ [●] million
of which:	
(i) Fresh Issue(1)	Up to 10,453,575 Equity Shares of face value of ₹5 each aggregating to ₹ [●] million
(ii) Offer for Sale(2)	Up to 5,638,620 Equity Shares of face value of ₹5 each aggregating to ₹ [●] million
Including	
(iii) Employee Reservation Portion(3)	Up to [●] Equity Shares of face value of ₹5 each aggregating to ₹ [●] million
Accordingly	
Net Offer	Up to [●] Equity Shares of face value of ₹5 each aggregating to ₹ [●] million
The Net Offer consists of:	
A) QIB Portion(4)(5)	Not more than [●] Equity Shares of face value of ₹5 each aggregating to ₹ [●] million
of which:	
i) Anchor Investor Portion(7)	Up to [●] Equity Shares of face value of ₹5 each
ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares of face value of ₹5 each
of which:	
a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)(5)	[●] Equity Shares of face value of ₹5 each
b) Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares of face value of ₹5 each
B) Non-Institutional Portion(4)(6)	Not less than [●] Equity Shares of face value of ₹5 each aggregating up to ₹[●] million
of which:	
One-third of the Non-Institutional Portion available for allocation to Non-Institutional Bidders with an application size of more than ₹200,000 and up to ₹1,000,000	[●] Equity Shares of face value of ₹5 each
Two-thirds of the Non-Institutional Category available for allocation to Non-Institutional Bidders with an application size of more than ₹1,000,000	[●] Equity Shares of face value of ₹5 each
C) Retail Portion(4)(5)	Not less than [●] Equity Shares of face value of ₹5 each aggregating up to ₹[●] million
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	41,814,300 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares of face value of ₹5 each
Utilization of Net Proceeds	See *"Objects of the Offer"* on page 111 for details regarding the use of Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

(1) The Offer including the Fresh Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on November 28, 2024 and by our Shareholders pursuant to a special resolution passed at their meeting held on November 29, 2024. Further, the IPO Committee has taken on record the consents of the Selling Shareholders pursuant to its resolution dated November 29, 2024.

(2) *Each Selling Shareholder, 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 Selling Shareholder, 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 immediately preceding the date of filing this Draft Red Herring Prospectus with SEBI and are accordingly eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. The Selling Shareholders have confirmed and approved their participation in the Offer for Sale:*

Name of the Selling Shareholder	Aggregate number of Offered Shares	Amount of Offered Shares (in ₹ million)*	Date of board resolution / authorization	Date of consent letter
Promoter Selling Shareholders				
Deepak Baid	Up to 3,084,952	[●]	N.A.	November 29, 2024
Prem Devi Baid	Up to 913,070	[●]	N.A.	November 29, 2024
Aneesha Baid	Up to 1,261,902	[●]	N.A.	November 29, 2024
Deepak Hitech Motors Private Limited	Up to 180,000	[●]	November 29, 2024	N.A.
Prem Dealers Private Limited	Up to 90,000	[●]	November 29, 2024	N.A.
Promoter Group Selling Shareholders				
Preeti Chopra	Up to 54,348	[●]	N.A.	November 29, 2024
Rashmi Giria	Up to 54,348	[●]	N.A.	November 29, 2024

** To be updated at Prospectus stage*

(3) *The Employee Reservation Portion shall not exceed 5.00% of our post-Offer paid-up Equity Share capital. Any unsubscribed portion, if any, remaining in the Employee Reservation Portion shall be added to the Net Offer. For details, see "Offer Structure" beginning on page 498. Unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee Bidding in the Employee Reservation Portion shall not exceed ₹200,000. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after such allocation up to ₹500,000), shall be added to the Net Offer. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits.*

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

(5) *Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis 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 the event of under-subscription 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 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 [●] 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 504504.*

(6) *The Equity shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion shall be subject to the following (a) one-third of the portion available to NIBs shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,0000 (b) 2/3rd of the portion available to NIBs shall be*

reserved for applicants with 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 NIBs. The allocation to each NIB shall not be less than the applicable minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available 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.

(7) Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Bidders and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Non-Institutional Bidder and Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Non-Institutional Portion and the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see "Offer Procedure" on page 504.

For details, including in relation to grounds for rejection of Bids, please see "Offer Structure" and "Offer Procedure" on pages 498 and 504, respectively. For details of the terms of the Offer, please see "Terms of the Offer" on page 491.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary of financial information derived from the Restated Financial Statements. The Restated Financial Statements has been prepared, based on financial statements for three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022. The Restated Financial Statements have been prepared in accordance with Ind AS and the Companies Act, restated in accordance with the SEBI ICDR Regulations and are presented in the section entitled "Financial Information" on page 316.

The summary of financial information presented below should be read in conjunction with the chapters titled "Restated Financial Statement" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 316 and 429 respectively.

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Laxmi India Finance Limited

Restated Financial Statements
Restated Statement of Assets and Liabilities

(₹ in Millions)

Particulars	Note No.	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
I. ASSETS					
(1)Financial Assets					
(a) Cash and Cash Equivalents	**2**	929.19	422.70	952.84	468.80
(b) Bank balance other than Cash and cash equivalents	**3**	834.83	729.63	737.93	160.61
(c) Receivables	**4**	2.71	3.13	0.70	-
(d) Loans	**5**	9,025.52	8,152.39	5,682.11	4,454.51
(e) Investments	**6**	136.62	145.11	76.66	203.47
(f) Other Financial Asset	**7**	209.99	243.43	203.17	210.30
Total Financial Assets		**11,138.86**	**9,696.39**	**7,653.41**	**5,497.69**
(2)Non-financial Assets					
(a) Current tax Assets		18.98	21.58	18.38	15.70
(b) Deferred tax Assets (Net)	**8**	-	-	-	-
(c) Property, Plant and Equipment	**9**	109.70	110.70	100.84	60.32
(d) Property, Plant and Equipment under development	**10**	-	-	-	-
(e)Intangible Assets under development	**11**	0.23	0.76	(0.00)	-
(f) Other Intangible Assets	**12**	1.73	0.40	0.36	0.36
(g) Other non-financial assets	**14**	40.38	18.66	14.09	10.24
Total Non-financial Assets		**171.02**	**152.10**	**133.67**	**86.62**
Total Assets		**11,309.88**	**9,848.49**	**7,787.08**	**5,584.31**
II. LIABILITIES AND EQUITY					
Liabilities					
(1) Financial Liabilities					
(a) Trade Payables	**15**	28.42	24.05	11.58	16.41
- total outstanding dues of micro enterprises and small enterprises		0.26	1.70	0.12	0.30
- total outstanding dues of creditors other than micro enterprises and small enterprises		28.16	22.35	11.46	16.11
(b) Debt Securities	**16**	347.04	50.02	231.74	287.89
(c)Borrowings (Other than Debt Securities)	**17**	8,633.58	7,537.39	5,923.13	3,825.67
(d) Subordinated Liabilities	**18**	79.36	79.36	-	-
(e)Other Financial Liabilities	**19**	53.33	61.76	32.80	157.53
Total Financial Liabilities		**9,141.74**	**7,752.57**	**6,199.25**	**4,287.50**
(2)Non- Financial Liabilities					
(a) Current Tax Liabilities	**20**	33.51	0.64	0.64	0.64
(b) Provisions	**21**	12.08	11.36	11.29	8.57
(c) Deferred Tax Liabilities (Net)	**8**	26.13	49.72	38.81	13.84
(d) Other non-financial liabilities	**22**	12.93	16.85	11.62	7.35
Total Non- Financial Liabilities		**84.65**	**78.57**	**62.36**	**30.40**
Total liabilities		**9,226.39**	**7,831.15**	**6,261.61**	**4,317.90**
(3) Equity					
(a) Equity Share capital	**23**	198.63	198.63	183.17	158.90
(b) Other Equity	**24**	1,884.86	1,818.71	1,342.30	1,107.51
Total Equity		**2,083.49**	**2,017.34**	**1,525.47**	**1,266.41**
Total Equity and Liabilities		**11,309.88**	**9,848.49**	**7,787.08**	**5,584.31**
Significant Accounting Policies	**1**				

The accompanying notes 1 to 107 form an integral part of these financial statements

As per our Report of even date attached
For S.C. Bapna & Associates
Chartered Accountants
Firm Registration No.- 115649W

CA Rupal Kumbhat
Partner
Membership No.- 401084

Place: Jaipur
Date: 13/11/2024

For and on Behalf of the Board of Directors of
Laxmi India Finance Limited

Deepak Baid
Managing Director
DIN: 03373264

Aneesha Baid
Whole Time Director
DIN: 07117678

Gopal Krishan Sain
Chief Financial Officer

Sourabh Mishra
Company Secretary
Membership No. - 51872

Restated Financial Statements
Restated Statement of Profit and Loss (including other comprehensive income)

(₹ in Millions)

	Particulars	Note No.	Quarter ended Jun 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
	Revenue from Operations					
	Interest Income	**25**	479.44	1,647.85	1,248.22	952.79
	Fees and commission Income	**26**	28.92	44.71	44.37	14.94
	Net Gain On Fair Value Changes	**27**	-	38.81	2.70	8.21
I	**Total Revenue from Operations**		508.36	1,731.37	1,295.29	975.94
II	Other Income	**28**	4.19	18.81	11.39	6.51
III	**Total Income (I+II)**		**512.55**	**1,750.18**	**1,306.68**	**982.45**
IV	**Expenses:**					
	Finance Costs	**29**	240.63	834.20	628.57	500.30
	Impairment on financial instruments	**30**	14.45	18.75	16.36	5.75
	Employee Benefits Expense	**31**	130.58	432.04	319.06	197.84
	Depreciation & Amortisation Expense	**32**	3.68	15.30	10.80	8.49
	Net Loss On Fair Value Changes		3.06	-	-	-
	Other Expenses	**33**	33.17	153.52	111.70	75.03
	Total Expenses (IV)		**425.57**	**1,453.81**	**1,086.49**	**787.41**
V	**Profit/(Loss) before Exceptional Items & Tax (III-IV)**		**86.98**	**296.37**	**220.19**	**195.04**
VI	**Exceptional Items**		**-**	**-**	**-**	**-**
VII	Profit/(Loss) Before Tax (V-VI)		**86.98**	**296.37**	**220.19**	**195.04**
VIII	**Tax Expense:**					
	Current Tax		44.28	60.95	35.47	26.50
	Deferred Tax		(23.56)	10.40	24.77	22.67
	Income Tax for Earlier Year		-	0.33	0.24	(0.64)
	Total Tax Expenses (VIII)		**20.72**	**71.68**	**60.48**	**48.52**
IX	**Profit/(loss) for the year (VII-VIII)**		**66.26**	**224.69**	**159.71**	**146.52**
X	**Other Comprehensive Income**					
	(A) Items that will not be reclassified to profit or loss					
	- Remeasurement Gains/(Losses) on Defined Benefit Plans		(0.13)	2.04	0.77	(1.07)
	- Income tax on above		0.03	(0.51)	(0.19)	0.27
	Subtotal(A)		(0.10)	1.52	0.58	(0.80)
	(B)Items that will be reclassified to profit or loss					
	Subtotal(B)					
XI	**Total Other Comprehensive Income for the year (A+B)**		**(0.10)**	**1.52**	**0.58**	**(0.80)**
XII	**Total Comprehensive Income for the year (IX+XI)**		**66.16**	**226.21**	**160.28**	**145.72**
XIII	**Earnings per Equity Share:**	**34**				
	Basic (in ₹)		3.34	12.22	10.04	9.99
	Diluted (in ₹)		3.34	11.31	10.03	9.99
	Nominal Value of Equity Shares		10.00	10.00	10.00	10.00
	Significant Accounting Policies	**1**				
	The accompanying notes 1 to 107 form an integral part of these financial statements					

As per our Report of even date attached
For S.C. Bapna & Associates
Chartered Accountants
Firm Registration No.- 115649W

For and on Behalf of the Board of Directors of
Laxmi India Finance Limited

Deepak Baid
Managing Director
DIN: 03373264

Aneesha Baid
Whole Time Director
DIN: 07117678

CA Rupal Kumbhat
Partner
Membership No.- 401084

Place: Jaipur
Date: 13/11/2024

Gopal Krishan Sain
Chief Financial Officer

Sourabh Mishra
Company Secretary
Membership No. - 51872

Restated Financial Statements
Restated Statement of Cash Flows

(₹ in Millions)

Particulars	Quarter ended June 30, 2024		Year ended Mar 31, 2024		Year ended Mar 31, 2023		Year ended Mar 31, 2022	
A. Cash Flow from Operating Activity								
Profit before tax		**86.98**		**296.37**		**220.19**		**195.04**
Adjustments for:								
Depreciation, Amortisation & Impairment	3.68		15.30		10.80		8.49	
Fair Value change of Investments	3.06		(33.09)		0.24		(0.32)	
Impairment on financial instruments	14.45		18.75		16.36		5.75	
Finance Cost on Lease Liability	0.30		0.71		0.32		0.25	
Income on Derecognised (assigned) Loans	3.74		(138.74)		(112.97)		(129.38)	
Upfront Gain on ARC	-		2.60		(16.65)		-	
Interest income on Security deposit	(0.01)		(0.03)		(0.01)		(0.01)	
Provision for Gratuity	0.62		2.79		3.21		3.86	
Gain on Lease Liabilities	(0.07)		-		(0.03)		(0.10)	
Gain/(Loss) on Disposal of Fixed Assets	-		(1.69)		(0.44)		(0.40)	
		25.77		(133.40)		(99.17)		(111.86)
Operating profit before working capital changes		**112.75**		**162.97**		**121.02**		**83.18**
Adjustment for :								
(Increase)/decrease in Loans	(887.58)		(2,485.16)		(1,203.20)		(305.18)	
(Increase)/decrease in Receivables	0.43		(2.43)		(0.70)		-	
(Increase)/decrease in other financial assets	29.67		99.71		119.74		138.61	
(Increase)/decrease in Bank balance other than Cash and cash equivalents	(105.20)		8.30		(577.32)		(31.97)	
(Increase)/decrease in non financial assets	(21.72)		(4.57)		(3.85)		(5.23)	
Increase/(decrease) in other financial liabilities	(7.90)		30.42		(111.72)		0.16	
Increase/(decrease) in non financial liabilities	(3.92)		5.23		4.27		1.99	
Increase/decrease in Trade Payables)	4.37		12.47		(4.83)		(2.33)	
Increase/(decrease) in provisions	-		-		0.83		(0.83)	
Total of changes in working capital		(991.85)		(2,336.03)		(1,776.78)		(204.78)
Cash generated from operations		**(879.10)**		**(2,173.06)**		**(1,655.76)**		**(121.60)**
Income Tax Paid		(8.81)		(64.48)		(38.38)		(66.33)
Net Cash from/(used in) Operating Activity (A)		**(887.91)**		**(2,237.54)**		**(1,694.14)**		**(187.93)**
B. Cash Flow from Investing Activity								
Purchase/Sales of property, plant and equipment and intangible assets(including in progress assets)		(3.50)		(24.32)		(51.33)		(3.93)
Purchase/Sale of Investments		5.43		(43.64)		102.74		(193.02)
Net Cash Flow from/(used in) Investing Activity (B)		**1.93**		**(67.96)**		**51.41**		**(196.95)**
C. Cash Flow from Financing Activity								
Issue of equity shares		-		15.46		24.27		15.77
Share Premium on issue of equity shares		-		251.15		74.60		114.23
Proceeds from / (Repayment of) Borrowings		1,096.19		1,614.26		2,097.46		308.39
Proceeds from / (Repayment of) Subordinated Liability		0.01		79.36		-		-
Proceeds from / (Repayment of) debt securities		297.02		(181.72)		(56.14)		(104.74)
Expenses related to Capital Issuance		-		(0.95)		(0.12)		(0.50)
Payment of Lease Liabilities		(0.75)		(2.19)		(13.30)		(1.29)
Net Cash Flow from Financing Activity (C)		**1,392.47**		**1,775.36**		**2,126.77**		**331.87**
Net increase in cash and cash equivalents (A+B+C)		**506.49**		**(530.14)**		**484.04**		**(53.02)**
Cash and cash equivalents at the beginning of the year		422.70		952.84		468.80		521.82
Cash and cash equivalents at the close of the year		929.19		422.70		952.84		468.80
Net increase in cash and cash equivalents		**506.49**		**(530.14)**		**484.04**		**(53.02)**

Cash and Cash Equivalent includes:-

(₹ in Millions)

Particulars		As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Cash in hand		31.88	10.37	5.68	8.86
Balances with Bank		897.31	412.33	947.16	459.94
Total		**929.19**	**422.70**	**952.84**	**468.80**

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Refer Note 44 for changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes as per Ind AS 7 - Statement of Cash flows.

As per our Report of even date attached
For S.C. Bapna & Associates
Chartered Accountants
Firm Registration No.- 115649W

For and on Behalf of the Board of Directors of
Laxmi India Finance Limited

Deepak Baid
Managing Director
DIN: 03373264

Aneesha Baid
Whole Time Director
DIN: 07117678

CA Rupal Kumbhat
Partner
Membership No.- 401084

Place: Jaipur
Date: 13/11/2024

Gopal Krishan Sain
Chief Financial Officer

Sourabh Mishra
Company Secretary
Membership No. - 51872

GENERAL INFORMATION

Registered and Corporate Office

Laxmi Finance India Limited
2 DFL, Gopinath Marg, MI Road,
Jaipur-302001, Rajasthan, India.

For details of changes in the name and registered offices of our Company, please refer to the section titled *"History and Certain Corporate Matters"* on page 240 of this Draft Red Herring Prospectus.

Corporate Identity Number and Registration Number

Corporate Identity Number: U65929RJ1996PLC073074

Registration Number: 073074

RBI Registration Number: B-10.00318

Registrar of Companies

Ministry Of Corporate Affairs,
C/6-7, 1st Floor, Residency Area,
Civil Lines, Jaipur-302001,
Rajasthan, India

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
Deepak Baid	Managing Director	03373264	B-114 A, Dayanand Marg, Near Water Tank, Tilak Nagar, Jawahar Nagar, Jaipur, Rajasthan – 302004, India.
Prem Devi Baid	Whole Time Director	00774922	B-114 A, Tej Kunj, Dayanand Marg, Tilak Nagar, Jawahar Nagar, Jaipur, Rajasthan – 302004, India.
Aneesha Baid	Whole Time Director	07117678	B-114 A, Dayanand Marg, Near Water Tank, Tilak Nagar, Jawahar Nagar, Jaipur, Rajasthan – 302004, India.
Anil Patwardhan	Non-Executive Independent Director	09441268	Dr. Bhatwadekar Building, 215, Rajaram Mohan Roy Road, Girgaon, Mumbai, Maharashtra – 400004, India.
Surendra Mehta	Non-Executive Independent Director	00298751	B-32, Prabhu Marg, Tilak Nagar, Jawahar Nagar, Jaipur, Rajasthan – 302004, India.
Brijmohan Sharma	Additional Non-Executive Independent Director	09646943	Rani Bazar, Near Brahm Charya Ashram, Bikaner, Rajasthan – 334001, India.

For brief profiles and further details in relation to our Board, see "*Our Management - Brief profile of our Directors*" on page 272.

Company Secretary & Compliance Officer

Sourabh Mishra is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

2, DFL, Gopinath Marg, M.I. Road Jaipur,
Rajasthan-302001, India
Email: investors@lifc.in
Telephone: +91 9773376198

Investor grievances

Bidders may contact the Company Secretary and Compliance Officer, BRLM or the Registrar to the Offer in case of any pre-Offer or post-Offer related queries, grievances and for redressal of complaints including 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.

All Offer-related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) 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, UPI 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 through the UPI Mechanism), date of Bid cum Application Form and the name and address of them relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose a copy of the Acknowledgment Slip or provide the application number received from the Designated Intermediary(ies) 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. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related 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, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

Statement of inter-se allocation of responsibilities of the BRLM

PL Capital Markets Private Limited is the sole Book Running Lead Manager to this Offer and all the responsibilities relating to the co-ordination and other activities in relation to the Offer shall be performed by them and hence, a statement of inter se allocation of responsibilities is not applicable.

Statutory Auditors of our Company

S.C. Bapna & Associates
305, Lodha Supremus, Next to Lodha Eternis,
Off Mahakali Caves Road, Andheri (East),
Mumbai - 400069
Telephone: +91 7738007589
E-mail: mumbai@scbapna.in
Contact Person: CA Rupal Kumbhat
Firm Registration No.: 115649W
Peer Review Number: 014792

Changes in Statutory 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 of Change	Reason of Change
S.C. Bapna & Associates 305, Lodha Supremus, Next to Lodha Eternis, Off Mahakali Caves Road, Andheri (East), Mumbai - 400069 **Telephone:** +91 7738007589 **E-mail**: mumbai@scbapna.in **Firm Registration No.:** 115649W **Peer Review Number:** 014792	June 29, 2024	Appointment as Statutory Auditors of our Company
A Bafna & Company K-2 Keshav path Near Ahinsa Circle C Scheme Jaipur – 302001 **Telephone:** 0141-2372572 **E-mail**: Vivek@abafnaco.com **Firm Registration No.:** 003660C **Peer Review Number:** 016548	June 28, 2024	Completion of their term of appointment.

Book Running Lead Manager

PL Capital Markets Private Limited
6th floor, Tower 2B South Annexe, One World Centre,
Senapati Bapat Marg, Lower Parel, Mumbai - 400013
Maharashtra, India
Telephone: +91 22 6632 2222
Email: laxmiindiaipo@plindia.com
Investor grievance email: grievance-mbd@plindia.com
Contact Person: Akanksha Prakash/ Ashwinikumar Chavan
Website: www.plindia.com
SEBI Registration number: INM000011237
CIN: U65190MH2007PTC169741

Legal Counsel to the Issuer as to Indian laws

Alliance Law
Address: 801, 8th Floor, Raheja Centre,
Free Press Journal Marg, Nariman Point,
Mumbai – 400 021.
Telephone: +91 9987011250
E-mail: ipo@alliancelaw.in

Registrar to the Offer

Link Intime India Private Limited
Address: C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083
Telephone: +91 810 811 4949
Email: laxmifinance.ipo@linkintime.co.in
Investor Grievance ID: laxmifinance.ipo@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
Website: www.linkintime.co.in
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

Bankers to the Offer:

Escrow Collection Bank

[●]

Public Offer Bank

[●]

Refund Bank

[●]

Sponsor Bank(s)

[●]

Banker to our Company

AU Small Finance Bank Limited
Address: 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur – 302001, Rajasthan, India
Telephone: +91 7073470470
E-mail: akshit.jain@aubank.in
Website: https://www.aubank.in/
Contact Person: Akshit Jain
CIN: L36911RJ1996PLC011381

Syndicate Member

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognized=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 https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognizedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Bidders (other than RIBs) is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognizedFpi=yes&intmId=35 which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time. Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available www.sebi.gov.in.

Eligible Self-Certified Syndicate Banks and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 and SEBI circular No SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the UPI Bidders may only apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, using the UPI handles and which are live for applying in public issues using UPI mechanism, is provided in the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognizedFpi=yes&intmId=40 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognizedFpi=yes&intmId=43, as updated from time to time.

Syndicate Self-Certified Syndicate Banks Branches

In relation to Bids (other than Bids by 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 (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognizedFpi=yes&intmId=35) and updated from time to time or any other website prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the members of Syndicate at Specified Locations, see the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognizedFpi=yes&intmId=35) and updated from time to time or any other website prescribed by SEBI from time to time

Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of Self Certified Syndicate Banks eligible as sponsor banks for UPI Mechanism, including details such as name and contact details, are provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognizedFpi=yes&intmId=41, or such other websites as updated from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock-broker network of the stock exchanges, 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 stock exchanges at www.bseindia.com/Markets/PublicOffers/brokercentres_new.aspx and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, 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 stock exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures 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 stock exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, respectively, or such other websites as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI (ww.sebi.gov.in) and updated from time to time.

Experts to the Offer

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

Our Company has received written consents from the following persons to include their names as required under Section 26 (5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an "Expert" as defined under Section 2(38) of the Companies Act and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus:

1. Consent dated December 15, 2024, from M/s. S.C. Bapna & Associates, Chartered Accountants, to the extent and in their capacity as our Statutory Auditor in respect of (i) the examination report dated November 13, 2024 on the Restated Financial Statements; (ii) their report on Statement of Possible Special Tax Benefits

dated December 15, 2024; and (iii) in respect of the certificates issued by them in their capacity as an Statutory Auditor to our Company included in this Draft Red Herring Prospectus;

2. Consent dated December 15, 2024 from M/s. UCC & Associates LLP, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name, in this Draft Red Herring Prospectus, as an 'expert' as defined under Section 2(38) of Companies Act in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

Monitoring Agency

Our Company will appoint a credit rating agency registered with SEBI as a monitoring agency to monitor the utilization of the Gross Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus. For details in relation to the proposed utilization of the Gross Proceeds, see "*Objects of the Offer*" on page 112.

Credit Rating

As the Offer is of Equity Shares, credit rating is not required.

IPO Grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading of the Offer.

Debenture Trustees

As the Offer is of Equity Shares, the appointment of Debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution.

Filing of 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 ICDR Master Circular and 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 on the MCA Portal.

Book Building Process

The Book building, in the context of the Offer, refers to the process of collection of Bids from bidders on the basis of the Draft Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price

Band, which will be decided by our Company, in consultation with the BRLM, and which will be advertised in all [●] editions of the English national daily newspaper, all [●] editions of the Hindi national daily newspaper (Hindi also being the regional language of Rajasthan where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date. The Offer Price shall be determined by our Company in consultation with the BRLM, after the Bid/Offer Closing Date. For further details, see "*Offer Procedure*" on page 504. The principal parties involved in the Book Building Process are:

All Bidders, other than Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or in the case of UPI Bidders, by using the UPI Mechanism. Additionally, Retail Individual Bidders shall participate through the ASBA process only using the UPI Mechanism. Non-Institutional Bidders with an application size of up to ₹500,000 million 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 and Share Transfer Agents. Anchor Investors are not permitted to participate in the Offer through the ASBA process. In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and other Eligible Employees can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date.

Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bidding Date. Except Allocation to Retail Individual Investors, Non-Institutional Investors and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. For further details on the method and procedure for Bidding and the Book Building Process, see "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" beginning on pages 491491, 498498 and 504504, respectively of this Draft Red Herring Prospectus

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

Bidders should note that this Offer is also subject to obtaining (i) 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

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter titled "*Offer Procedure*" on page 504 of this Draft Red Herring Prospectus.

Underwriting

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company the Selling Shareholders and the registrar intend to will enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement. 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 is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing the Prospectus with the RoC.)

Name, address, telephone, fax, and email of the Underwriters	Indicative number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]

The aforementioned underwriting commitments are indicative and will be finalized after the determination of the Offer Price and finalization of the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement 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 and not jointly responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers or purchase the Equity Shares to the extent of the defaulted amount in accordance with and subject to the terms of the Underwriting Agreement.

CAPITAL STRUCTURE

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

(in ₹, except share data)

S. No.	Particulars	Aggregate Face Value	Aggregate Value at Offer Price[(1)]
I.	**AUTHORIZED SHARE CAPITAL [(2)]**		
	60,000,000 Equity Shares of face value ₹5/- each	300,000,000	--
II.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	41,814,300 Equity Shares of face value ₹5/- each	209,071,500	--
III.	**PRESENT OFFER**		
	Offer of up to 16,092,195 Equity Shares of face value of ₹5 each at a price of ₹ [●] per Equity Share[(3)]	[●]	[●]
	Comprising:		
	Fresh Issue of 10,453,575 Equity Shares of face value of ₹5 each at a price of ₹ [●] per Equity Share[(3)]	[●]	[●]
	Offer for Sale of 5,638,620 Equity Shares of face value of ₹5 each at a price of ₹ [●] per Equity Share[(4)]	[●]	[●]
	which includes		
	Employee Reservation Portion of up to [●] Equity Shares of face value of ₹5 each[(5)]	[●]	[●]
	Net Offer of up to [●] Equity Shares of face value of ₹5 each	[●]	[●]
IV.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares of face value of ₹ 5 each	[●]	[●]
V.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	1,098.92	
	After the Offer	[●]	

[(1)] *To be included upon finalization of the Offer Price*

[(2)] *For details in relation to the changes in the authorized share capital of our Company, see "History and Certain Corporate Matters –Amendments to our Memorandum of Association in the last ten years" on page 241.*

[(3)] *The Offer including the Fresh Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on November 28, 2024 and by our Shareholders pursuant to a special resolution passed at their meeting held on November 29, 2024. Further, the IPO Committee has taken on record the Offer for Sale by the Selling Shareholders pursuant to its resolution dated November 29, 2024.*

[(4)] *The Equity Shares of face value of ₹5 each being offered by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of the Draft Red Herring Prospectus and are eligible for being offered for sale as part of the Offer in terms of the SEBI ICDR Regulations. Each Selling Shareholders has severally and not jointly confirmed and approved their respective participation in the Offer for Sale and their respective eligibility to participate in the Offer for Sale in accordance with the SEBI ICDR Regulations. For further details of authorizations received for the Offer, see "The Offer" and "Other Regulatory and Statutory Disclosures – Authority for the Offer" on pages 7373 and 479479479, respectively.*

[(5)] *Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. For further details, see "The Offer" on page 73 and "Offer Structure" on page 73 and 498, respectively 498.*

Notes to Capital Structure

1. **Share Capital History of our Company**

a. Equity Share Capital

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

Date of Allotment of Equity Shares	*Number of Equity Shares Allotted*	*Face Value per Equity Share (₹)*	*Issue Price per Equity Share (₹)*	*Nature of Consideration (Cash/Other than Cash)*	*Nature of Allotment*	*Details of Allottees*	*Cumulative Number of Equity Shares*	*Cumulative paid-up Equity Share Capital (₹)*
May 10, 1996	300	10	10	Cash	Subscription to MoA	Allotment of 100 Equity Share to Gupteshwar Singh, 100 Equity Share to Vinay Kumar Singh, 100 Equity Share to Lalita Devi.	300	3,000
March 31, 1997	2,100	10	10	Cash	Further Issue	Allotment of 700 Equity Shares to Gupteshwar Singh, 700 Equity Shares to Vinay Kumar Singh, 700 Equity Shares to Lalita Devi.	2,400	24,000
December 31, 1999	247,600	10	10	Cash	Further Issue	Allotment of, 60,200 Equity Shares to Vijender Singh, 40,000 Equity Shares to Chokha Ram, 28,400 Equity Shares to Om Wati, 20,000 Equity Shares to Kamal Singh Makkar, 20,000 Equity Shares to Babu Khan, 10,000 Equity Shares to Bharti Paliwal 10,000 Equity Shares to Madan Lal, 10,000 Equity Shares to Lalit Kumar Choudhary, 8,500 Equity Shares to Rattan Singh, 7,500 Equity Shares to Shrephool Rajput, 5,000 Equity Shares to Kishan Singh, 5,000 Equity Shares to Babita Chowdhary, 5,500 Equity Shares to Krishna Garg, 5,000 Equity Shares to Barmanand Sharma, 5,000 Equity Shares to Balram Kaim, 2,500 Equity Shares to Rajesh Garg, 2,500 Equity Shares to Mahendra Verma, 2,500 Equity Shares to Rajkumar Agarwal	250,000	2,500,000
March 31, 2012	7,200	10	500	Cash	Private Placement	Allotment of 6,000 Equity Shares to Realization Equity & Stocks Private Limited, 1,200 Equity Shares to Devagya Trading Private Limited,	257,200	2,572,000
March 30, 2013	4,471,624	10	30	Other than Cash	Private Placement	Allotment of 2,360,000 Equity Shares to Hirak Vinimay Private Limited, 2,111,624 Equity Shares to Sulochana Sarees Private Limited.	4,728,824	47,288,240
November 28, 2013	24	10	31	Cash	Private Placement	Allotment of 1 Equity Share to Bhagwati Devi, 1 Equity Share to Dhanuka Lad Kanwar, 1 Equity Share to Madhu Lunia, 1 Equity Share to Mahaveer Kumar Mehta, 1 Equity Share to Mahesh Kumar Godhwani HUF, 1 Equity Share to Mehul Durlabhji, 1 Equity Share to Narendra Kumar Surana HUF, 1 Equity Share to Naveen Kumar Jain HUF, 1 Equity Share to Neelima Mehta, 1 Equity Share to Keshav Pansari, 1	4,728,848	47,288,480

Date of Allotment of Equity Shares	*Number of Equity Shares Allotted*	*Face Value per Equity Share (₹)*	*Issue Price per Equity Share (₹)*	*Nature of Consideration (Cash/Other than Cash)*	*Nature of Allotment*	*Details of Allottees*	*Cumulative Number of Equity Shares*	*Cumulative paid-up Equity Share Capital (₹)*
						Equity Share to Rajkumar Kumhar, 1 Equity Share to Nirmala Durlabhji, 1 Equity Shares to Sushil Chandalia, 1 Equity Shares to Sheela Nahata, 1 Equity Shares to Shikha Durlabhji, 1 Equity Shares to Siddharth Ranka HUF, 1 Equity Shares to Siddharth Mehta, 1 Equity Shares to Sumedha Durlabhji, 1 Equity Shares to Suresh Jain, 1 Equity Shares to Sushila Pugalia, 1 Equity Shares to Tripti Surana, 1 Equity Shares to Ankita Baradiya, 1 Equity Shares to Gaurav Surana, 1 Equity Shares to M/s Dhaddha Exports (through its partners, Vimal Dhaddha & Neha Dhaddha)		
November 29, 2013	10	10	31	Cash	Private Placement	Allotment of 1 Equity Share to Shanti Prasad HUF, 1 Equity Shares to Vinod Kumar Bothra, 1 Equity Share to Alpana Patni, 1 Equity Share to Nirmal Kumar Chhajer, 1 Equity Share to Nirmal Kumar Chhajer HUF, 1 Equity Share to Arun Kumar Mehta, 1 Equity Share to Shyam Palsani, 1 Equity Share to Saroj Mehta, 1 Equity Share to Chahkoop Dugar, 1 Equity Share to Nirmal Kumar Jain HUF.	4,728,858	47,288,580
February 08, 2017	1,440,000	10	35	Cash	Private Placement	Allotment of 1,008,000 Equity Shares to Deepak Hitech Motors Private Limited, 432,000 Equity Shares to Trilochana Dealtrade Private Limited.	6,168,858	61,688,580
August 28, 2017	1,250,000	10	40	Cash	Private Placement	Allotment of 500,000 Equity Shares to Starpoint Constructions Private Limited, 375,000 Equity Shares to Deepak Hitech Motors Private Limited, 125,000 Equity Shares to Prem Devi Baid, 125,000 Equity Shares to Deepak Baid, 125,000 Equity Shares to Aneesha Baid.	7,418,858	74,188,580
January 11, 2018	1,087,000	10	46	Cash	Private Placement	Allotment of 325,000 Equity Shares to Deepak Hitech Motors Private Limited, 325,000 Equity Shares to Starpoint Constructions Private Limited, 109,000 Equity Shares to Champalal Distributors Private Limited, 109,000 Equity Shares to Prem Dealers Private Limited, 73,000 Equity Shares to Prem Devi	8505858	85,058,580

Date of Allotment of Equity Shares	*Number of Equity Shares Allotted*	*Face Value per Equity Share (₹)*	*Issue Price per Equity Share (₹)*	*Nature of Consideration (Cash/Other than Cash)*	*Nature of Allotment*	*Details of Allottees*	*Cumulative Number of Equity Shares*	*Cumulative paid-up Equity Share Capital (₹)*
						Baid, 73,000 Equity Shares to Deepak Baid 73,000 Equity Shares to Aneesha Baid.		
March 30, 2018	1,494,142	10	46	Cash	Private Placement	Allotment of 1,086,960 Equity Shares to Starpoint Constructions Private Limited, 163,045 Equity Shares to BFL Asset Finvest Limited, 122,397 Equity Shares to Prem Dealers Private Limited, 121,740 Equity Shares to Champalal Distributors Private Limited	10,000,000	100,000,000
September 29, 2018	1,201,120	10	51	Cash	Private Placement	Allotment of 700,000 Equity Shares to Starpoint Constructions Private Limited, 196,080 Equity Shares to Jaipur Infragold Private Limited, 98,040 Equity Shares to Niranjana Prime Developers Private Limited, 69,000 Equity Shares to Prem Devi Baid, 69,000 Equity Shares to Deepak Baid 69,000 Equity Shares to Aneesha Baid	11,201,120	112,011,200
December 30, 2018	833,456	10	54	Cash	Private Placement	Allotment of 472,370 Equity Shares to Starpoint Constructions Private Limited, 64,810 Equity Shares to Sulochana Sarees Private Limited, 55,550 Equity Shares to Prem Devi Baid, 51,850 Equity Shares to Prem Dealers Private Limited, 40,735 Equity Shares to Deepak Baid, 37,030 Equity Shares to Aneesha Baid, 37,037 Equity Shares to BFL Asset Finvest Limited, 37,037 Equity Shares to Jaipur Infragold Private Limited, 37,037 Equity Shares to Niranjana Prime Developers Private Limited.	12,034,576	12,0345,760
March 30, 2019	833,340	10	60	Cash	Private Placement	Allotment of 333,325 Equity Shares to Gatik Realcon Private Limited, 166,675 Equity Shares to Hirak Vinimay Private Limited, 166,670 Equity Shares to Prem Devi Baid, 166,670 Equity Shares to Aneesha Baid.	12,867,916	128,679,160
September 28, 2019	769,230	10	65	Cash	Private Placement	Allotment of 92,310 Equity Shares to Hirak Vinimay Private Limited, 444,615 Equity Shares to Gatik Realcon Private Limited, 232,305 Equity Shares to Starpoint Constructions Private Limited.	13,637,146	136,371,460
September 30, 2020	675,700	10	74	Cash	Rights Issue	Allotment of 205,675 Equity Shares to Champalal Distributors Private Limited, 150,945 Equity Shares to Starpoint Constructions Private Limited, 142,570	14,312,846	143,128,460

Date of Allotment of Equity Shares	*Number of Equity Shares Allotted*	*Face Value per Equity Share (₹)*	*Issue Price per Equity Share (₹)*	*Nature of Consideration (Cash/Other than Cash)*	*Nature of Allotment*	*Details of Allottees*	*Cumulative Number of Equity Shares*	*Cumulative paid-up Equity Share Capital (₹)*
						Equity Shares to Gatik Realcon Private Limited, 94,595 Equity Shares to Deepak Hitech Motors Private Limited, 24,325 Equity Shares to Aneesha Baid, 21,620 Equity Shares to Prem Devi Baid, 21,620 Equity Shares to Deepak Baid, 14,350 Equity Shares to Prem Dealers Private Limited.		
September 07, 2021	625,000	10	80	Cash	Rights Issue	Allotment of 256,250 Equity Shares to Gatik Realcon Private Limited, 150,000 Equity Shares to Starpoint Constructions Private Limited, 93,750 Equity Shares to Prem Dealers Private Limited, 62,500 Equity Shares to Prem Devi Baid, 31,250 Equity Shares to Aneesha Baid, 31,250 Equity Shares to Deepak Baid.	14,937,846	149,378,460
March 31, 2022	952,384	10	84	Cash	Rights Issue	Allotment of 148,810 Equity Shares to Starpoint Constructions Private Limited, 148,810 Equity Shares to Prem Dealers Private Limited, 148,810 Equity Shares to Deepak Hitech Motors Private Limited, 148,810 Equity Shares to Hirak Vinimay Private Limited, 137,342 Equity Shares to Deepak Baid, 119,048 Equity Shares to Gatik Realcon Private Limited, 54,395 Equity Shares to Prem Devi Baid, 46,359 Equity Shares to Aneesha Baid.	15,890,230	158,902,300
March 28, 2023	3,972,558(1)	10	92	Cash	Rights Issue	Allotment of 1,956,522 Equity Shares to Deepak Baid, 1,086,957 Equity Shares to Deepak Hitech Motors Private Limited, 820,383 Equity Shares to Aneesha Baid, 54,348 Equity Shares to Preeti Chopra, 54,348 Equity Shares to Rashmi Giria	19,862,788	198,627,880
August 16, 2024	1,044,362	10	190	Cash	Rights Issue	Allotment of 52,632 Equity Shares to Naveen Giria, 52,600 Equity Shares to Surendra Mohta, 157,900 Equity Shares to Sanjay Garudapally, 97,474 Equity Shares to Deepak Baid, 80,000 Equity Shares to Agile Finserve Private Limited, 52,632 Equity Shares to Rashmi Giria, 52,632 Equity Shares to Arihant Goods Private Limited, 52,632 Equity Shares to Ritula Saraf, 52,631 Equity Shares to Polyaka Investment Private Limited, 30,000 Equity Shares to Sangeeta Joshi, 26,500 Equity Shares to Levim Capital Investments,	20,907,150	209,071,500

Date of Allotment of Equity Shares	*Number of Equity Shares Allotted*	*Face Value per Equity Share (₹)*	*Issue Price per Equity Share (₹)*	*Nature of Consideration (Cash/Other than Cash)*	*Nature of Allotment*	*Details of Allottees*	*Cumulative Number of Equity Shares*	*Cumulative paid-up Equity Share Capital (₹)*
						26,315 Equity Shares to SYL Investment, 20,000 Equity Shares to Sanjay Kumar Joshi, 16,000 Equity Shares to Prajwal Ramesh Zende, 15,000 Equity Shares to Dharmika Maheshwari, 13,200 Equity Shares to Rakesh Kumar Bhoot HUF, 13,200 Equity Shares to Amar Kumar Gupta HUF, 13,200 Equity Shares to Bhavik Ramesh, 13,200 Equity Shares to Sapna Sanjay Lalwani, 13,200 Equity Shares to Shubham Gupta, 13,200 Equity Shares to Utpal Bhattacharyya, 13,200 Equity Shares to Sukhpal Kumar, 13,200 Equity Shares to Gunvatbhai Babubhai Patel, 13,200 Equity Shares to Govind Kumar, 13,200 Equity Shares to Omprakash Gurudasmal Chawla, 13,200 Equity Shares to Sudhakar Dattatraya Khare, 13,200 Equity Shares to Winfinity Partners LLP, 13,200 Equity Shares to Amitabha Sarkar, 13,200 Equity Shares to Kailash Prasad Agarwal, 13,157 Equity Shares to Sunita Gangwal, 13,157 Equity Shares to Sunita Rajan Bhat, 13,157 Equity Shares to Rina Jain, 5,800 Equity Shares to Divya Navani, 5,300 Equity Shares to Naveen Sawlani, 5,264 Equity Shares to Payal Agarwal, 5,260 Equity Shares to Bhag Chand Jain, 4,725 Equity Shares to Pratibha Soni, 2,630 Equity Shares to Harsha Tinker, 2,630 Equity Shares to Rekha Sharma, 1,767 Equity Shares to Ashni Akarsh Mehta, 1,767 Equity Shares to Vishal Nitin Sampat.		
Sub-division of 20,907,150 equity shares of face value of ₹10 each to 41,814,300 Equity Shares of face value of ₹5 each, pursuant to the Shareholders' resolution dated November 16, 2024								

(1) 3,972,558 Equity Shares allotted on March 28, 2023 to the respective allottees on a partly paid-up basis with ₹ 6 per Equity Share towards face value and ₹ 17 per Equity Share towards premium amount paid at the time of allotment. The said Equity Shares were subsequently made fully paid-up on March 27, 2024. Accordingly, these Equity Shares are fully paid-up as on the date of this Draft Red Herring Prospectus.

Secondary Transactions involving the Promoters, Promoter Group and the Selling Shareholders

Except as disclosed below and in *"– Build-up of the Equity shareholding of our Promoters in our Company"* on page 97, no other acquisition or transfer of Equity Shares through secondary transactions by our Promoters, Selling Shareholders and members of the Promoter Group, has been undertaken as on the date of this Draft Red Herring Prospectus:

Date of transfer of Equity Shares	Number of Equity Shares transferred	Transferor	Transferee	Face value per Equity Share (₹)	Transfer price per Equity Share (₹)	Nature of consideration
November 19, 2024	52,632	Naveen Giria	Rashmi Giria*	10	190	Cash
December 7, 2024	52,632	Arihant Goods Private Limited	Preeti Chopra*	5	97	Cash
December 9, 2024	52,632	Arihant Goods Private Limited	Preeti Chopra*	5	97	Cash

* *Also Promoter Group Selling Shareholders*

b. **History of preference share capital.**

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

2. **Details of Equity Shares issued for consideration other than cash, bonus issue or out of revaluation reserves:**

Our Company has not issued any equity shares for consideration other than cash, out of revaluation of reserves or by way of bonus issue since its incorporation, except as disclosed below:

Date of Allotment of Equity Shares	Number of Equity Shares allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Benefits accrued to our Company	Reason/ Nature of allotment	Name of Allottee
March 30, 2013	4,471,624	10	30	Improvement in debt equity ratio	Conversion of Loan into Equity Shares	Allotment of 2,360,000 Equity Shares to Hirak Vinimay Private Limited and 2,111,624 Equity Shares to Sulochana Sarees Private Limited.

3. **Issue of Equity Shares under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013**

Our Company has not issued or allotted any Equity Shares pursuant to any scheme of arrangement approved under Section 391-394 of the Companies Act, 1956 or section 230-234 of the Companies Act, 2013.

4. **Issue of Equity Shares under employee stock option schemes**

As on date of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares pursuant to exercise of stock options granted pursuant to the ESOS 2023. For details of outstanding options granted pursuant to the ESOS 2023, see "- ESOS 2023" on page 110.

5. **Issue of Equity Shares at a price lower than Offer Price in the last one (1) year**

Except as disclosure in *"Capital Structure - Notes on Capital Structure"* on page 88, our Company has not issued Equity Shares at a price which may be lower than the Offer Price during the a period of one year preceding the date of filing of this Draft Red Herring Prospectus.

6. **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:

S. No (I)	Category of shareholder (II)	Nos. of shareholder (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) (XI=VIII+IX)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of ₹5/- each	Total								
(A)	Promoters and Promoter Group	9	37,236,188	-	-	37,236,188	89.05	37,236,188	37,236,188	89.05	-	89.05		-		-	37,236,188
(B)	Public	74	45,78,112	-	-	45,78,112	10.95	45,78,112	45,78,112	10.95	-	10.95		-		-	45,78,112
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-		-			
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-		-		-	-
	Total	83	41,814,300	-	-	41,814,300	100	41,814,300	41,814,300	100	-	100		-		-	41,814,300

7. **Details of equity shareholding of major shareholders of our Company**

a. Set forth below is the list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company on a fully diluted basis and the number of Equity Shares held by them, as on the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre-Offer Equity Share capital (%)
1.	Hirak Vinimay Private Limited	21,748,484	52.01%
2.	Deepak Baid	7,384,952	17.66%
3.	Deepak Hitech Motors Private Limited	2,801,082	6.70%
4.	Aneesha Baid	2,261,902	5.41%
5.	Prem Devi Baid	1,413,070	3.38%
6.	Prem Dealers Private Limited	1,079,114	2.58%
	Total	***36,688,604***	***87.74%***

b. Set forth below is the list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company on a fully diluted basis and the number of Equity Shares held by them, as of 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre-Offer Equity Share capital (%)
1.	Hirak Vinimay Private Limited	21,748,484	52.01%
2.	Deepak Baid	7,384,952	17.66%
3.	Deepak Hitech Motors Private Limited	2,801,082	6.70%
4.	Aneesha Baid	2,261,902	5.41%
5.	Prem Devi Baid	1,413,070	3.38%
6.	Prem Dealers Private Limited	1,079,114	2.58%
	Total	***36,688,604***	***87.74%***

c. Set forth below is the list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company on a fully diluted basis and the number of Equity Shares held by them, as of one year prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre-Offer Equity Share capital (%)
1.	Hirak Vinimay Private Limited	1,08,74,842	68.44
3.	Deepak Hitech Motors Private Limited	19,51,405	12.28
2.	Deepak Baid	31,63,345	7.59
4.	Prem Devi Baid	7,07,135	4.45
5.	Aneesha Baid	14,23,051	3.79
6.	Prem Dealers Private Limited	5,40,157	3.40
	Total	***18,659,935***	***99.95***

d. Set forth below is the list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company on a fully diluted basis and the number of Equity Shares held by them, as of two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre-Offer Equity Share capital (%)
1.	Starpoint Constructions Private Limited	37,66,390	23.70
2.	Hirak Vinimay Private Limited	27,67,795	17.42

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre-Offer Equity Share capital (%)
3.	Sulochana Sarees Private Limited	21,76,434	13.70
4.	Deepak Hitech Motors Private Limited	19,51,405	12.28
5.	Gatik Realcon Private Limited	17,27,808	10.87
6.	Deepak Baid	12,06,823	7.59
7.	Prem Devi Baid	7,07,135	4.45
8.	Aneesha Baid	6,02,668	3.79
9.	Prem Dealers Private Limited	5,40,157	3.40
10.	Champalal Distributors Private Limited	4,36,415	2.75
	Total	***15,883,030***	***99.95***

8. Except for the Offer and allotment of Equity Shares pursuant to exercise of stock options granted under the ESOP Scheme, our Company presently does not intend or propose to alter its capital structure for a period of six (6) months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of 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 further public issue of Equity Shares, or otherwise. However, if business needs of our Company so require, our Company may alter the capital structure by way of split/ consolidation of the denomination of the Equity Shares/ issue of Equity Shares on a preferential basis or issue of bonus or rights or public or preferential issue of Equity Shares or any other securities during the period of six (6) months from the date of opening of the Offer or from the date the application monies are refunded on account of failure of the Issue, after seeking and obtaining all the approvals which may be required.

9. **History of build-up of Promoters' shareholding (including Promoters' contribution) and Lock-in of Promoters' shareholding:**

i. Build-up of Promoters' shareholding.

Date of Allotment/ Transfer / when made fully paid up*	Number of Equity Shares	Nature of Transaction	Nature of Consideration	Face Value Per Share (₹)	Issue/ Acquisition / Sale Price per Share (₹)**	% of pre-Offer Equity share capital	%of post Offer equity share capital
Deepak Baid							
November 24, 2010	100,600	Transfer from Vijendar Singh	Cash	10	10	0.48	[●]
April 02, 2011	40,000	Transfer from Prem Devi Baid	Cash	10	10	0.19	[●]
August 28, 2017	125,000	Private Placement	Cash	10	40	0.60	[●]
January 11, 2018	73,000	Private Placement	Cash	10	46	0.35	[●]
June 5, 2018	163,045	Transfer from BFL Asset Finvest Limited	Cash	10	48	0.78	[●]
September 29, 2018	69,000	Private Placement	Cash	10	51	0.33	[●]
December 08, 2018	196,080	Transfer from Jaipur Infragold Private Limited	Cash	10	54	0.94	[●]
December 08, 2018	98,040	Transfer from Niranjana Prime Developers Private Limited	Cash	10	54	0.47	[●]
December 30, 2018	40,735	Private Placement	Cash	10	54	0.19	[●]
February 05,	37,037	Transfer from	Cash	10	56	0.18	[●]

Date of Allotment/ Transfer / when made fully paid up*	Number of Equity Shares	Nature of Transaction	Nature of Consideration	Face Value Per Share (₹)	Issue/ Acquisition / Sale Price per Share (₹)**	% of pre-Offer Equity share capital	%of post Offer equity share capital
2019		BFL Asset Finvest Limited					
February 05, 2019	37,037	Transfer from Jaipur Infragold Private Limited	Cash	10	56	0.18	[●]
February 05, 2019	37,037	Transfer from Niranjana Prime Developers Private Limited	Cash	10	56	0.18	[●]
September 30, 2020	21,620	Rights Issue	Cash	10	74	0.10	[●]
September 07, 2021	31,250	Rights Issue	Cash	10	80	0.15	[●]
March 31, 2022	137,342	Rights Issue	Cash	10	84	0.66	[●]
March 28, 2023	1,956,522	Rights Issue	Cash	10	92	9.36	[●]
March 06, 2024	1,086,957	Transfer from Deepak Hitech Motors Private Limited	Cash	10	23^	5.20	[●]
March 22, 2024	(135,693)	Transfer to Sunil Jain	Cash	10	190	-0.65	[●]
March 22, 2024	(135,692)	Transfer to Aakar Jain	Cash	10	190	-0.65	[●]
March 22, 2024	(29,765)	Transfer to Prakarsh Jain	Cash	10	190	-0.14	[●]
March 22, 2024	(75,163)	Transfer to Rina Jain	Cash	10	190	-0.36	[●]
March 22, 2024	(75,162)	Transfer to Sunita Gangwal	Cash	10	190	-0.36	[●]
April 01, 2024	(150,825)	Transfer to M/s. SYL Investment	Cash	10	190	-0.72	
June 21, 2024	(26,500)	Transfer to Neha Choudhary	Cash	10	190	-0.13	[●]
July 05, 2024	(26,500)	Transfer to Neeraj Choudhary	Cash	10	190	-0.13	[●]
August 16, 2024	97,474	Rights Issue	Cash	10	190	0.47	[●]
Sub-division of 3,692,476 equity shares of face value of ₹10 each to 7,384,952 Equity Shares of face value of ₹5 each, pursuant to the Shareholders' resolution dated November 16, 2024.							
Sub Total (A)	**7,384,952**					**17.66**	**[●]**
Prem Devi Baid							
November 19, 2010	59,400	Transfer from Om Wati	Cash	10	10	0.28	[●]
November 19, 2010	20,000	Transfer from SLB Finlease Private Limited	Cash	10	10	0.10	[●]
November 19, 2010	40,000	Transfer from Monitor Sprint Elevators Private Limited	Cash	10	10	0.19	[●]
April 02, 2011	(40,000)	Transfer to Deepak Baid	Cash	10	10	-0.19	[●]
August 28, 2017	125,000	Private Placement	Cash	10	40	0.60	[●]

Date of Allotment/ Transfer / when made fully paid up*	Number of Equity Shares	Nature of Transaction	Nature of Consideration	Face Value Per Share (₹)	Issue/ Acquisition / Sale Price per Share (₹)**	% of pre-Offer Equity share capital	%of post Offer equity share capital
January 11, 2018	73,000	Private Placement	Cash	10	46	0.35	[●]
September 29, 2018	69,000	Private Placement	Cash	10	51	0.33	[●]
December 30, 2018	55,550	Private Placement	Cash	10	54	0.27	[●]
March 30, 2019	166,670	Private Placement	Cash	10	60	0.80	[●]
September 30, 2020	21,620	Rights Issue	Cash	10	74	0.10	[●]
September 07, 2021	62,500	Rights Issue	Cash	10	80	0.30	[●]
March 31, 2022	54,395	Rights Issue	Cash	10	84	0.26	[●]
March 22, 2024	(100)	Transfer to Sunil Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to Aakar Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to Prakarsh Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to Rina Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to SYL Investment	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to Sunita Gangwal	Cash	10	190	-0.00	[●]
Sub-division of 706,535 equity shares of face value of ₹10 each to 1,413,070 Equity Shares of face value of ₹5 each, pursuant to the Shareholders' resolution dated November 16, 2024.							
Sub Total (B)	**1,413,070**					**3.38**	**[●]**
Aneesha Baid							
November 23, 2010	20,000	Transfer from Sunvision Advertising & Marketing Private Limited	Cash	10	10	0.10	[●]
November 23, 2010	10,000	Transfer from Narendra Singh	Cash	10	10	0.05	[●]
September 02, 2014	(1)	Transfer to Bajrang Lal Chhajer	Cash	10	10	-0.00	[●]
September 02, 2014	(1)	Transfer to Jhumar Devi Bothra (Arham Commercial Corp)	Cash	10	10	-0.00	[●]
September 02, 2014	(1)	Transfer to Deepak Hirawat	Cash	10	10	-0.00	[●]
September 02, 2014	(1)	Transfer to Hanuman Mal Bakaria Karta of Hanuman Mal Bakaria HUF	Cash	10	10	-0.00	[●]
September 02, 2014	(1)	Transfer to Dipak Bokaria (Maruti Enterprises)	Cash	10	10	-0.00	[●]

Date of Allotment/ Transfer / when made fully paid up*	Number of Equity Shares	Nature of Transaction	Nature of Consideration	Face Value Per Share (₹)	Issue/ Acquisition / Sale Price per Share (₹)**	% of pre-Offer Equity share capital	%of post Offer equity share capital
September 02, 2014	(1)	Transfer to Meghraj Surana HUF	Cash	10	10	-0.00	[●]
August 28, 2017	125,000	Private Placement	Cash	10	40	0.60	[●]
January 11, 2018	73,000	Private Placement	Cash	10	46	0.35	[●]
April 12, 2018##	40	Transfer from 40 Shareholders	Cash	10	10	0.00	[●]
September 29, 2018	69,000	Private Placement	Cash	10	51	0.33	[●]
December 30, 2018	37,030	Private Placement	Cash	10	54	0.18	[●]
March 30, 2019	166,670	Private Placement	Cash	10	60	0.80	[●]
September 30, 2020	24,325	Rights Issue	Cash	10	74	0.12	[●]
September 07, 2021	31,250	Rights Issue	Cash	10	80	0.15	[●]
March 31, 2022	46,359	Rights Issue	Cash	10	84	0.22	[●]
March 28, 2023	820,383	Rights Issue	Cash	10	92	3.92	[●]
March 07, 2024	(26,500)	Transfer to Rajesh Bansal	Cash	10	190	-0.13	[●]
March 11, 2024	(26,500)	Transfer to Rachana Goenka	Cash	10	190	-0.13	[●]
March 11, 2024	(53,000)	Transfer to Srinithi Ventures	Cash	10	190	-0.25	[●]
March 11, 2024	(53,000)	Transfer to Trivikram Ventures	Cash	10	190	-0.25	[●]
March 11, 2024	(26,500)	Transfer to KJMC Corporate Advisors (India) Limited	Cash	10	190	-0.13	[●]
March 11, 2024	(53,000)	Transfer to VPK Global Ventures Fund	Cash	10	190	-0.25	[●]
March 11, 2024	(26,500)	Transfer to Benani Wealthfront LLP	Cash	10	190	-0.13	[●]
March 22, 2024	(100)	Transfer to Sunil Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to Aakar Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to Prakarsh Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to Rina Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to SYL Investment	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to Sunita Gangwal	Cash	10	190	-0.00	[●]
June 28, 2024	(26,500)	Transfer to Rashmi Agarwal	Cash	10	190	-0.13	[●]
Sub-division of 1,130,951 equity shares of face value of ₹10 each to 2,261,902 Equity Shares of face value of ₹5 each, pursuant to the Shareholders' resolution dated November 16, 2024.							

Date of Allotment/ Transfer / when made fully paid up*	Number of Equity Shares	Nature of Transaction	Nature of Consideration	Face Value Per Share (₹)	Issue/ Acquisition / Sale Price per Share (₹)**	% of pre-Offer Equity share capital	%of post Offer equity share capital
Sub Total (C)	2,261,902					5.41	[●]
Hirak Vinimay Private Limited							
March 30, 2013	2,360,000	Private Placement	Other than Cash	10	30	11.29	[●]
March 30, 2019	166,675	Private Placement	Cash	10	60	0.80	[●]
September 28, 2019	92,310	Private Placement	Cash	10	65	0.44	[●]
March 31, 2022	148,810	Rights Issue	Cash	10	84	0.71	[●]
March 21, 2023#	2,176,434	Transfer from Sulochana Sarees Private Limited	Cash	10	-	10.41	[●]
March 21, 2023#	3,766,390	Transfer from Starpoint Constructions Private Limited	Cash	10	-	18.01	[●]
March 21, 2023#	436,415	Transfer from Champalal Distributors Private Limited	Cash	10	-	2.09	[●]
March 21, 2023#	1,727,808	Transfer from Gatik Realcon Private Limited	Cash	10	-	8.26	[●]
March 22, 2024	(100)	Transfer to Aakar Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to Rina Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to Sunita Gangwal	Cash	10	190	-0.00	[●]
March 26, 2024	(100)	Transfer to Sunil Jain	Cash	10	190	-0.00	[●]
March 26, 2024	(100)	Transfer to Prakarsh Jain	Cash	10	190	-0.00	[●]
March 27, 2024	(100)	Transfer to SYL Investment	Cash	10	190	-0.00	[●]
Sub-division of 10,874,242 equity shares of face value of ₹10 each to 21,748,484 Equity Shares of face value of ₹5 each, pursuant to the Shareholders' resolution dated November 16, 2024.							
Sub Total (D)	21,748,484					52.01	[●]
Deepak Hitech Motors Private Limited							
February 08, 2017	1,008,000	Private Placement	Cash	10	35	4.82	[●]
August 28, 2017	375,000	Private Placement	Cash	10	40	1.79	[●]
January 11, 2018	325,000	Private Placement	Cash	10	46	1.55	[●]
September 30, 2020	94,595	Rights Issue	Cash	10	74	0.45	[●]
March 31, 2022	148,810	Rights Issue	Cash	10	84	0.71	[●]
March 28, 2023	1,086,957	Rights Issue	Cash	10	92	5.20	[●]
March 05, 2024	(26,500)	Transfer to Arun Mittal	Cash	10	190	-0.13	[●]
March 06, 2024	(1,086,957)	Transfer to Deepak Baid	Cash	10	23	-5.20	[●]
March 06, 2024	(26,500)	Transfer to	Cash	10	190	-0.13	[●]

Date of Allotment/ Transfer / when made fully paid up*	Number of Equity Shares	Nature of Transaction	Nature of Consideration	Face Value Per Share (₹)	Issue/ Acquisition / Sale Price per Share (₹)**	% of pre-Offer Equity share capital	%of post Offer equity share capital
		Tarlaben Bhupendra Patel					
March 11, 2024	(13,158)	Transfer to Nishant Jain HUF	Cash	10	190	-0.06	[●]
March 11, 2024	(13,158)	Transfer to Nishant Jain	Cash	10	190	-0.06	[●]
March 11, 2024	(5,263)	Transfer to Manish Bachhawat	Cash	10	190	-0.03	[●]
March 11, 2024	(26,500)	Transfer to Rajiv Gupta	Cash	10	190	-0.13	[●]
March 11, 2024	(53,000)	Transfer to Rakesh Rosan Dalmia	Cash	10	190	-0.25	[●]
March 11, 2024	(26,500)	Transfer to Intellect Fincap Advisors Private Limited	Cash	10	190	-0.13	[●]
March 11, 2024	(53,000)	Transfer to Harit Exports Private Limited	Cash	10	190	-0.25	[●]
March 11, 2024	(26,500)	Transfer to Anuj Premkumar Agarwal	Cash	10	190	-0.13	[●]
March 11, 2024	(26,500)	Transfer to Ashni Akarsh Mehta	Cash	10	190	-0.13	[●]
March 11, 2024	(26,500)	Transfer to Angira Ravi Goenka	Cash	10	190	-0.13	[●]
March 11, 2024	(26,500)	Transfer to Avkash Anil Ganeriwal	Cash	10	190	-0.13	[●]
March 11, 2024	(26,500)	Transfer to Vipulbhai Kanubhai Patel	Cash	10	190	-0.13	[●]
March 11, 2024	(26,500)	Transfer to Vishal Sampat	Cash	10	190	-0.13	[●]
March 11, 2024	(13,158)	Transfer to Aditi Mehta	Cash	10	190	-0.06	[●]
March 11, 2024	(13,158)	Transfer to Sidhartha Mehta	Cash	10	190	-0.06	[●]
March 13, 2024	(13,158)	Transfer to Tatkal Electronics Private Limited	Cash	10	190	-0.06	[●]
March 13, 2024	(7,895)	Transfer to NM Financiers Private Limited	Cash	10	190	-0.04	[●]
March 20, 2024	(26,316)	Transfer to Sunita Sharma	Cash	10	190	-0.13	[●]
March 22, 2024	(100)	Transfer to Sunil Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to Aakar Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to Prakarsh Jain	Cash	10	190	-0.00	[●]

Date of Allotment/ Transfer / when made fully paid up*	Number of Equity Shares	Nature of Transaction	Nature of Consideration	Face Value Per Share (₹)	Issue/ Acquisition / Sale Price per Share (₹)**	% of pre-Offer Equity share capital	%of post Offer equity share capital
March 22, 2024	(100)	Transfer to Rina Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to SYL Investment	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to Sunita Gangwal	Cash	10	190	-0.00	[●]
June 21, 2024	(26,500)	Transfer to Piyush Agarwala	Cash	10	190	-0.13	[●]
June 25, 2024	(26,500)	Transfer to Niraj Bhimseria	Cash	10	190	-0.13	[●]
July 11, 2024	(21,000)	Transfer to Shyam Sundar	Cash	10	190	-0.10	[●]
Sub-division of 1,400,541 equity shares of face value of ₹10 each to 2,801,082 Equity Shares of face value of ₹5 each, pursuant to the Shareholders' resolution dated November 16, 2024.							
Sub Total (E)	2,801,082					6.70	[●]
Prem Dealers Private Limited							
January 11, 2018	109,000	Private Placement	Cash	10	46	0.52	[●]
March 30, 2018	122,397	Private Placement	Cash	10	46	0.59	[●]
December 30, 2018	51,850	Private Placement	Cash	10	54	0.25	[●]
September 30, 2020	14,350	Rights Issue	Cash	10	74	0.07	[●]
September 07, 2021	93,750	Rights Issue	Cash	10	80	0.45	[●]
March 31, 2022	148,810	Rights Issue	Cash	10	84	0.71	[●]
March 22, 2024	(100)	Transfer to Sunil Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to Aakar Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to Prakarsh Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to Rina Jain	Cash	10	190	-0.00	[●]
March 22, 2024	(100)	Transfer to SYL Investment	Cash	10	190	-0.00	[●]
April 09, 2024	(100)	Transfer to Sunita Gangwal	Cash	10	190	-0.00	[●]
Sub-division of 539,657 equity shares of face value of ₹10 each to 1,079,114 Equity Shares of face value of ₹5 each, pursuant to the Shareholders' resolution dated November 16, 2024.							
Sub Total (F)	1,079,114					2.58	[●]
Vivan Baid Family Trust							
September 05, 2012	1,200	Transfer from Devgaya Trading Private Limited	Cash	10	NIL	0.00	[●]
September 05, 2012	6,000	Transfer from Relization Equity and Stocks Private Limited	Cash	10	NIL	0.03	[●]
Sub-division of 7,200 equity shares of face value of ₹10 each to 14,400 Equity Shares of face value of ₹5 each, pursuant to the Shareholders' resolution dated November 16, 2024.							
Sub Total (G)	14,400					0.03	[●]

Date of Allotment/ Transfer / when made fully paid up*	Number of Equity Shares	Nature of Transaction	Nature of Consideration	Face Value Per Share (₹)	Issue/ Acquisition / Sale Price per Share (₹)**	% of pre-Offer Equity share capital	%of post Offer equity share capital
Total (A+B+C+D+E +F+G)	**36,703,004**					**87.78**	[●]

** Except for equity shares allotment dated March 28, 2023, Equity Shares issued to Deepak Baid, Aneesha Baid and Deepak Hitech Motors Private Limited were fully paid-up. As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding partly paid-up shares.*
*** Cost of acquisition excludes stamp duty*
^ *These Equity Shares of face value ₹10 each were allotted on a partly paid-up basis with ₹ 6.00 per Equity Share towards face value and ₹ 17.00 per Equity Share towards premium amount paid at the time of allotment and were subsequently transferred and made fully paid-up on March 27, 2024. Accordingly, these Equity Shares are fully paid-up as on the date of this Draft Red Herring Prospectus*
# *Acquired under the Scheme of Amalgamation of Champalal Distributors Private Limited, Gatik Realcon Private Limited, Sulochana Sarees Private Limited, Starpoint Constructions Private Limited with Hirak Vinimay Private Limited approved by the Hon'ble National Company Law Tribunal, Kolkata Bench vide its order dated January 12, 2023.*
Transfer of 1 Equity Shares from Bhagwati Devi Dhanuka to Aneesha Baid, Transfer of 1 Equity Shares from Mahaveer Kumar Mehta to Aneesha Baid, Transfer of 1 Equity Shares from Mahesh Kumar Godhwani HUF to Aneesha Baid, Transfer of 1 Equity Shares from Narendra Kumar Surana HUF to Aneesha Baid, Transfer of 1 Equity Shares from Naveen Kumar Jain HUF to Aneesha Baid, Transfer of 1 Equity Shares from Neelima Mehta to Aneesha Baid, Transfer of 1 Equity Shares from Keshav Pansari to Aneesha Baid, Transfer of 1 Equity Shares from Rajkumar Kumbhar to Aneesha Baid, Transfer of 1 Equity Shares from Nirmala Durlabhji to Aneesha Baid, Transfer of 1 Equity Shares from Sushil Chandali to Aneesha Baid, Transfer of 1 Equity Shares from Sheela Nahata to Aneesha Baid, Transfer of 1 Equity Shares from Shikha Durlabhji to Aneesha Baid, Transfer of 1 Equity Shares from Siddharth Ranka HUF to Aneesha Baid, Transfer of 1 Equity Shares from Siddharth Mehta to Aneesha Baid, Transfer of 1 Equity Shares from Sumedha Durlabhji to Aneesha Baid, Transfer of 1 Equity Shares from Suresh Jain to Aneesha Baid, Transfer of 1 Equity Shares from Sushila Pugalia to Aneesha Baid, Transfer of 1 Equity Shares from Tripti Surana to Aneesha Baid, Transfer of 1 Equity Shares from Ankita Baradiya to Aneesha Baid, Transfer of 1 Equity Shares from Gaurav Surana to Aneesha Baid, Transfer of 1 Equity Shares from Shanti Prasad Chajjer HUF to Aneesha Baid, Transfer of 1 Equity Shares from Vinod Kumar Bothra to Aneesha Baid, Transfer of 1 Equity Shares from Alpana Patni to Aneesha Baid, Transfer of 1 Equity Shares from Nirmal Kumar Chajjer to Aneesha Baid, Transfer of 1 Equity Shares from Nirmal Kumar Chajjer HUF to Aneesha Baid, Transfer of 1 Equity Shares from Saroj Mehta to Aneesha Baid, Transfer of 1 Equity Shares from Nirmal Kumar Jain HUF to Aneesha Baid, Transfer of 1 Equity Shares from Bhajranglal Chajjer to Aneesha Baid, Transfer of 1 Equity Shares from Jhumar Devi Gottra (Arham Commercial Corp) to Aneesha Baid, Transfer of 1 Equity Shares from Hanuman Mal Bakaria HUF to Aneesha Baid, Transfer of 1 Equity Shares from Meghraj Surana HUF to Aneesha Baid, Transfer of 1 Equity Shares from Nand Lal Mahesh to Aneesha Baid, Transfer of 1 Equity Shares from Dipak Bokaria (Maruti Enterprise) to Aneesha Baid, Transfer of 1 Equity Shares from Suman Surana (Vimal Enterprises) to Aneesha Baid, Transfer of 1 Equity Shares from Sunita Surana to Aneesha Baid, Transfer of 1 Equity Shares from Meenakshi Bothra to Aneesha Baid, Transfer of 1 Equity Shares from Roop Chand Raj HUF to Aneesha Baid, Transfer of 1 Equity Shares from Deepak Kumar Hiravat to Aneesha Baid, Transfer of 1 Equity Shares from Lalit Dhoka to Aneesha Baid, Transfer of 1 Equity Shares from Mamta Dhoka to Aneesha Baid

As on the date of this Draft Red Herring Prospectus, our Promoters hold the pre-Offer issued, subscribed and paid-up Equity Share Capital of our Company in the following manner:

Category	Number of Equity Shares held	Percentage of pre-Offer paid up capital (%)
Deepak Baid	7,384,952	17.66%
Prem Devi Baid	1,413,070	3.38%
Aneesha Baid	2,261,902	5.41%
Hirak Vinimay Private Limited	21,748,484	52.01%

Deepak Hitech Motors Private Limited	2,801,082	6.70%
Prem Dealers Private Limited	1,079,114	2.58%
Vivan Baid Family Trust	14,400	0.03%
Total	**36,703,004**	**87.78**

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

ii. <u>Details of Lock–in of Equity Share capital:</u>

a. Details of Promoters' Contribution and lock-in

Pursuant to Regulation 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the post-Offer Equity Share capital of our Company held by the Promoters shall be locked-in for a period of eighteen (18) months from the date of Allotment or any other period as prescribed under the SEBI ICDR Regulations, as minimum promoters' contribution ("**Minimum Promoters' Contribution**") from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges before listing of the Equity Shares.

Our Promoters have given their consent to include such number of Equity Shares held by our Promoters as disclosed above, constituting 20% of the fully diluted post-Offer Equity Share capital of our Company as Minimum Promoter's Contribution as specified under Regulation 14 of the SEBI ICDR Regulations. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with SEBI ICDR Regulations.

Accordingly, Equity Shares aggregating to 20% of the post-Offer capital of our Company, held by our Promoters shall be locked-in for a period of eighteen (18) months from the date of Allotment in the Offer as follows:

Date on which the Equity Shares were Allotted/ made fully paid up/Acquired	No. of Equity Shares locked-in	Face Value Per Equity Shares (₹)	Issue/ Acquisition Price Per Share (₹)	Nature of transaction	% of post-Offer Equity Share capital**	Period of Lock-in	Date up to which the Equity Shares subject to lock-in**
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated at the Prospectus stage
***Subject to finalization of Basis of Allotment*

The Equity Shares that are being locked are eligible for computation of Minimum Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:

i) that the Minimum Promoters' Contribution does not consist of Equity Shares acquired during the preceding three years, which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;

ii) that the Minimum Promoters' Contribution does not consist of Equity Shares acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Company or from bonus issue against Equity Shares which are ineligible for minimum Promoters' Contribution;

iii) that the Minimum Promoters' Contribution does not consist of Equity Shares acquired during the one year immediately preceding the date of this Draft Red Herring Prospectus at a price which may be lower than the price at which the Equity Shares are being offered to the public in the Offer;

iv) that the Equity Shares held by our Promoters which are offered for Minimum Promoters' Contribution are not subject to any pledge with any creditor or any other form of encumbrance whatsoever; and all the Equity Shares of our Company held by the Promoters are dematerialized;

v) The Equity Shares offered for Promoters' Contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoters for inclusion of its subscription in the Promoters' Contribution subject to lock-in.

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

b. Details of Equity Shares Locked-in for six months

In addition to the Minimum Promoters' Contribution which is locked-in for 18 months, in terms of Regulation 16(1)(b) and Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Company shall be locked-in for a period of six months from the date of Allotment or such other period as may be prescribed under the SEBI ICDR Regulations, including any unsubscribed portion of the Offer for Sale, except for (i) the Equity Shares which are successfully transferred pursuant to the Offer for Sale by the Selling Shareholders; and (ii) any Equity Shares allotted to eligible employees of the Company, whether currently employees or not (or such persons as permitted under the SEBI SBEB Regulations or the ESOP Scheme) pursuant to the ESOP Scheme.

c. Lock-in of Equity Shares to be Allotted if any to Anchor Investors

50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

d. Other requirements in respect of lock-in

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan scheduled commercial banks, public financial institution, systemically important non-banking financial Company or a deposit accepting housing finance company, subject to the following:

(i) With respect to the Equity Shares locked-in for six months from the date of Allotment.

(ii) With respect to the Equity Shares locked-in as Promoters' Contribution for 18 months from the date of Allotment, the loan must have been granted for the purpose of financing one or more of the objects of the Offer, and such pledge of the Equity Shares must be one of the terms of the Sanction of the loan.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked- in terms of Regulation 16 of the SEBI ICDR Regulations, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in, in the hands of such transferee, for the remaining period and compliance with provisions of the SEBI Takeover Regulations, as applicable. Further, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of six months as per Regulation 17 of the SEBI ICDR Regulations, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee for the remaining period and compliance with the provisions of the Takeover Regulations.

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.

e. We further confirm that our Promoters' Contribution of 20% of the post-Offer Equity Share capital does not include any contribution from Alternative Investment Fund, Foreign Venture Capital Investors, Scheduled Commercial Banks, Public Financial Institutions or Insurance Companies registered with Insurance Regulatory and Development Authority of India.

10. As on the date of this Draft Red Herring Prospectus, our Company has 83 Shareholders.

11. **Shareholding of our Promoters and Promoter Group and the directors of our Corporate Promoters:**

The details of the shareholding of our Promoters, the members of the Promoter Group and the directors of our Corporate Promoters as on the date of this Draft Red Herring Prospectus are set forth in the table below:

Particulars	Pre-Offer		Post-Offer	
	Number of Equity Shares	Percentage (%) holding	Number of Equity Shares	Percentage (%) holding
Promoters				
Deepak Baid	7,384,952	17.66%	[●]	[●]
Prem Devi Baid	1,413,070	3.38%	[●]	[●]
Aneesha Baid	2,261,902	5.41%	[●]	[●]
Hirak Vinimay Private Limited	21,748,484	52.01%	[●]	[●]
Deepak Hitech Motors Private Limited	2,801,082	6.70%	[●]	[●]
Prem Dealers Private Limited	1,079,114	2.58%	[●]	[●]
Vivan Baid Family Trust	14,400	0.03%	[●]	[●]
Total	**36,703,004**	**87.78%**	**[●]**	**[●]**
Promoter Group				
Preeti Chopra	213,960	0.51%	[●]	[●]
Rashmi Giria	319,224	0.76%	[●]	[●]
Total	**533,184**	**1.27%**	**[●]**	**[●]**
Directors of Hirak Vinimay Private Limited				
Champa Lal	NIL	NIL	[●]	[●]
Nanag Ram Kumhar	NIL	NIL	[●]	[●]
Deepak Baid*	7,384,952	17.66%	[●]	[●]
Aneesha Baid*	2,261,902	5.41%	[●]	[●]
Total	**9,646,854**	**23.07%**	**[●]**	**[●]**
Directors of Deepak Hitech Motors Private Limited				
Prem Devi Baid*	1,413,070	3.38%	[●]	[●]
Deepak Baid*	7,384,952	17.66%	[●]	[●]
Total	**8,798,022**	**21.04%**	**[●]**	**[●]**
Directors of Prem Dealers Private Limited				
Prem Devi Baid*	1,413,070	3.38%	[●]	[●]
Nanag Ram Kumhar	NIL	NIL	[●]	[●]
Aneesha Baid*	2,261,902	5.41%	[●]	[●]
Total	**3,674,972**	**8.79%**	**[●]**	**[●]**

**Also the Individual Promoters.*

12. None of the Equity Shares held by our Promoters and the members of our Promoter Group are pledged or otherwise encumbered.

13. Except for as provided below, none of the members of our Promoter Group, Directors of Corporate Promoters or our Director or their relatives have sold or purchased Equity Shares of our Company during the six (6) months immediately preceding the date of this Draft Red Herring Prospectus:

Date of Allotment/ Transfer of Equity Shares	Nature of transaction	No. of Equity Shares acquired	Face Value of Equity Shares (₹)	Acquisition price per Equity Share (in ₹)	Total Consideration (₹)

June 21, 2024	Transfer from Deepak Hitech Motors Private Limited to Piyush Agarwala	(26,500)	10	190	5,035,000
June 21, 2024	Transfer from Deepak Baid to Neha Choudhary	(26,500)	10	190	5,035,000
June 25, 2024	Transfer from Deepak Hitech Motors Private Limited to Niraj Bhimseria	(26,500)	10	190	5,035,000
June 28, 2024	Transfer from Aneesha Baid to Rashmi Agarwal	(26,500)	10	190	5,035,000
July 05, 2024	Transfer from Deepak Baid to Neeraj Choudhary	(26,500)	10	190	5,035,000
July 11, 2024	Transfer from Deepak Hitech Motors Private Limited to Shyam Sundar	(21,000)	10	190	3,990,000
August 16, 2024	Rights Issue to Deepak Baid	97,474	10	190	18,520,060
August 16, 2024	Rights Issue to Naveen Giria	52,632	10	190	10,000,080
August 16, 2024	Rights Issue to Rashmi Giria	52,632	10	190	10,000,080
August 16, 2024	Rights Issue to Arihant Goods Private Limited	52,632	10	190	10,000,080
November 19, 2024	Transfer from Naveen Giria to Rashmi Giria	52,632	10	190	10,000,080
December 7, 2024	Transfer from Arihant Goods Private Limited to Preeti Chopra	52,632	5	97	5,105,304
December 9, 2024	Transfer from Arihant Goods Private Limited to Preeti Chopra	52,632	5	97	5,105,304

14. Except as disclosed in "*Our Management – Shareholding of the Directors*" and "*Our Management – Shareholding of the Key Managerial Personnel and Senior Management*" on pages 276 and 291 respectively, none of the Directors, Key Managerial Personnel or Senior Management hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

15. There are no financing arrangements whereby the Promoters, members of our Promoter Group, the Directors of our Company, Directors of our Corporate Promoters and their relatives have financed the purchase by any other person of securities of the Issuer other than in the normal course of the business of the financing entity during the period of 6 (six) months immediately preceding the date of filing the Draft Red Herring Prospectus.

16. Our Company, our Directors and the BRLM have not entered into any buy-back and/ or standby and/ or similar arrangements for the purchase of Equity Shares of our Company, offered through this Draft Red Herring Prospectus, from any person.

17. The Equity Shares are fully paid-up and there are no partly-paid up Equity Shares as on the date of this Draft Red Herring Prospectus. Since the entire Offer price per share is being called up on application, all the successful applicants will be allotted fully paid-up Equity Shares.

18. The BRLM or its associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus.

19. Except as disclosed in "*Capital Structure – Notes on the Capital Structure*" on page 88, our Company has not made any preferential issue or rights issue of any kind or class of securities since its incorporation.

20. For details of price of acquisition of Equity Shares by our Promoter, members of the Promoter Group, Selling Shareholders and other Shareholders with nominee director rights or other rights, in the last three years preceding the date of this Draft Red Herring Prospectus, please see "*Summary of the Offer Document –Details of price at which specified securities were acquired by our Promoters, members of the Promoter Group, Selling Shareholders and other Shareholders entitled with the right to nominate directors or other rights in the last three years "* on page *32*.

21. Except for employee stock options issued pursuant to ESOS 2023, as on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments, financial instruments or any other rights which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Offer.

22. An applicant cannot make an application more than the number of Equity Shares being issued through this Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.

23. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus until the Equity Shares to be issued pursuant to the Offer have been listed or all applications monies have been refunded, as the case may be.

24. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 49 of SEBI ICDR Regulations.

25. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.

26. An over-subscription to the extent of 1% of the Offer can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% of the Offer, as a result of which, the post-Offer paid up capital after the Offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to 3 years lock- in shall be suitably increased; so as to ensure that 20% of the post Offer paid-up capital is locked in.

27. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange i.e. [●]. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

28. The unsubscribed portion in any reserved category, if any, may be added to any other reserved category.

29. There are no Equity Shares against which depository receipts have been issued.

30. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

31. Our Company shall comply with such disclosure and accounting norms as may be specified by stock exchange, SEBI and other regulatory authorities from time to time.

32. Our Promoters and members of the Promoter Group shall not participate in the Offer, except to the extent of the sale of offered shares by way of Offer for Sale.

33. This Offer is being made through Book Building method.

34. The BRLM, our Company, members of the Syndicate, our Directors, our Promoters, our Promoter Group and/ or any person connected with the Offer shall not offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant, for making an Application.

35. There are no safety net arrangements for this Offer.

36. Our Company shall ensure that transactions in Equity Shares by our Promoters and members of the Promoter Group, if any, between the date of filing of the Draft Red Herring Prospectus and the Offer Closing Date will be reported to the Stock Exchanges within 24 hours of such transactions being completed.

37. **Employee Stock Options Scheme of our Company**

ESOS 2023

Our Company, pursuant to the resolutions passed by our Board on August 12, 2023 and our Shareholders' on September 19, 2023 adopted the "Laxmi India Finance Private Limited Employee Stock Option Scheme-2023" ("**ESOS 2023**"). The ESOS 2023 was then amended pursuant to the resolutions passed by our Board on November 28, 2024 and our Shareholders' on November 29, 2024. The purpose of ESOS 2023 is (i) to reward the Employees for their association and performance; (ii) to motivate the Employees to contribute to the growth and profitability of the Company; (iii) to motivate the Employees with incentives and reward opportunities for better performance; (iv) to retain the Employees for the growth of the Company; (v) to catapult the quality of life of hard working, high performing, honest and loyal employees and their families and (vi) bringing a sense of association with the Company and its growth. The ESOS 2023 is in compliance with the SEBI SBEB SE Regulations.

The ESOP scheme comprises of 2,090,000 employee stock options. As on the date of this Draft Red Herring Prospectus, under ESOS 2023, an aggregate of 786,566 options have been granted, of which 774,240 options are outstanding and no options have been vested or exercised.

Particulars	**Details**	
	From April 01, 2024 – until date of this DRHP	**Fiscal 2024**
Options granted during the period	786,566	-
Options vested (excluding options that have been exercised) during the period	-	-
Options exercised during the period	-	-
Exercise price of options*	Refer Note below*	-
Options forfeited/lapsed/cancelled during the period	12,326	-
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options) at the end of the period	774,240	-
Variation of terms of options	-	-
Money realized by exercise of options during the year/period	-	-
Total number of options in force at the end of period	774,240	-
To Employee wise details of options granted to during the period:		-
Key managerial personnel (KMPs):		-
(i) Gopal Krishan Sain (ii) Sourabh Mishra	29,280 9,912	
Senior Management (SMPs):		-
(i) Kuldeep Singh Sikarwar (ii) Piyush Somani (iii) Rohit Mathur	50,724 39,604 28,846	
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	-	-

Particulars	Details	
	From April 01, 2024 – until date of this DRHP	**Fiscal 2024**
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	-	-
Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with the applicable accounting standard 'Earning Per Share'	NA	-
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognized if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for the last three fiscals	NA	-
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	Black-Scholes-Merton Model used for fair valuation of options.	-
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the ESOS Regulations in respect of options granted in the last three years	NA- No options granted in the last three fiscal years	-
Intention of key managerial personnel, senior management and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	NA- No options granted in the last three fiscal years	-
Intention to sell Equity Shares arising out of the ESOS or allotted under an ESOS within three months after the listing of Equity Shares by directors, key managerial personnel, senior management and employees having Equity Shares arising out of the ESOS, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	NA- Options are yet to be vested	-

* *As per the Revised ESOP scheme, the Exercise Price will be based upon the Fair Market Value of the Shares as on date of grant of Options and the NRC has power to provide suitable discount up to maximum 20% on such price*

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to 10,453,575 Equity Shares, aggregating up to ₹ [●] million by our Company and an Offer for Sale of up to 5,638,620 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders. For details of the Selling Shareholders and their respective portion of the Offered Shares, see "The Offer" on page 73.

Offer for Sale

Each Selling Shareholder will be entitled to its respective share of the proceeds of the Offer for Sale after deducting its respective proportion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders 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 115 below.

Fresh Issue

Our Company proposes to utilize the Net Proceeds from the Fresh Issue towards the following objects:

(a) Augmenting our capital base to meet future business requirements of our Company towards onward lending; and

(b) General corporate purposes.

Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

The main objects clause and objects incidental and ancillary to the main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Fresh Issue.

Net Proceeds

The details of the proceeds from the Fresh Issue are set forth in the table below:

(₹ in million)

Particulars	Amount
Gross Proceeds from the Fresh Issue	[●]
Less: Offer related expenses to be borne by our Company in relation to the Fresh Issue [(1)]	[●]
Net Proceeds from the Fresh Issue*	[●]

** To be finalized on determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

[(1)]See-"Objects of the Offer - Offer Expenses" below.

Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds from the Fresh Issue are proposed to be used in the manner set out in the following table:

(*₹ in million*)

S. No.	Particulars	Amount
1.	Augmentation of our capital base to meet our future capital requirements towards onward lending	[●]
2.	General corporate purposes(1)	[●]

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

Proposed schedule of implementation and deployment of Net Proceeds

Our Company proposes to utilize the Net Proceeds from the Fresh Issue towards augmenting our capital base to meet its future capital requirements towards onward lending. We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

S. No.	Particulars	Total estimated amount / expenditure (₹ in million)	Percentage of Net Proceeds (%)	Amount to be funded from the Net Proceeds (₹ in million)	Estimated deployment of the Net Proceeds in Fiscal 2025 (₹ in million)
1.	Augmentation of our capital base to meet our future capital requirements towards onward lending	[●]	[●]	[●]	[●]
2.	General corporate purposes(1)	[●]	[●]	[●]	[●]
	Total Net Proceeds(1)	[●]	[●]	[●]	[●]

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

The fund requirements, the proposed deployment of funds and the intended use of the Net Proceeds as described herein are based on current circumstances of our business, management estimates, prevailing market conditions and other commercial and technical factors. We may have to revise our funding requirements and deployment on account of various factors, such as financial and market conditions, business and strategy, competition, interest rate fluctuations 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 the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them, 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. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth 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. Further, if the actual utilisation towards any of the objects is lower than the proposed deployment such balance will be used towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

For details on risks involved, see "Risk Factor No. **Error! Reference source not found.– Error! Reference source not found.**" on page **Error! Bookmark not defined.** and "Risk Factor No. 39- *The objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders' approval*." on page **Error! Bookmark not defined.**.

Details of the Objects of the Fresh Issue

Augmentation of our capital base to meet our future capital requirements towards onward lending

We are a non-deposit taking non-banking finance company middle layer operating primarily in three verticals, financing for Micro, Small and Medium Enterprises, vehicle financing and construction financing.

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 Capital to Risk Weighted Assets Ratio ("**CRAR**") of of 15% at all times consisting of Tier I Capital and Tier II Capital. For further details, please see "*Key Regulations and Policies*" on page 225. As at June 30, 2024 our Company's CRAR (%) was 20.82% of which CRAR-Tier- I capital (%) was 20.01%.

The following table sets forth certain details regarding our capital under Basel II norms as of the dates indicated:

(in ₹ million, except otherwise stated)

Particulars	Three months period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Tier I Capital	1879.84	1,783.73	1,352.98	1,144.10
Tier II Capital	75.43	75.21	28.01	14.93
Total Capital Funds	1955.27	1858.94	1380.99	1159.03
Risk Weighted Assets	9393.24	8522.69	5982.12	4950.63
CRAR-Tier- I capital (%)	20.01	20.93	22.62	23.11
CRAR-Tier- II capital (%)	0.80	0.88	0.47	0.30
CRAR (%)	20.82	21.81	23.09	23.41

Set forth below are the details of our AUM as at three months period ended June 30, 2024 and March 31, 2024, March 31, 2023 and March 31, 2022:

Particulars	Three months period ended June 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
AUM (in ₹ million)(1)	10355.35	9613.69	6867.67	5316.02
AUM growth (in %)(2)	30.86%	39.98%	29.19%	15.04%

(1) *AUM is the aggregate of (i) Loan Assets (Loans), which is aggregate amount of loan receivable from customer and includes future principal outstanding and overdue principal outstanding and (ii) Assigned Assets & business*

correspondence assets (Off Book), which represents aggregate amount of future principal outstanding and overdue principal outstanding for off book loan assets as at the last day of the relevant fiscal year/cut off date..

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

Since our Company continues to grow our loan portfolio and asset base, it will require additional capital in order to continue to meet applicable capital adequacy ratios with respect to its business. The Net Proceeds from the Fresh Issue are proposed to be utilised towards augmenting its capital base to meet future capital 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 195.

General Corporate Purpose

In terms of the SEBI (ICDR) Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25% of the Gross Proceeds of the Offer.

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes and business requirements of our Company, including but not restricted to meeting fund requirements which our Company may require in the ordinary course of business; strengthening marketing capabilities and brand building exercises; business requirements of our Company in the ordinary course of business towards salaries and wages, rent, administration expenses, future branch and business expansion, strategic initiatives including investment in information technology, repayment of indebtedness from time to time, meeting ongoing working capital requirements and general corporate contingencies and any other purpose as may be approved by our Board, subject to compliance with applicable law.

Our management in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount available under this head and the business requirements of our Company from time to time. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a financial year, we will utilize such unutilized amount in the subsequent financial years.

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 expenses in relation to the Offer are estimated to be approximately ₹ [●] million. The expenses in relation to the Offer include, among others, listing fees, underwriting commission, fees payable to the BRLM, fees payable to legal counsel, fees payable to the Registrar to the Offer, Banker(s) to the Offer, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All costs and expenses in relation to the Offer (other than the listing fee, audit fees, fees payable to domestic legal counsel to the Company and all corporate publicity, other than strictly Offer-related advertisements, which shall be solely borne by the Company) shall be shared between the Company and the Selling Shareholders pursuant to the Offer in accordance with applicable law, provided that the Selling Shareholders shall be liable to only such proportionate fees, costs and expenses to the extent of its respective portion of the Equity Shares they have offered and sold in the Offer. It is clarified that all the payments shall be made first by the Company on behalf of such Selling Shareholders and each of the Selling Shareholders agree, severally and not jointly, it shall reimburse the Company, on a pro-rata basis, in proportion to its respective portion of the shares they have offered and sold in the Offer.

The break-up of the estimated Offer expenses is as under:

Expenses	**Estimated expenses[1] (₹ in million)**	**As a % of the total estimated Offer expenses[1]**	**As a % of the total Offer Size[1]**
Fees payable to Book Running Lead Manager (inclusive of underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank(s) and fees payable to sponsor bank(s) for bids made by RIBs, Bankers to the Offer, Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs[2][3][4][5][6]	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Others including but not limited to: Listing fees, SEBI filing fees, upload fees, BSE and SE processing fees, book building software fees and other regulatory expenses; Printing and distribution of stationery; Advertising and marketing expenses; and Fees payable to legal counsel; Fees payable to other parties to the Offer, including but not limited to Statutory Auditors, and industry service provider; and Miscellaneous expenses, if any	[●]	[●]	[●]
Total estimated Offer expenses	**[●]**	**[●]**	**[●]**

#Other parties to the Offer include Statutory Auditors, Previous Statutory Auditor, Independent Chartered Accountant, Industry expert, legal counsel, RoC consultant etc. for the services rendered by them for the Offer

(1) *Amounts will be finalised and incorporated in the Prospectus upon determination of the Offer Price. Offer expenses include applicable taxes, where applicable.*

(2) *Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and, Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows:*

Portion for Retail Individual Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*

Portion for the Eligible Employees	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price. No additional uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. The Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.*

(3) No processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs for processing the Bid cum Application for the portion of Retail Individual Bidders and Non-Institutional Bidders which are procured by the Syndicate Member/ Sub-Syndicate Members/ Registered Brokers / RTAs / CDPs and submitted to SCSBs for blocking. In case the total ASBA processing charges payable to SCSBs exceeds ₹ [●] the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed ₹ [●] million.

Portion for Retail Individual Bidders	*₹ [●] per valid application (plus applicable taxes)*
Portion for the Eligible Employees	*₹ [●] per valid application (plus applicable taxes*
Portion for Non-Institutional Bidders	*₹ [●] per valid application (plus applicable taxes)*

(4) For Syndicate (including their Sub-Syndicate Members), RTAs and CDPs, Brokerages, selling commission and processing/uploading charges on the portion for Retail Individual Bidders (using the UPI mechanism) and portion for Non-Institutional Bidders which are procured by members of Syndicate (including their Sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat and bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Bidders*	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for the Eligible Employees	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders*	*[●]% of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

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.

The payment of selling commission payable to the sub-brokers/ agents of Sub-Syndicate Members are to be handled directly by the respective Sub-Syndicate Member.

The Selling commission payable to 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.

[5] *Uploading charges/ processing charges for applications made by UPI Bidders. In case the total processing charges payable under this head exceeds ₹[●] million, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed ₹[●] million.*

Members of Syndicate/RTAs/CDPs/Registered Brokers	*₹ [●] per valid application (plus applicable taxes)*
Sponsor Bank(s)	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)* *The Sponsor Bank 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*

[6] *Uploading charges/processing charges of ₹ [●] valid applications (plus applicable taxes) are applicable only in case of Bid uploaded by the members of the Syndicate, Registered Brokers, RTAs and CDPs: (a) for applications made by Retail Individual Bidders using 3-in-1 type accounts; and (b) for Non-Institutional Bids using Syndicate ASBA mechanism / using 3-in-1 type accounts. (In case the total processing charges payable under this head exceeds ₹ [●] million, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed ₹ [●] million.)*

Further the processing fees for Bid cum application forms which are procured by the Registered Brokers/ RTAs / CDPs and submitted to the SCSB for blocking shall be ₹[●] per valid Bid cum Application Form (plus applicable taxes).The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, 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 issued by the SEBI, is provided by such banks.

Interim use of Net Proceeds

The Net Proceeds shall be retained in the Public Offer Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds towards the purposes stated in this section, our Company will temporarily deposit the Net Proceeds only with one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by the Board.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as at the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilisation of funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a monitoring agency to monitor the utilisation of the Gross Proceeds prior to filing the Red Herring Prospectus. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay, in accordance with applicable law. Our Company will disclose the utilisation of the Gross Proceeds, including interim use under a separate head in its balance sheet for such Fiscals 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.

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 use and application of the Gross Proceeds. Furthermore, in accordance with Regulation 32(1) 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 actual utilisation of the proceeds of the Fresh Issue from the objects of the Offer as stated above; and (ii) details of category wise variations in the actual utilisation of the Gross proceeds of the Fresh Issue from the objects of the Offer as stated above, until such time as the proceeds of the Fresh Issue have been fully utilised or the purpose for which the proceeds have been raised have been achieved. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, 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, including justification for such variation and shall be published and placed on website of our Company, as required under the Companies Act, 2013 read with applicable rules. The Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, being the vernacular language of the jurisdiction where the Registered Office is situated. The Promoters and the controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations.

Appraising agency

None of the objects for which the Net Proceeds are proposed to be utilised have been appraised by any bank or financial institution or any other independent agency.

Other confirmations

Except to the extent of the proceeds received by the Selling Shareholders pursuant to the Offer for Sale, none of our Promoters, Promoter Group members, Directors, Key Managerial Personnel, Senior Management, Group Companies or any other parties with whom we have entered, or will enter, into related party transactions, will receive any portion of the Offer Proceeds and there are no material existing or anticipated transactions in relation to utilization of the Offer Proceeds with our Promoters, Promoter Group members, Directors, Key Managerial Personnel, Senior Management, Group Companies or any other parties with whom we have entered, or will enter, into related party transactions.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹5 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value. In addition to the information already disclosed in this section, Bidders should also see sections titled "*Risk Factors*", "*Our Business*", "*Restated Financial Statements*", "*Selected Statistical Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 35, 195, 316, 303 and 429, 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:

- Focus on MSME financing
- Access to diversified sources of capital and effective cost of funds
- Comprehensive credit assessment, underwriting and risk management framework
- Deeper regional penetration in semi-urban and rural areas supported by a mix of direct and indirect sourcing channels
- Our Hub and Branch model streamlines operations, reduces costs, and increases customer accessibility, driving business growth and market expansion

For further details, see "*Our Business – Our Strengths*" on page 200.

Quantitative Factors

Some of the quantitative factors which form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings per share for continuing operations ("EPS") (face value of each Equity Share is ₹5):

Financial Period	**Basic EPS (in ₹)**	**Diluted EPS (in ₹)**	**Weight**
Three months period ended June 30, 2024#	1.67	1.67	
Financial Year ended March 31, 2024	6.11	5.66	3
Financial Year ended March 31, 2023	5.02	5.02	2
Financial Year ended March 31, 2022	4.99	4.99	1
Weighted Average	**5.56**	5.34	

Not annualized.

Notes:

1. *Earnings per share (basic) and Earnings per share (diluted) represent the earnings per Equity*

Share of ₹5 each - Basic and the earnings per Equity Share of ₹5 each - Diluted, respectively, which are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended) after giving effect of share split. Earnings per share (basic) is calculated by dividing the profit for the period/year attributable to equity holders by the weighted average number of equity shares outstanding during the period/year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Earnings per share (diluted) is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the period/year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

2. *Pursuant to a resolution passed by our Board on November 13, 2024 and a resolution passed by the Shareholders on November 16, 2024, each equity share of face value of ₹10 each has been split into two Equity Shares of face value ₹5 each. Accordingly, the issued, subscribed and paid-up capital of our Company was sub-divided from 20,907,150 equity shares of face value of ₹10 each to 41,814,300 Equity Shares of face value of ₹5 each. For further details, see "Capital Structure – Notes to the Capital Structure" on page 88.*

B. Price/Earning ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price*	P/E at the Cap Price* (number
Based on basic EPS for year ended March 31, 2024	[●]	[●]
Based on diluted EPS for year ended March 31,	[●]	[●]

* *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:

Particula	Industry Peer P/E
Highest	68.34
Lowest	11.68
Average	27.58

Notes:

1. *The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed.*
2. *The industry P / E ratio mentioned above is for the financial year ended March 31, 2024. P / E Ratio has been computed based on the closing market price of equity shares on BSE on December 6, 2024, divided by the Diluted EPS for the year ended March 31, 2024.*
3. *All the financial information for listed industry peers mentioned above is taken as is sourced from the audited financial statements of the relevant companies for Fiscal 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	4.49
Lowest	0.76
Average	2.58

Notes:

1. *The industry composite has been calculated as the arithmetic average P/B of the industry peer set*

disclosed.

2. *The industry P / B ratio mentioned above is for the financial year ended March 31, 2024. P / B Ratio has been computed based on the closing market price of equity shares on BSE on December 6, 2024 divided by the NAV per Equity Share as of March 31, 2024.*
3. *All the financial information for listed industry peers mentioned above is taken as is sourced from the audited financial statements of the relevant companies for Fiscal 2024, as available on the websites of the stock exchanges.*

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

Fiscal	RoNW	Weight
March 31, 2024	12.80	3
March 31, 2023	11.51	2
March 31, 2022	12.94	1
Weighted Average for the above three Financial Years	**12.39**	
Three months period ended June 30, 2024#	3.23	

 # Not annualized.

Notes:

1. *Return on Average Net Worth is calculated as the Profit After OCI for the relevant period as a percentage of Average Net Worth in such period.*
2. *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, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
3. *Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e., (Net Worth x Weight) for each year /Total of weights.*

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F. Net Asset Value ("NAV") per Equity Share, as adjusted for change in capital

Net Asset Value per Equity Share	₹
As at June 30, 2024	104.68
As at March 31, 2024	101.30
After the Offer	
- At Floor Price	[●]*
- At Cap Price	[●]*
- At Offer Price	[●]*

** To be computed after finalization of price band. Offer Price will be determined on conclusion of the book building process.*

Notes:

Net Asset Value per share = Net Asset Value (Net-worth), as restated / Number of equity shares outstanding 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, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation,.

G. Comparison with Listed Industry Peers

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

Name of the company	Face Value (₹)	Total Income (₹ in Mn)	Profit After Tax (in ₹ Mn)	EPS (Basic) (₹)	EPS (Diluted) (₹)	NAV per equity share (₹)	P/E	P/B	RoNW (%)
Laxmi India Finance	5	1,750.18	226.21	6.11	5.66	101.30	[●]*	[●]*	12.80
MAS Financial services	10	12,245.70	2,635.00	15.11	15.11	107.87	18.35	2.50	16.09
Five Star Business Finance	1	21,950.00	8,341.48	28.64	28.39	177.68	22.40	3.58	17.50
SBFC Finance	10	10,199.20	2,350.12	2.35	2.30	25.87	37.87	3.37	10.43
Ugro Capital	10	10,816.81	1,138.50	13.39	13.20	154.95	18.41	1.57	9.40
CSL Finance	10	1,666.00	632.93	28.60	28.27	208.42	11.68	0.76	15.15
AKME Fintrade (India) Limited	10	735.00	185.28	5.85	5.85	52.31	16.04	1.79	8.66
Moneyboxx Finance Ltd	10	1,280.00	89.65	3.45	3.40	55.38	68.34	4.49	7.31

Notes:

#Financial information of the Company has been derived from the Restated Financial Statements.

** To be included at the Prospectus stage.*

i. *Total Income represents the Total Income for the relevant period/ year.*
ii. *Profit for period/ year represents the profit after OCI for relevant period/ year.*
iii. *Earnings per share (basic) and Earnings per share (diluted) represent the earnings per Equity Share of ₹5 each – Basic and the earnings per Equity Share of ₹5 each – Diluted, respectively, which are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
iv. *Pursuant to a resolution passed by our Board on November 13, 2024 and a resolution passed by the Shareholders on November 16, 2024, each equity share of face value of ₹10 each has been split into two Equity Shares of face value ₹5 each. Accordingly, the issued, subscribed and paid-up capital of our Company was sub-divided from 20,907,150 equity shares of face value of ₹10 each to 41,814,300 Equity Shares of face value of ₹5 each*
v. *All the financial information for listed industry peers is on a consolidated and standalone 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.*
vi. *P/E ratio for the listed industry peers has been computed based on the closing market price of equity shares on BSE Limited ("BSE") as on December 6,2024 divided by the diluted earnings per share for the year ended March 31, 2024.*
vii. *P/B ratio for the listed industry peers has been computed based on the closing market price of equity shares on BSE as on December 6, 2024 divided by the net asset value per equity share as of March 31, 2024*
viii. *Return on Average Net Worth is calculated as the Profit After OCI for the relevant period as a percentage of Average Net Worth in such period.*
ix. *Net Asset Value per share = Net Asset Value (Net-worth), as restated / Number of equity shares outstanding Net worth' means 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, as per the restated balance*

sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation,

x.

xi. *Net worth of peer company is taken as is sourced from the financial information of such listed industry peer as at and for the year ended March 31, 2024 available on the website of the stock exchanges or the Company. Net worth of the company is taken as the aggregate value of the Equity Share capital and Other equity.*

H. Key Performance Indicators ("KPI")

All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 15, 2024, and the Audit Committee has confirmed and taken on record that other than the KPIs set out below our Company has not disclosed any other KPIs to investors at any time during the three years period prior to the date of filing of this Draft Red Herring Prospectus and have been subject to verification and certification by M/s. UCC & Associates LLP, Chartered Accountants, pursuant to certificate dated December 15, 2024. The certificate dated December 15, 2024 issued by M/s. UCC & Associates LLP, Chartered Accountants, has been included in "*Material Contracts and Documents for Inspection – Material Documents*" on page 554.

The KPIs disclosed below have been historically used by the Company to understand and analyse its business performance and will also help in analysing 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 Financial 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 utilization of the Offer Proceeds as per the disclosure made in the section "*Objects of the Offer*" on page 112 of this Draft Red Herring Prospectus, whichever is later, or for such other duration as required under the SEBI ICDR Regulations.

(₹ in million, except percentages and per share data)

Particulars	June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Number of Branches (1)	135	135	119	93
Number of Employees (2)	1213	1144	906	605
AUM (3)	10355.35	9613.69	6867.67	5316.02
AUM Growth (4)	30.86%*	39.98%	29.19%	15.04%
Disbursements (5)	1535.10	5254.28	3432.91	2366
Disbursement Growth (%) (6)	16.86%*	53.04%	45.10%	48.06%
Average ticket size on Disbursement (7)	0.55	0.48	0.57	0.51
Average LTV (%) ON AUM Secured (8)	48.62%	48.85%	47.49%	46.52%
Product Wise AUM (9)	10355.35	9613.69	6867.67	5316.02
MSME Loans	7817.33	7108.45	5230.25	4277.91
Construction loan	524.85	534.68	517.35	442.13

Vehicle Loans	1807.56	1764.43	949.77	490.47
Other Loans	205.60	206.13	170.30	105.51
Product Wise Disbursement [10]	-	-	-	-
MSME Loans	1,174.83	3,496.52	2,387.55	1,828.55
Construction loan	69.13	167.60	188.72	158.58
Vehicle Loans	262.79	1,463.36	728.75	330.40
Other Loans	28.35	126.80	127.88	48.48
AUM per branch [11]	76.71	71.21	57.71	57.16
AUM per employee [12]	8.54	8.40	7.58	8.79
Net Worth [13]	2,079.18	2,012.15	1,523.27	1,261.87
CRAR (%) [14]	20.82%	21.81%	23.09%	23.41%
Average Cost of borrowings [15]	11.49%*	12.06%	12.24%	12.46%
Total Income (in ₹ million) [16]	512.55	1750.18	1306.68	982.45
Net Interest Income [17]	238.81	813.65	619.65	452.49
Profit for the period/year (PAT) [18]	66.16	226.21	160.28	145.72
Yield on average Gross Loans (%) [19]	21.74%	20.87%	21.34%	18.06%
Spread (%) [20]	10.25%	8.81%	9.10%	5.60%
Interest Margin (%) [21]	9.03%	9.23%	9.27%	8.46%
Impairment on financial instruments / Average Total Assets [22]	0.55%	0.21%	0.24%	0.11%
Return on average Total Assets (RoTA)* (%) [23]	2.50%	2.57%	2.40%	2.72%
Return on Average Net worth (RoNW)* (%) [24]	12.94%	12.80%	11.51%	12.94%
Gross Non-Performing Assets Ratio(%) [25]	1.06%	0.73%	0.58%	2.84%
Net NPAs to net advances (Net NPA Ratio) (%) [26]	0.63%	0.33%	0.32%	1.91%
Provision Coverage Ratio on Gross Non-Performing Assets (%) [27]	40.60%	54.41%	45.60%	33.33%
Disbursement per branch per month [28]	3.79*	3.24	2.40	2.12
Disbursement per employee per month [29]	0.42*	0.38	0.32	0.33
PAT per Employee [30]	0.22*	0.20	0.18	0.24
PAT per Branch [31]	1.96*	1.68	1.35	1.57

(*) Annualized

Notes:

(1) Number of branches represents aggregate number of branches as of the last day of relevant period/ year.

(2) Number of employees represents aggregate number of employees as of the last day of relevant period/ year.

(3) AUM is the aggregate of (i) Loan Assets (Loans), which is aggregate amount of loan receivable from customer and includes future principal outstanding and overdue principal outstanding and (ii) Assigned Assets & business correspondence assets (Off Book), which represents aggregate amount of future principal outstanding and overdue principal outstanding for off book loan assets as at the last day of the relevant fiscal year/cut off date.

(4) AUM growth represents the growth percentage in AUM as of the last day of the relevant period/ year over AUM as of the last day of the previous period/ year.

(5) Disbursements is the aggregate of all loan amounts extended to customers in the relevant period/ year.

(6) Disbursement growth represents the percentage growth in disbursement for the relevant period/ year over disbursement for the previous peri od/ year.

[7] Average ticket size on disbursement represents the aggregate of all loan amounts extended to our customers in the relevant period/ year divided by number of loan accounts extended in the relevant period/ year.

[8] Average LTV is Property/ asset value mortgaged for AUM outstanding as of the last day of relevant period/ year.

[9] Product wise AUM represents AUM split between loan products (Vehicle, MSME, Construction and Others) of the company outstanding as of last day of the relevant period/ year.

[10] Product wise Disbursement represents Disbursement split between loan products (Vehicle, MSME, Construction and Others) of the company in the relevant period/ year.

[11] AUM per branch represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.

[12] AUM per employee represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our employees as of the last day of relevant period/ year.

[13] 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, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation,.

[14] CRAR is computed by dividing our Tier I and Tier II capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.

[15] Average cost of borrowing is Adjusted finance cost divided by average Total borrowings. Average Total Borrowings is the simple average of our total Borrowings outstanding as at the end of the previous year and the last day of the relevant year. Total borrowing represents the aggregate of debt securities, borrowing (other than debts securities) and subordinated liabilities. Adjusted finance cost represents the finance costs reduced by interest on lease liability for the relevant period/ year.

[16] Total Income represents the Total Income for the relevant period/ year.

[17] Net interest income represents the difference between interest income and finance costs for the period/ year. Interest income represents the sum of interest income on financial assets measured at amortized cost, interest on deposits with Bank and income on investment, for the relevant period/ year.

[18] Profit for period/ year represents the profit after OCI for relevant period/ year.

[19] Yield on average gross loans is Interest income on financial assets measured at amortised cost divided by average gross loans.

[20] Spread is the difference between yield on average gross loans and average cost of borrowing.

[21] Net Interest Margin represents the difference between interest income and finance costs for the period/ year to the average total assets for the period/ year.

[22] Impairment on financial instruments to average total assets represents impairment on loans, bad debts written off (net of recoveries) for the relevant period/ year to the average total assets for the relevant period/ year.

[23] Return on Average Total assets (RoTA) represent profit for the period/ year divided by average of total assets as at the end of the relevant period/ year and our total assets as at the end of the previous year.

[24] Return on Average Net Worth (RoNW) is calculated as the profit for the period/ year as a percentage of Average Total Net Worth for such period/ year.

[25] Gross non-performing assets ratio is Gross non-performing assets divided by Gross Loans outstanding as of the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as of the end of the relevant period/year.

[26] Net NPAs to net advances (Net NPA Ratio) represents our Net Non-performing assets to our Gross Loans reduced by impairment loss allowance on Gross Non-performing assets as of the end of the relevant period/ year. Net NPA represents Gross non-performing assets reduced by provisions for NPAs (excluding provisions on standard assets) as at the end of relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year

[27] Provision Coverage Ratio on Gross non-performing assets (%) is calculated as provisions for NPAs (excluding provisions on standard assets) divided by Gross Non-Performing Assets as at the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year.

[28] Disbursement per branch per month represents Disbursement as of the last day of the relevant period/ year divided by the aggregate number of our branches divided by number of months as of the relevant period/ year

[29] Disbursement per employee per month represents Disbursement as of the last day of the relevant period/ year divided by the aggregate number of our employee divided by number of months as of the relevant period/ year

[30] PAT per employee represents PAT as of the last day of the relevant period/ year divided by the aggregate number of our employee as of the last day of relevant period/ year.

[31] PAT per branch represents PAT as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.

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:

Performance Indicators	**Explanation**
Number of Branches	Number of branches represents aggregate number of branches as of the last day of relevant period/ year.
Number of Employees	Number of employees represents aggregate number of employees as of the last day of relevant period/ year.
AUM	AUM is the aggregate of (i) Loan Assets (Loans), which is aggregate amount of loan receivable from customer and includes future principal outstanding and overdue principal outstanding and (ii) Assigned Assets & business correspondence assets (Off Book), which represents aggregate amount of future principal outstanding and overdue principal outstanding for off book loan assets as at the last day of the relevant fiscal year/cut off date.
AUM growth	AUM growth represents the growth percentage in AUM as of the last day of the relevant period/ year over AUM as of the last day of the previous period/ year.
Disbursements	Disbursements is the aggregate of all loan amounts extended to customers in the relevant period/ year.
Disbursement Growth (%)	Disbursement growth represents the percentage growth in disbursement for the relevant period/ year over disbursement for the previous peri od/ year.
Average ticket size on Disbursement	Average ticket size on disbursement represents the aggregate of all loan amounts extended to our customers in the relevant period/ year divided by number of loan accounts extended in the relevant period/ year.
Average LTV (%) ON AUM Secured	Average LTV is Property/ asset value mortgaged for AUM outstanding as of the last day of relevant period/ year.
Product Wise AUM (in terms of Amount in ₹ million)	Product wise AUM represents AUM split between loan products (Vehicle, MSME, Construction and Others) of the company outstanding as of last day of the relevant period/ year.

Product Wise Disbursement (in terms of Amount in ₹ million)	Product wise Disbursement represents Disbursement split between loan products (Vehicle, MSME, Construction and Others) of the company in the relevant period/ year.
AUM per branch (in ₹ million)	AUM per branch represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.
AUM per employee (in ₹ million)	AUM per employee represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our employees as of the last day of relevant period/ year.
Net Worth	Net worth means the aggregate value of the 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, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
CRAR (%)	CRAR is computed by dividing our Tier I and Tier II capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.
Average Cost of borrowings	Average cost of borrowing is Adjusted finance cost divided by average Total borrowings. Average Total Borrowings is the simple average of our total Borrowings outstanding as at the end of the previous year and the last day of the relevant year. Total borrowing represents the aggregate of debt securities, borrowing (other than debts securities) and subordinated liabilities. Adjusted finance cost represents the finance costs reduced by interest on lease liability for the relevant period/ year.
Total Income (in ₹ million)	Total Income represents the Total Income for the relevant period/ year.
Net Interest Income	Net interest income represents the difference between interest income and finance costs for the period/ year. Interest income represents the sum of interest income on financial assets measured at amortized cost, interest on deposits with Bank and income on investment, for the relevant period/ year.
Profit for the period/year (PAT)	Profit for period/ year represents the profit after OCI for relevant period/ year.
Yield on average Gross Loans (%)	Yield on average gross loans is Interest income on financial assets measured at amortised cost divided by average gross loans.
Spread (%)	Spread is the difference between yield on average gross loans and average cost of borrowing.
Net Interest Margin %	Net Interest Margin represents the difference between interest income and finance costs for the period/ year to the average total assets for the period/ year.
Impairment on financial instruments / Average Total Assets	Impairment on financial instruments to average total assets represents impairment on loans, bad debts written off (net of recoveries) for the relevant period/ year to the average total assets for the relevant period/ year.
Return on Assets (RoTA) (%)	Return on Average Total assets (RoTA) represent profit for the period/ year divided by average of total assets as at the end of the relevant period/ year and our total assets as at the end of the previous year
Return on Net worth (RoNW) (%)	Return on Average Net Worth (RoNW) is calculated as the profit for the period/ year as a percentage of Average Total Net Worth for such period/ year.

Gross non-performing assets Ratio (%)	Gross non-performing assets ratio is Gross non-performing assets divided by Gross Loans outstanding as of the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as of the end of the relevant period/year.
Net NPAs to net advances (Net NPA Ratio) (%)	Net NPAs to net advances (Net NPA Ratio) represents our Net Non-performing assets to our Gross Loans reduced by impairment loss allowance on Gross Non-performing assets as of the end of the relevant period/ year. Net NPA represents Gross non-performing assets reduced by provisions for NPAs (excluding provisions on standard assets) as at the end of relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year
Provision Coverage Ratio on Gross non-performing assets (%)	Provision Coverage Ratio on Gross non-performing assets (%) is calculated as provisions for NPAs (excluding provisions on standard assets) divided by Gross Non-Performing Assets as at the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year.
Disbursement per branch per month	Disbursement per branch per month represents Disbursement as of the last day of the relevant period/ year divided by the aggregate number of our branches divided by number of months as of the relevant period/ year
Disbursement per employee per month	Disbursement per employee per month represents Disbursement as of the last day of the relevant period/ year divided by the aggregate number of our employee divided by number of months as of the relevant period/ year
PAT per Employee	PAT per employee represents PAT as of the last day of the relevant period/ year divided by the aggregate number of our employee as of the last day of relevant period/ year.
PAT per Branch	PAT per branch represents PAT as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year

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 195 and 429, respectively.

J. Comparison of its KPIs with Listed Industry Peers:

Financial Performance for Fiscal 2024

Comparison of its KPIs with Industry Peers	Unit	Laxmi India Finance Limited	MAS Financial services Limited	Five Star Business Finance Limited	SBFC Finance Limited	U GRO Capital Limited	CSL Finance Limited	AKME Fintrade (India) Limited	Moneyboxx Finance Limited
Number of Branches	Count	135	189	520	183	150	29	12	100
Number of Employees	Count	1144	3692	9327	3758	1678	421	125	1802
AUM	Million	9,613.69	101256.00	96410.00	68219.00	90470.00	10300.00	4037.20	7300.00
AUM Growth	%	39.98%	25.12%	39.42%	38.02%	48.77%	37.52%	13.99%	115.98%
Disbursements	Million	5254.28	NA	48810.00	NA	102170.00	10520.00	970.50	6650.00
Disbursement Growth	%	53.06%	NA	43.94%	NA	41.90%	38.60%	23.88%	95.01%
Average ticket size on Disbursement	Million	0.48	NA	0.34	0.97	1.30	1.20	NA	0.30
AUM per branch	Million	71.21	535.75	185.40	372.78	603.13	355.17	336.43	73.00
AUM per employee	Million	8.40	27.43	10.34	18.15	53.92	24.47	32.30	4.05
Net worth	Million	2012.15	17690.00	51961.50	27782.55	14380.00	4729.00	2232.40	1688.50
CRAR	%	21.81	24.05	50.50	40.52	21.00	51.00	49.86	28.28
Average cost of Borrowing	Million	12.06	10.03	8.81	9.04	11.22	9.38	14.79	12.27
Total Income	Million	1750.18	12245.70	21950.00	10199.20	10816.81	1666.00	735.00	1280.00
Net interest income	Million	813.65	3811.20	16480.89	5676.22	2650.20	1107.61	413.75	648.00
PAT after OCI	Million	226.21	2635.00	8341.48	2350.12	1138.50	632.93	185.28	89.65
Yield on average gross loan	%	20.87%	15.52%	25.64%	17.91%	15.33%	18.83%	18.92%	29.35%
Spread	%	8.81%	5.49%	14.60%	7.70%	4.10%	9.45%	4.13%	17.07%
Net Interest Margin	%	9.23%	4.54%	16.16%	8.86%	5.01%	12.56%	10.01%	12.96%
Impairment to total average asset	%	0.21%	1.07%	0.54%	0.73%	2.20%	0.58%	1.38%	1.42%
Return on Assets	%	2.57%	3.14%	8.18%	3.67%	2.15%	7.18%	4.48%	1.79%
RONW	%	12.80%	16.09%	17.50%	10.43%	9.40%	15.15%	8.66%	7.31%
GNPA	%	0.73%	2.25%	1.38%	2.40%	2.00%	0.44%	3.63%	1.54%
NPA	%	0.33%	1.51%	0.63%	1.36%	1.10%	0.25%	1.74%	1.04%
Disbursement per branch per month	Million	3.24	NA	7.82	NA	56.76	30.23	6.74	5.54
Disbursement per employee per month	Million	0.38	NA	0.44	NA	5.07	2.08	0.65	0.31
PAT per Employee	Million	0.20	0.71	0.89	0.63	0.68	1.50	1.48	0.05
PAT per Branch	Million	1.68	13.94	16.04	12.84	7.59	0.06	0.05	0.01
Net Assets Value (NAV)	Million	101.30	107.87	177.68	25.87	154.95	208.42	52.31	55.38

NA: Data not Available

Financial Performance for Fiscal 2023

Comparison of its KPIs with Industry Peers	Unit	Laxmi India Finance Limited	MAS Financial services Limited	Five Star Business Finance Limited	SBFC Finance Limited	U GRO Capital Limited	CSL Finance Limited	AKME Fintrade (India) Limited	Moneyboxx Finance Limited
Number of Branches	Count	119	149	373	152	98	26	9	61
Number of Employees	Count	906	1154	7347	28219	1261	257	114	735
AUM	Million	6,867.67	80926.00	69150.00	49428.00	60810.00	7490.00	3541.61	3380.00
AUM Growth	%	29.19%	29.55%	36.47%	54.85%	104.75%	44.32%	0.81%	179.34%
Disbursements	Million	3432.91	NA	33910.00	NA	72000.00	7590.00	783.40	3410.00
Disbursement Growth	%	45.09%	NA	93.11%	NA	27.39%	54.58%	300.92%	203.60%
Average ticket size on Disbursement	Million	0.57	NA	0.30	0.99	1.80	1.10	NA	0.30
AUM per branch	Million	57.71	543.13	185.39	325.18	620.51	288.08	393.51	55.41
AUM per employee	Million	7.58	70.13	9.41	1.75	48.22	29.14	31.07	4.60
Net worth	Million	1523.27	15057.00	43395.30	17272.68	9840.00	3624.00	2047.10	764.00
CRAR	%	23.09	25.25	67.17	31.90	20.00	50.00	51.19	30.96
Average cost of Borrowing	Million	12.24	9.85	7.74	8.24	11.64	8.81	13.74	12.67
Total Income	Million	1306.68	9398.50	15290.00	7403.61	6837.63	1175.00	697.50	504.40
Net interest income	Million	619.65	3225.10	12325.33	3777.00	1896.39	813.53	351.02	271.91
PAT after OCI	Million	160.28	1815.10	6012.86	1498.77	399.27	456.28	148.39	-66.93
Yield on average gross loan	%	21.34%	15.24%	25.14%	17.69%	15.44%	17.63%	18.33%	27.02%
Spread	%	9.10%	5.39%	14.10%	7.50%	3.79%	8.81%	4.60%	14.35%
Net Interest Margin	%	9.27%	4.69%	16.38%	7.36%	5.30%	12.41%	9.18%	11.53%
Impairment to total average asset	%	0.24%	0.77%	0.27%	0.62%	1.59%	0.59%	0.94%	1.44%
Return on Assets	%	2.40%	2.64%	7.99%	2.92%	1.12%	6.96%	3.88%	-2.84%
RONW	%	11.51%	12.75%	14.94%	9.94%	4.10%	13.34%	8.66%	-12.07%
GNPA	%	0.58%	2.15%	1.36%	2.60%	1.60%	0.61%	4.70%	0.59%
NPA	%	0.32%	1.52%	0.69%	1.58%	0.90%	0.35%	3.54%	0.30%
Disbursement per branch per month	Million	2.40	NA	7.58	NA	61.22	24.33	7.25	4.66
Disbursement per employee per month	Million	0.32	NA	0.38	NA	4.76	2.46	0.57	0.39
PAT per Employee	Million	0.18	1.57	0.82	0.05	0.32	1.78	1.30	-0.09
PAT per Branch	Million	1.35	12.18	16.12	9.86	4.07	0.06	0.04	-0.02
Net Assets Value (NAV)	Million	76.69	275.46	148.94	19.26	139.46	174.85	64.63	32.64

NA: Data not Available

Financial Performance for Fiscal 2022

Comparison of its KPIs with Industry Peers	**Unit**	**Laxmi India Finance Limited**	**MAS Financial services Limited**	**Five Star Business Finance Limited**	**SBFC Finance Limited**	**U GRO Capital Limited**	**CSL Finance Limited**	**AKME Fintrade (India) Limited**	**Moneyboxx Finance Limited**
Number of Branches	Count	93	125	300	135	90	22	9	30
Number of Employees	Count	605	946	5675	2048	1111	200	160	313
AUM	Million	5,316.02	62468.00	50670.00	31920.00	29700.00	5190.00	3513.20	1210.00
AUM Growth	%	15.04%	16.28%	13.99%	41.24%	125.51%	NA	-16.55%	92.06%
Disbursements	Million	2366.00	NA	17560.00	NA	56520.00	4910.00	195.40	1123.20
Disbursement Growth	%	48.06%	NA	41.04%	NA	124.82%	14.19%	-63.67%	104.22%
Average ticket size on Disbursement	Million	0.51	NA	0.27	0.95	1.60	1.30	NA	0.30
AUM per branch	Million	57.16	499.74	168.90	236.44	330.00	235.91	390.36	40.33
AUM per employee	Million	8.79	66.03	8.93	15.59	26.73	25.95	21.96	3.87
Net worth	Million	1261.87	13406.00	37103.50	12871.67	9660.00	3217.00	1378.48	345.14
CRAR	%	23.41	26.35	75.20	26.20	34.00	64.00	35.06	30.59
Average cost of Borrowing	Million	12.46	9.00	9.97	7.45	7.49	7.29	12.75	10.53
Total Income	Million	982.45	6570.80	12560.00	5307.02	3134.16	746.00	675.00	233.10
Net interest income	Million	452.49	4870.30	9031.66	2525.30	1347.64	569.50	299.43	117.36
PAT after OCI	Million	145.719	1499.80	4513.10	647.99	147.96	335.00	43.28	-36.56
Yiel on average gross loan	%	18.06%	19.30%	25.45%	18.59%	14.58%	16.32%	17.17%	24.62%
Spread	%	5.60%	10.30%	13.50%	7.20%	7.09%	9.03%	4.42%	14.08%
Net Interest Margin	%	8.46%	8.67%	14.88%	5.59%	5.85%	12.95%	7.22%	10.99%
Impairment to total average asset	%	0.11%	0.61%	0.75%	0.80%	1.28%	0.84%	2.56%	1.25%
Return on Assets	%	2.72%	2.67%	7.44%	1.44%	0.64%	7.62%	1.04%	-3.42%
RONW	%	12.94%	11.19%	14.97%	5.20%	1.54%	11.55%	3.22%	-12.46%
GNPA	%	2.84%	2.28%	1.05%	2.90%	1.90%	1.73%	4.90%	0.62%
NPA	%	1.91%	1.70%	0.68%	1.41%	1.40%	0.96%	4.05%	0.31%
Disbursement per branch per month	Million	2.12	NA	4.88	NA	52.33	18.60	1.81	3.12
Disbursement per employee per month	Million	0.33	NA	0.26	NA	4.24	2.05	0.10	0.30
PAT per Employee	Million	0.24	1.59	0.80	0.32	0.13	1.67	0.27	-0.12
PAT per Branch	Million	1.57	12.00	15.04	4.80	1.64	0.06	0.01	-0.03
Net Assets Value (NAV)	Million	79.41	239.37	127.35	15.42	136.99	155.07	63.19	15.98

NA: Data not Available

Source: CARE Report. All the financial information for the industry peers mentioned above is on a consolidated/standalone basis and is sourced from the annual reports, unaudited financial results and investor presentations as available of the respective company for the relevant period / year submitted to the Stock Exchanges.

Notes:

Definitions for KPIs

1. *Number of branches represents aggregate number of branches as of the last day of relevant period/ year.*
2. *Number of employees represents aggregate number of employees as of the last day of relevant period/ year.*
3. *AUM is the aggregate of (i) Loan Assets (Loans), which is aggregate amount of loan receivable from customer and includes future principal outstanding and overdue principal outstanding and (ii) Assigned Assets & business correspondence assets (Off Book), which represents aggregate amount of future principal outstanding and overdue principal outstanding for off book loan assets as at the last day of the relevant fiscal year/cut off date.*
4. *AUM growth represents the growth percentage in AUM as of the last day of the relevant period/ year over AUM as of the last day of the previous period/ year.*
5. *Disbursements is the aggregate of all loan amounts extended to customers in the relevant period/ year*
6. *Disbursement growth represents the percentage growth in disbursement for the relevant period/ year over disbursement for the previous peri od/ year.*
7. *AUM per branch represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.*
8. *AUM per employee represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our employees as of the last day of relevant period/ year.*
9. *Net worth, which is a Non-GAAP measure, means the aggregate value of the Equity Share capital and Other equity, after deducting the prepaid expenses as at the end of relevant period/ year.*
10. *CRAR is computed by dividing our Tier I and Tier II capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.*
11. *Average cost of borrowing is Adjusted finance cost divided by average Total borrowings. Average Total Borrowings is the simple average of our total Borrowings outstanding as at the end of the previous year and the last day of the relevant year.*
12. *Total Income represents the Total Income for the relevant period/ year.*
13. *Net interest income represents the difference between interest income and finance costs for the period/ year. Interest income represents the sum of interest income on financial assets measured at amortized cost, interest on deposits with Bank and income on investment, for the relevant period/ year.*
14. *Profit for period/ year represents the profit after OCI for relevant period/ year.*
15. *Yield on average gross loans is Interest income on financial assets measured at amortised cost divided by average gross loans.*
16. *Spread is the difference between yield on average gross loans and average cost of borrowing.*
17. *Net Interest Margin represents the difference between interest income and finance costs for the period/ year to the average total assets for the period/ year.*
18. *Impairment on financial instruments to average total assets represents impairment on loans, bad debts written off (net of recoveries) for the relevant period/ year to the average total assets for the relevant period/ year.*
19. *Return on Average Total assets (RoTA) represent profit for the period/ year divided by average of total assets as at the end of the relevant period/ year and our total assets as at the end of the previous year.*
20. *Return on Average Net Worth (RoNW) is calculated as the profit for the period/ year as a percentage of Average Total Net Worth for such period/ year.*
21. *Gross non-performing assets ratio is Gross non-performing assets divided by Gross Loans outstanding as of the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as of the end of the relevant period/year.*
22. *Net NPAs to net advances (Net NPA Ratio) represents our Net Non-performing assets to our Gross Loans reduced by impairment loss allowance on Gross Non-performing assets as of the end of the relevant period/ year. Net NPA represents Gross non-performing assets reduced by provisions for NPAs (excluding provisions on standard assets) as at the end of relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year.*
23. *Disbursement per branch per month represents Disbursement as of the last day of the relevant period/ year divided by the aggregate number of our branches divided by number of months as of the relevant period/ year*
24. *Disbursement per employee per month represents Disbursement as of the last day of the relevant period/ year divided by the aggregate number of our employee divided by number of months as of the relevant period/ year*

25. *PAT per employee represents PAT as of the last day of the relevant period/ year divided by the aggregate number of our employee as of the last day of relevant period/ year.*
26. *PAT per branch represents PAT as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.*
27. *Net asset value per share (NAV) is computed as the Net Worth as of the last day of the relevant period divided by the outstanding number of equity shares as of the last day of the relevant period.*

K. Weighted Average Cost of Acquisition ("WACA")

(a) Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Scheme and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

Date of Allotment	Names of Allottees	Number of equity shares	Face value per Equity Share (₹)	Transaction as a % of fully diluted capital of the Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested)	Price per equity share (₹)	Weighted average cost of acquisition based on primary issue of equity shares or convertible securities*
August 16, 2024	Allotment of 52,632 Equity Shares to Naveen Giria, 52,600 Equity Shares to Surendra Mohta, 157,900 Equity Shares to Sanjay Garudapally, 97,474 Equity Shares to Deepak Baid, 80,000 Equity Shares to Agile Finserve Private Limited, 52,632 Equity Shares to Rashmi Giria, 52,632 Equity Shares to Arihant Goods Private Limited, 52,632 Equity Shares to Ritula Saraf, 52,631 Equity Shares to Polyaka Investment Private Limited, 30,000 Equity Shares to Sangeeta Joshi, 26,500 Equity Shares to Levim Capital Investments, 26,315 Equity Shares to SYL Investment, 20,000 Equity Shares to Sanjay Kumar Joshi, 16,000 Equity Shares to Prajwal Ramesh Zende, 15,000 Equity Shares to Dharmika Maheshwari, 13,200 Equity Shares to Rakesh Kumar Bhoot HUF, 13,200 Equity Shares to Amar Kumar Gupta HUF, 13,200 Equity Shares to Bhavik Ramesh, 13,200 Equity Shares to Sapna Sanjay Lalwani, 13,200 Equity Shares to Shubham Gupta, 13,200 Equity Shares to Utpal Bhattacharyya, 13,200	1,044,362	10	1,044,362	190	190

	Equity Shares to Sukhpal Kumar, 13,200 Equity Shares to Gunvatbhai Babubhai Patel, 13,200 Equity Shares to Govind Kumar, 13,200 Equity Shares to Omprakash Gurudasmal Chawla, 13,200 Equity Shares to Sudhakar Dattatraya Khare, 13,200 Equity Shares to Winfinity Partners LLP, 13,200 Equity Shares to Amitabha Sarkar, 13,200 Equity Shares to Kailash Prasad Agarwal, 13,157 Equity Shares to Sunita Gangwal, 13,157 Equity Shares to Sunita Rajan Bhat, 13,157 Equity Shares to Rina Jain, 5,800 Equity Shares to Divya Navani, 5,300 Equity Shares to Naveen Sawlani, 5,264 Equity Shares to Payal Agarwal, 5,260 Equity Shares to Bhag Chand Jain, 4,725 Equity Shares to Pratibha Soni, 2,630 Equity Shares to Harsha Tinker, 2,630 Equity Shares to Rekha Sharma, 1,767 Equity Shares to Ashni Akarsh Mehta, 1,767 Equity Shares to Vishal Nitin Sampat					

* *As certified by M/s. UCC & Associates LLP, Chartered Accountants of the Company, by way of their certificate dated December 15, 2024*

(b) Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group, Selling Shareholders or other shareholders with rights to nominate Directors during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

Secondary Transactions:

Date of Transfer	Name of Transferor	Name of Transferee	Number of Equity Shares Transacted	Face value per Equity Share (₹)	Price per Equity Share (₹)	Nature of consideration	Total Consideration
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

L. The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition at which the Equity Shares were issued by our Company, or acquired or sold by our Promoters, the Promoter Group, Selling Shareholders or other Shareholders with rights to nominate directors in the last 18 months preceding the date of this Draft Red Herring Prospectus are disclosed below:

Types of transactions	Weighted average cost of acquisition (per Equity Share)	Floor price* (i.e. ₹ [●])	Cap price* (i.e. ₹ [●])
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	95	[●]	[●] times
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where promoter / promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	[●] times	[●] times

**To be updated at Prospectus stage*

Note: As M/s. S.C. Bapna & Associates, Chartered Accountants, Statutory Auditors of the Company, by way of their certificate dated December 15, 2024

M. Justification for Basis of Offer Price

The following provides an explanation to the Offer Price/ Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoters, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions in the last 18 months preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs and financial ratios for the Financial Years ended March 31, 2024, 2023 and 2022

[●]*

**To be included on finalization of Price Band*

The following provides an explanation to the Offer Price/ Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by our Promoters, the Promoter Group or other Shareholders with rights to nominate directors by way of primary and secondary transactions in the last 18 months preceding the date of this Draft Red Herring Prospectus in view of external factors, if any, which may have influenced the pricing of the Offer

[●]*

**To be included on finalization of Price Band*

N. 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 BRLM, 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 Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 35, 195, 316 and 429, respectively, to have a more informed view.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

Date: December 15, 2024

To,
The Board of Directors
Laxmi India Finance Limited
2, DFL, Gopinath Marg, MI Road,
Jaipur – 302001, Rajasthan, India

Dear Sir(s):

Sub: Statement of possible special tax benefits available to Laxmi India Finance Limited ("the Company") and its shareholders in accordance with the requirement under Schedule VI-A Part A – Clause (9)(L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") under direct tax and indirect tax laws ("Statement of Possible Special Tax Benefits")

We refer to the proposed initial public offering of the equity shares (the "**Offer**") of the Company. We enclose herewith the statement in **Annexure A** showing the current position of possible special tax benefits available to the Company and to its shareholders under the applicable direct and indirect tax laws presently in force in India including the Income Act, 1961 and Income tax Rules, 1962, as amended by the Finance Act, 2024 (hereinafter referred to as "**Income Tax Laws**") the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy, as applicable, including the rules, regulations, circulars and notifications issued there under and other tax laws (collectively the "**Tax laws**") relevant to the financial year 2024-25 and relevant to the assessment year 2025-26 presently in force in India for inclusion in the Draft Red Herring Prospectus ("**DRHP**") for the proposed initial public offering of equity shares of the Company, as required under SEBI ICDR Regulations.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or its shareholders to derive the stated possible special direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives that the Company or its shareholders may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfil.

The possible special tax benefits discussed in the enclosed annexure are neither exhaustive nor conclusive. The contents stated in the Annexure (Annexure A) are based on the information and explanations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. This Statement 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 and 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 proposed Offer. We are neither suggesting nor advising the investor to invest money based on this statement. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

We do not express any opinion or provide any assurance as to whether:

i) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or
ii) the conditions prescribed for availing the benefits have been/would be met with.
iii) the revenue authorities/courts will concur with the views expressed herein.

We hereby confirm that while providing this certificate we have conducted our examination in accordance with the Guidance Note on Reports in Company Prospectuses' (Revised 2019) and the Guidance Note on Reports or Certificates for Special Purposes (the "Guidance Note") issued by the Institute of Chartered Accountant of India (ICAI) and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this Certificate, which includes the concepts of test checks and materiality. The Guidance Notes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI).

We have also complied with the relevant applicable requirements of the Standard on Quality Control ("SQC") 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We hereby give consent to include this report and the statement of possible special tax benefits regarding the possible special tax benefits available to the Company and its shareholders enclosed in Annexure A in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus which the Company intends to file in relation to the Offer and submission of this report, as may be necessary, to the Registrar of Companies, Rajasthan at Jaipur, Stock Exchange(s), SEBI, or any other regulatory authority and for the records to be maintained by the Company, Book Running Lead Manager in connection with the Offer and in accordance with applicable law. This statement is not to be used, referred to or distributed for any other purpose.

Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Offer Documents.

For S.C. Bapna & Associates,
Chartered Accountants
ICAI Firm Registration No.:

Rupal Kumbhat
Partner
Membership No: 401084
Place: Jaipur
Date: December 15, 2024

UDIN:24401084BKESQJ4032

CC:

PL Capital Markets Private Limited
3rd Floor, Sadhana House,
570, P. B. Marg,
Worli, Mumbai 400018,
Maharashtra, India

Annexure-A

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The information provided below sets out the possible special tax benefits available to **Laxmi India Finance Limited** ("the Company") and its Equity Shareholders in a summary manner and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership, and disposal of Equity Shares of the Company, under the current Tax Laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives a shareholder faces, may or may not choose to fulfil. We do not express any opinion or provide any assurance as to whether the Company and its shareholders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his own tax consultant with respect to the tax implications arising out of their participation in the Offer of particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

A. Special tax benefits available to the Company

The Statement of possible tax benefits enumerated below is as per the Income Tax Act, 1961 ('the Act') as amended from time to time and as applicable for the financial year 2024-25 relevant to assessment year 2025-26. Except as mentioned herein, there are no possible special tax benefits available to the Company under Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

1. Lower corporate tax rate under section 115BAA of the Income-tax Act, 1961 ('the Act'/ 'IT Act'):

The Company has opted the New Regime Scheme in FY 2019-20 (AY 2020-21) and paying Income tax at Effective Rate: 25.168%. The concessional rate is subject to the company not availing any of the following deductions/exemptions under the provisions of the Act:

(i) Section10AA: Tax holiday available to units in a Special Economic Zone.
(ii) Section 32(1) (iia)
(iii) Additional depreciation; Section 32AD
(iv) Investment allowance. Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses
(v) sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of Section 35: Expenditure on scientific research.
(vi) Section 35AD: Deduction for capital expenditure incurred on specified businesses.
(vii) Section 35CCC/35CCD: expenditure on agricultural extension /skill development.

(viii) Deduction under any provisions of Chapter VI-A except for the provisions of section 80JJAA or section 134 ix. 80M.

(ix) Without set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i) to viii) above.

(x) No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i) to viii) above

Further, it was clarified by the Central Board of Direct Taxes vide Circular No. 29/ 2019 dated October 2, 2019 and under section 115JB(5A) that if the Company opts for concessional income tax rate under section 115BAA, the provisions of Minimum Alternate Tax ('MAT') under section 115JB of the Act shall not be applicable. Further, any carried forward MAT credit also cannot be claimed.

2. Accelerated deduction of bad and doubtful debts in terms of provision for bad and doubtful debts up to a specified limit under section 36(1)(viia) of IT Act –

The Company is a Non-Banking Financial Company and is entitled to accelerated deduction of bad and doubtful debts in terms of provision for bad and doubtful debts up to a specified limit under section 36(1)(viia) of the Act in computing its income under the head "Profits and gains of business or profession". As per the provisions of section 36(1)(viia) of the IT Act, the Company could claim a deduction of provision created for bad and doubtful debts in its books of accounts to the extent of five per cent of its gross total income (computed before making any deduction under this section and Chapter VI-A of the Act), subject to satisfaction of certain prescribed conditions.

3. Deductions from Gross Total Income: 80JJAA of IT Act-

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

B. Special direct tax (Income 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.

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The Statement of possible tax benefits enumerated below is as per the Central Goods and Services Tax Act, 2017 ('CGST Act'), the Integrated Goods and Services Tax Act, 2017 ('IGST Act'), the Union Territory Goods and Services Tax Act, 2017 ('UTGST Act'), respective State Goods and Services Tax Act, 2017 ('SGST Act') (All these legislations collectively referred to as 'GST Legislation'), the Customs Act, 1962, the Customs Tariff Act, 1975 and Foreign Trade Policy (collectively referred to as "Indirect Tax") as amended from time to time and as applicable for financial year 2024-25.

A. Special tax benefits available to the Company under Indirect Tax laws:

There are no special Indirect tax benefits are available to the Company under the GST Acts.

B. Special direct tax benefits available to the Shareholders

There are no special indirect tax benefits available to the shareholders of the Company.

Notes:

1. *This Annexure sets out only the special tax benefits available to the Company and its shareholders under the Act as amended by the Finance Act, 2023 applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India.*

2. *We have not considered the general tax benefits available to the Company or shareholders of the Company.The above Statement covers only certain possible special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.*

3. *The above is as per the Tax Laws as on date.*

4. *The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.*

5. *This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income –tax consequences that apply to them.*

6. *This Statement 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 their own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.*

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.*

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from the report titled "Research Report on NBFC Industry" released in December 2024 ("CARE Report") prepared by CARE Analytics and Advisory Private Limited (CareEdge Research), appointed by our Company pursuant to an engagement letter dated August 22, 2024 and such CARE Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer "Unless specified otherwise, all information in this section has been derived from CARE Report. CARE Analytics and Advisory Private Limited (CareEdge Research). in an independent and objective manner and it has taken reasonable care to ensure its accuracy and completeness. A copy of the CARE Report is available on the website of our Company at https://lifc.co.in/investor-services/. The data may have been re-classified by us for the purposes of presentation. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information financial information used herein is based solely on the audited financials of the Company and other peers. The recipient should not construe any of the contents in CARE Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled "Risk Factors" and "Restated Financial Statements" and related notes beginning on page 35 and 316 respectively of this Draft Red Herring Prospectus.

Economic Outlook

Global Economy

Global growth, which stood at 3.3% in CY23, is anticipated to fall and remain at 3.2% in both CY24 and CY25. The global real GDP growth outlook shows signs of improvement as cyclical imbalances ease, aligning economic activity with potential output in major economies. While global disinflation progresses, risks remain, particularly from financial market volatility and geopolitical tensions that could disrupt trade and increase commodity prices. Nonetheless, stronger public investment in advanced economies aimed at infrastructure and the green transition may stimulate private sector investment and bolster global demand. Additionally, accelerating structural reforms in both advanced and emerging markets could enhance productivity and support medium-term growth.

GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)									
	CY20	CY21	CY22	CY23	CY24P	CY25P	CY26P	CY27P	CY28P	CY29P
India	-5.8	9.7	7.0	8.2	7.0	6.5	6.5	6.5	6.5	6.5
China	2.2	8.4	3.0	5.3	4.8	4.5	4.1	3.6	3.4	3.3
Indonesia	-2.1	3.7	5.3	5.0	5.0	5.1	5.1	5.1	5.1	5.1
Saudi Arabia	-3.6	5.1	7.5	-0.8	1.5	4.6	4.4	3.6	3.5	3.5
Brazil	-3.3	4.8	3.0	2.9	3.0	2.2	2.3	2.4	2.5	2.5
Euro Area	-6.1	6.2	3.3	0.4	0.8	1.2	1.5	1.4	1.3	1.2
United States	-2.2	6.1	2.5	2.9	2.8	2.2	2.0	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (October 2024)

Emerging Market and Developing Economies Group

Emerging market and developing economies are forecasted to maintain stable growth at 4.2% in both CY24 and CY25. The economic forecast for emerging and developing Asia reveals a modest deceleration in growth, with projections indicating a decline from 5.3% in CY24 to 5% in CY25. **China's** trajectory reflects a gradual slowdown, transitioning from 4.8% in CY24 to 4.5% in CY25 due to low consumer confidence and ongoing real estate sector challenges. However, better than expected net exports have ensured that the slowdown in growth is marginal. In contrast, **India's** growth remains robust, with anticipated rates of 7% in CY24 and 6.5% in CY25. This moderation in GDP growth is expected as the surge in pent-up demand from the pandemic wanes. The economy is transitioning towards its potential, reflecting a more sustainable pace of growth as it adjusts to post-pandemic realities.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP has been at USD 3.6 trillion for CY23 and is projected to reach USD 5.2 trillion by CY27 and USD 6.3 trillion by CY29. India's expected GDP growth rate for coming years is almost double compared to the world economy. The Indian economy shows resilience amid global inflation, supported by a stable financial sector, strong service exports, and robust investment driven by government spending and high-income consumer consumption, positioning it for better growth than other economies.

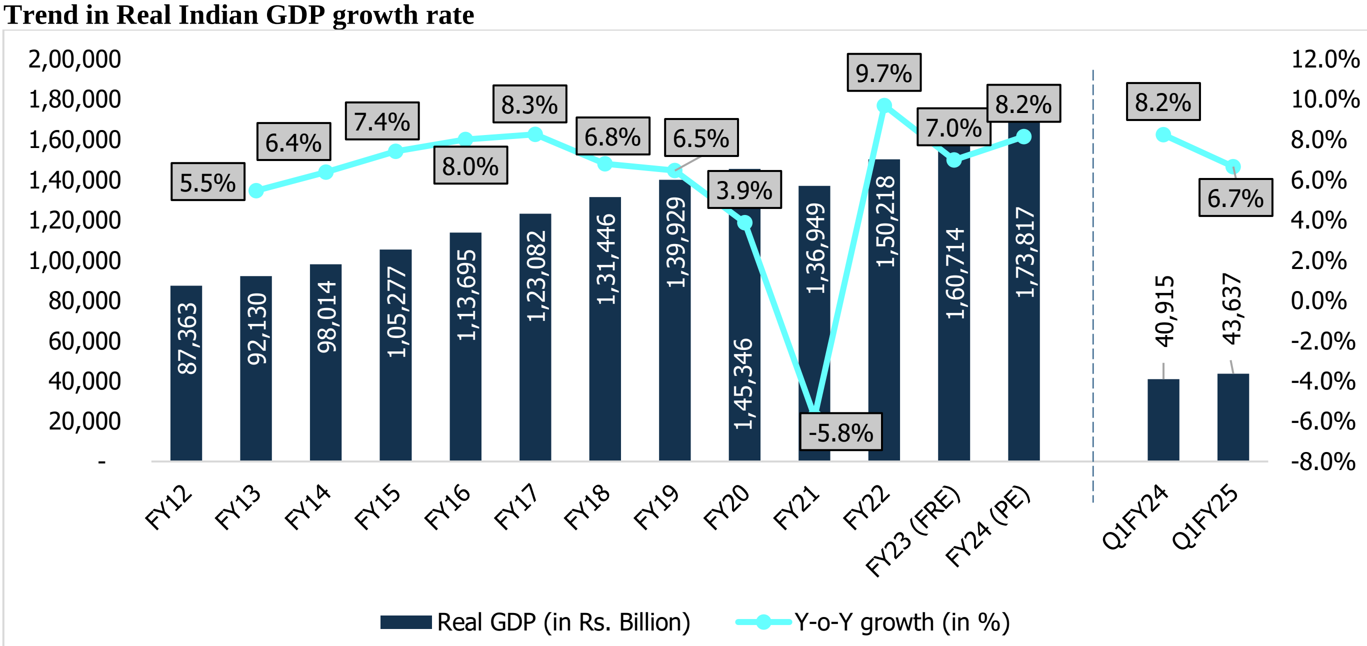
Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6.5% in the period of CY24-CY29, outshining China's growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany. Currently, it is the third largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7.9% share in the global economy, with China (~18.7%) on the top followed by the United States (~15.1%).

Indian Economic Outlook

GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

Trend in Real Indian GDP growth rate



Note: FRE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion, as per the First Revised Estimate, despite the pandemic in previous years and geopolitical Russia-Ukraine spillovers. Real GDP in the year FY24 is estimated to grow at 8.2% at Rs. 173.82 trillion as per provisional estimate of the Ministry of Statistics and Programme Implementation. It is expected that domestic demand, especially investment, to be the main driver of growth in India, amid sustained levels of business and consumer confidence.

In Q1FY25, real GDP grew by 6.7% y-o-y, hitting a 15-month low, as compared to 8.2% y-o-y in the previous quarter. Private consumption, a key driver of the GDP, showed resilience increasing by 7.45% while government spending contracted by 0.24%. This growth was largely driven by elections and extreme summer conditions, which impacted economic activities across several sectors.

GDP Growth Outlook

- Driven by fixed investment and improving global environment, domestic economic activity continues to expand. The provisional estimates (PE) placed real GDP growth at 8.2% for FY24.

- Industrial activity led by manufacturing continues its momentum on the back of strengthening domestic demand, lower input costs, and a supportive policy environment. The purchasing managers' index for both manufacturing and services sector remained elevated in September 2024, indicating a robust expansion.

- Domestic economic activity continues to remain steady. On the supply side, advancing monsoon has boosted kharif sowing and improved agricultural production prospects, while higher reservoir levels and good soil moisture conditions are favorable for the upcoming rabi crop. Additionally, growth in GVA for major non-agricultural sectors like manufacturing, construction, and utilities has stayed above 5% for Q1FY25, indicating expansion. On the demand side, household consumption is bolstered by an upward trend in rural demand while urban demand continues to hold firm. Additionally, improvement in government consumption can also be observed. Moreover, on the global trade front, services exports are supporting overall growth.

- Fixed investment activity is robust, supported by the government's ongoing focus on capital expenditure, healthy balance sheets of banks and corporates, and other policy measures. Private investment is picking up, driven by an increase in non-food bank credit, higher capacity utilization, and rising investment intentions.

Persistent geopolitical tensions, volatility in international financial markets and geo-economic fragmentation do pose risk to this outlook. Based on these considerations, the RBI, in its October 2024 monetary policy, has projected real GDP growth at 6.6% y-o-y for FY25.

RBI's GDP Growth Outlook (Y-o-Y %)

FY25P (complete year)	Q3FY25P	Q4FY25P	Q1FY26P	Q2FY26P
6.6%	6.8%	7.2%	6.9%	7.3%

Note: P-Projected; Source: Reserve Bank of India

Gross Value Added (GVA)

Gross Value Added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of the supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

• The gap between GDP and GVA growth turned positive in FY22 (after a gap of two years) due to robust tax collections. Of the three major sector heads, the service sector has been the fastest-growing sector in the last 5 years.

• In FY23, **the agriculture sector** performed well despite weather-related disruptions, such as uneven monsoon and unseasonal rainfall, impacting yields of some major crops and clocked a growth of 4% y-o-y, garnering Rs. 22.3 trillion. The agriculture sector's growth slowed in FY24 to an estimated 1.4% rise for the year, down from 4.7% in FY23. The sector reached to Rs. 23.1 trillion for FY24 as per provisional estimate. In Q1FY25, the agriculture sector grew by only 2% y-o-y as compared to 3.7% in Q1FY24. Better monsoon conditions are expected to brighten outlook for the agriculture sector. Going forward, rising bank credit and increased exports will be the drivers for the agriculture sector.

• The **industrial sector** output in FY23 grew by only 2.1% with estimated value Rs. 44.74 trillion owing to decline in manufacturing activities. India's industrial sector experienced robust growth in FY24 supported by positive business sentiment, falling commodity prices, and government policies like production-linked incentives. The sector grew by 9.5% on y-o-y basis, reaching Rs. 48.9 trillion for FY24. In Q1FY25, the industrial sector grew by 8.3% y-o-y as compared to 6% in Q1FY24. This growth was driven mainly by sales growth in manufacturing companies, construction, and utility services. Construction grew at the highest rate of 10.5% as compared to a growth rate of 8.3% in the same quarter in previous year.

• In FY23, benefitting from the pent-up demand, the **services sector** was valued at Rs. 80.6 trillion and registered growth of 10.0% y-o-y. In FY24, India's services sector growth was driven by steady growth in various service sector indicators like air passenger traffic, port cargo traffic, GST collections, and retail credit. With this, the growth of service sector is estimated at Rs. 86.7 trillion registering 7.6% growth in FY24 overall. In Q1FY25, the services sector grew by only 7.2% y-o-y as compared to 10.7% in Q1FY24.

Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

At constant Prices	FY19	FY20	FY21	FY22	FY23 (FRE)	FY24 (PE)	Q1FY24	Q1FY25
Agriculture, Forestry & Fishing	**2.1**	**6.2**	**4.1**	**3.5**	**4.7**	**1.4**	**3.7**	**2.0**
Industry	**5.3**	**-1.4**	**-0.9**	**11.6**	**2.1**	**9.5**	**6**	**8.3**
Mining & Quarrying	-0.9	-3.0	-8.6	7.1	1.9	7.1	7.0	7.2
Manufacturing	5.4	-3.0	2.9	11.1	-2.2	9.9	5.0	7.0
Electricity, Gas, Water Supply & Other Utility Services	7.9	2.3	-4.3	9.9	9.4	7.5	3.2	10.4
Construction	6.5	1.6	-5.7	14.8	9.4	9.9	8.6	10.5
Services	**7.2**	**6.4**	**-8.2**	**8.8**	**10.0**	**7.6**	**10.7**	**7.2**
Trade, Hotels, Transport, Communication & Broadcasting	7.2	6.0	-19.7	13.8	12.0	6.4	9.7	5.7
Financial, Real Estate & Professional Services	7.0	6.8	2.1	4.7	9.1	8.4	12.6	7.1
Public Administration, Defence and Other Services	7.5	6.6	-7.6	9.7	8.9	7.8	8.3	9.5
GVA at Basic Price	**5.8**	**3.9**	**-4.2**	**8.8**	**6.7**	**7.2**	**8.3**	**6.8**

Note: FRE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

Concluding Remarks

- **India's GDP growth is projected at 7% in CY24, well above the global average of 3.2%:** According to the IMF, India is expected to maintain strong growth in 2024, significantly outpacing the global economy. This growth is driven by robust domestic factors and a relatively resilient economic environment compared to other emerging economies.

- **Strong domestic demand, government support for capital expenditure, and moderating inflation are key growth drivers:** The continued healthy demand from Indian consumers and businesses, coupled with government initiatives to boost infrastructure and capital spending, provides a strong foundation for growth. Additionally, inflation is showing signs of moderation, easing pressure on consumers and businesses.

- **Improvement in high-frequency indicators like PMI, E-way bills, bank credit, and GST collections signals growth:** Several key economic indicators, such as the Purchasing Managers Index (PMI), e-way bills, bank credit growth, and GST collections, are showing positive trends, suggesting that economic activity is picking up. These indicators reflect stronger industrial activity, increased business investments, and a more efficient tax collection system.

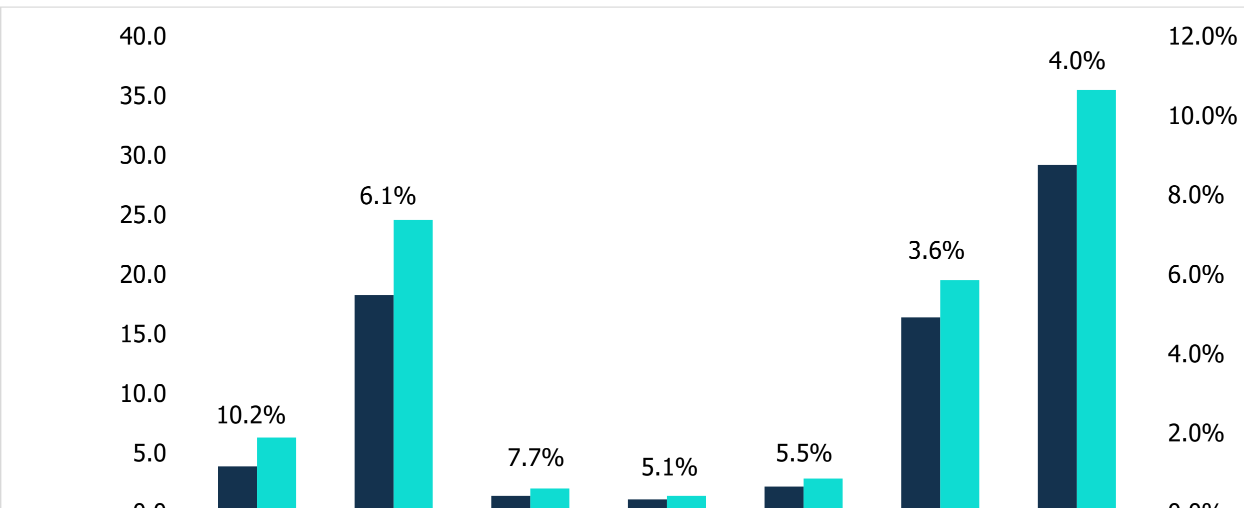
- **Ongoing reforms and a skilled workforce position India as a global manufacturing hub:** India is making significant strides in transforming itself into a major manufacturing hub. Government reforms aimed at improving ease of doing business, along with a large, skilled workforce and a growing startup ecosystem, are strengthening its position in global supply chains.

- **Increased public and private investment, along with improved rural demand, will further boost the economy:** The Indian government's strong focus on capital expenditure (Rs. 11.11 trillions allocated for FY25) and a recovering private investment outlook are expected to drive economic growth. Additionally, rural demand is rising due to good monsoon conditions and agricultural performance, further contributing to the overall economic expansion.

India is set to be one of the fastest growing Major economy

India is experiencing remarkable economic growth, consistently surpassing expectations and demonstrating resilience amidst global uncertainties. Driven by strong domestic demand and government reforms, the country is witnessing a rebound in its rural economy, thriving manufacturing sector, and robust export performance in services and high-value manufacturing. Industry leaders express confidence in India's potential, positioning it as a leader in global economic growth. With solid bank balance sheets and rising credit, India is poised to continue its upward trajectory, outpacing many other economies in the coming years. In the last 10 years, Indian economy has grown at a CAGR of 6.8%, higher than CAGR of advanced economies like the United States and Euro Area. It is projected that India will continue to grow at a CAGR of 10.3% between CY24 and CY29, outpacing expansion in comparison to key developed and developing economies.

Projected Size of the Global Economies for Next 5 Years (in USD Trillion)

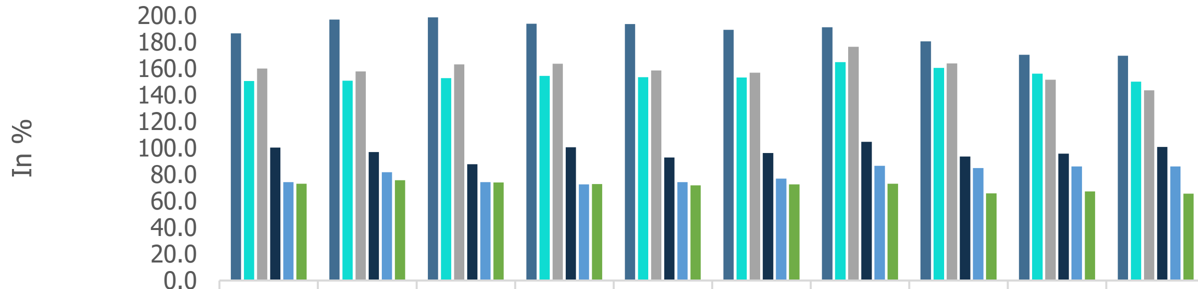


	India	China	Indonesia	Saudi Arabia	Brazil	Euro Area	United States
CY24P	3.9	18.3	1.4	1.1	2.2	16.4	29.2
CY29P	6.3	24.6	2.0	1.4	2.9	19.5	35.5
CAGR (%)	10.2%	6.1%	7.7%	5.1%	5.5%	3.6%	4.0%

Source: IMF World Economic Outlook Database (October 2024)
Note: CAGR is calculated for the period CY24P to CY29, P- Projections

Credit Penetration in India

Overview of Credit Market in India vis a vis Other matured markets GDP



	CY14	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23
Australia	186.7	197.1	198.7	193.9	193.6	189.3	191.3	180.7	170.4	169.8
United States	150.7	150.9	152.7	154.4	153.6	153.4	164.8	160.5	156.1	150.1
United Kingdom	160.0	157.8	163.3	163.7	158.5	157.0	176.6	163.9	151.5	143.7
India	100.4	97.0	87.9	100.7	92.9	96.2	104.8	93.6	95.9	100.9
Brazil	74.4	81.8	74.4	72.5	74.4	77.0	86.5	84.9	86.1	86.2
South Africa	73.2	75.8	74.0	72.8	72.0	72.5	73.2	65.8	67.4	65.5

Source – BIS, CareEdge Research

The developed countries like United States, United Kingdom and Australia have their credit to GDP ratio in the range of 140% to 200%. The high credit to GDP ratio of developed countries can be largely attributed to their advanced financial systems and ease of access to the credit.

The credit to GDP ratio of emerging economies such as India, Brazil and South Africa has been in the range of 60% to 100% over the last decade. The credit to GDP ratio is lower in comparison with the developed economies indicating that the emerging economies lack matured financials systems and there is opportunity for the credit penetration in the economy. A low credit to GDP Ratio indicates the increased opportunity for growth in credit penetrated in the economy that can boost economy's growth.

The rural and semi-urban credit market in India is significantly under-penetrated, presenting a substantial opportunity for Non-Banking Financial Companies (NBFCs) to capitalize on this whitespace. As of December 2023, India's Credit to GDP Ratio stands at 100.9%, indicating considerable potential for increasing credit penetration across various sectors. With India recognized as one of the fastest-growing economies globally, the expanding GDP per capita further amplifies the prospects for rapid credit growth, which can stimulate broader economic development.

Currently, Scheduled Commercial Banks (SCBs) primarily follow traditional lending patterns, leaving mid-sized and lower-rated companies underserved. This gap creates an opening for NBFCs to introduce more innovative and flexible financing solutions. By tapping into the rising demand for credit, NBFCs can enhance access to capital, particularly in rural and semi-urban areas. Following the IL&FS and DHFL crises, NBFCs are increasingly focusing on growth in the retail space, making them well-positioned to meet the evolving credit needs of this segment. As the economic environment evolves, the role of NBFCs in bridging these gaps becomes increasingly vital.

State wise credit to GDP ratio:

State	FY22	FY23	FY24
ANDHRA PRADESH	47.9%	49.2%	53.0%
ASSAM	23.4%	23.5%	23.4%
BIHAR	30.2%	31.1%	32.4%
CHHATTISGARH	33.6%	35.6%	38.3%
HARYANA	42.9%	46.1%	53.1%
HIMACHAL PRADESH	23.8%	24.4%	26.6%

JAMMU & KASHMIR	42.4%	41.8%	43.4%
JHARKHAND	24.5%	26.2%	28.4%
KARNATAKA	44.9%	45.3%	49.5%
KERALA	45.9%	47.8%	50.7%
MADHYA PRADESH	32.9%	33.0%	35.9%
MAHARASHTRA	86.4%	91.4%	99.7%
MEGHALAYA	23.6%	25.5%	26.9%
NCT OF DELHI	161.7%	151.4%	153.7%
ODISHA	26.3%	28.5%	31.2%
PUDUCHERRY	39.5%	41.0%	45.7%
PUNJAB	45.9%	46.2%	50.5%
RAJASTHAN	37.0%	37.9%	40.3%
SIKKIM	13.8%	13.8%	13.5%
TAMIL NADU	55.9%	55.4%	58.2%
TELANGANA	58.8%	59.2%	62.6%
TRIPURA	21.8%	20.0%	21.1%
UTTAR PRADESH	32.6%	33.1%	36.3%
UTTARAKHAND	25.4%	25.4%	27.4%
WEST BENGAL	36.1%	35.0%	35.4%

Source: RBI, MOSPI, CareEdge Research

The credit-to-GDP ratio of below mentioned states has shown an increase from FY22 to FY24, however the lower ratio indicates more scope for credit growth, which can be supported by banks and NBFCs.

- **Rajasthan**: From 37% in FY22 to 40.3% in FY24
- **Madhya Pradesh**: From 32.9% in FY22 to 35.9% in FY24
- **Chhattisgarh**: From 33.6% in FY22 to 38.3% in FY24

This upward trend in other states indicates a growing reliance on credit within these states , reflecting increased financial activity and potential economic growth.

Non-Banking Financial Company (NBFC)

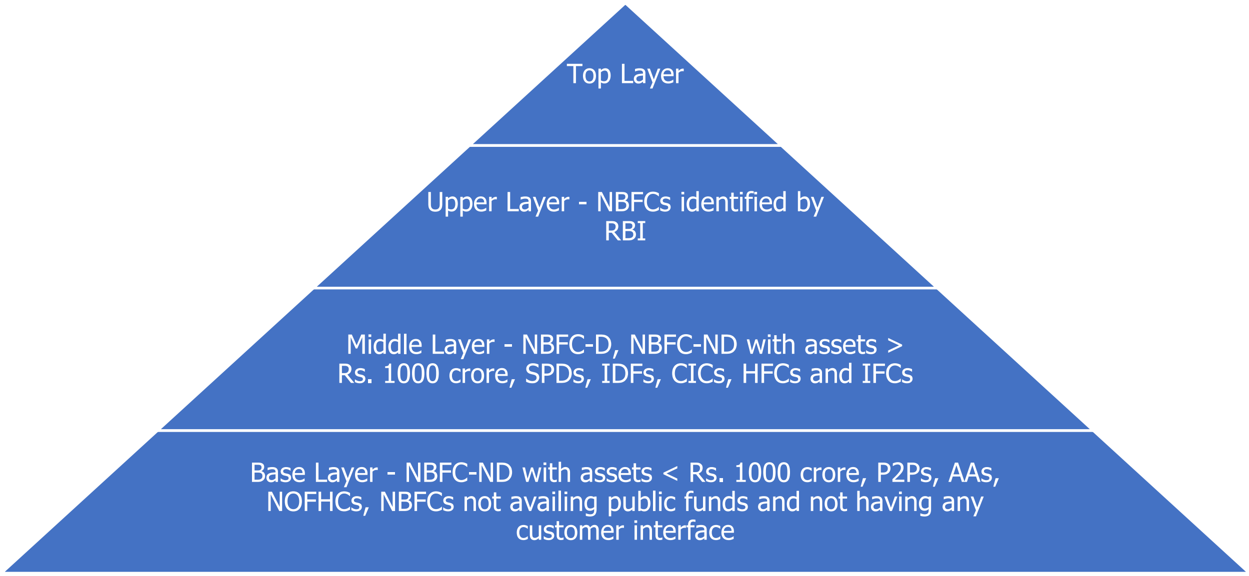
Introduction to Non-banking Financial Institutions (NBFIs)

Non-banking financial institutions (NBFIs) encompass a heterogeneous group of financial intermediaries. Those under the regulatory purview of the Reserve Bank comprise:

- All-India Financial Institutions (AIFIs) that include the National Bank for Agriculture and Rural Development (NABARD), the Export-Import Bank of India (EXIM Bank), the Small Industries Development Bank of India (SIDBI), and the National Housing Bank (NHB) are apex financial institutions that play an important role in meeting the long-term funding requirements of agriculture and the rural sector, foreign trade, small industries, housing finance companies (HFCs), NBFCs, Micro Finance Institutions (MFIs), and other specialised segments and institutions.
- Non-banking financial companies (NBFCs) are government/public/private limited companies that specialise in delivering credit to a wide variety of specific segments, ranging from infrastructure to consumer durables and vehicle financing. Housing finance companies (HFCs) extend housing finance to individuals, cooperative societies, and corporate bodies and lease commercial and residential premises to support housing activity in the country.

Classification of NBFCs

According to RBI, NBFCs are classified based on size and risk perception using Scale Based Approach –



Source: RBI, CareEdge Research

Notes: 1. NBFCs-D, CICs, NBFC-IFCs and HFCs will be included in the middle or the upper layer.

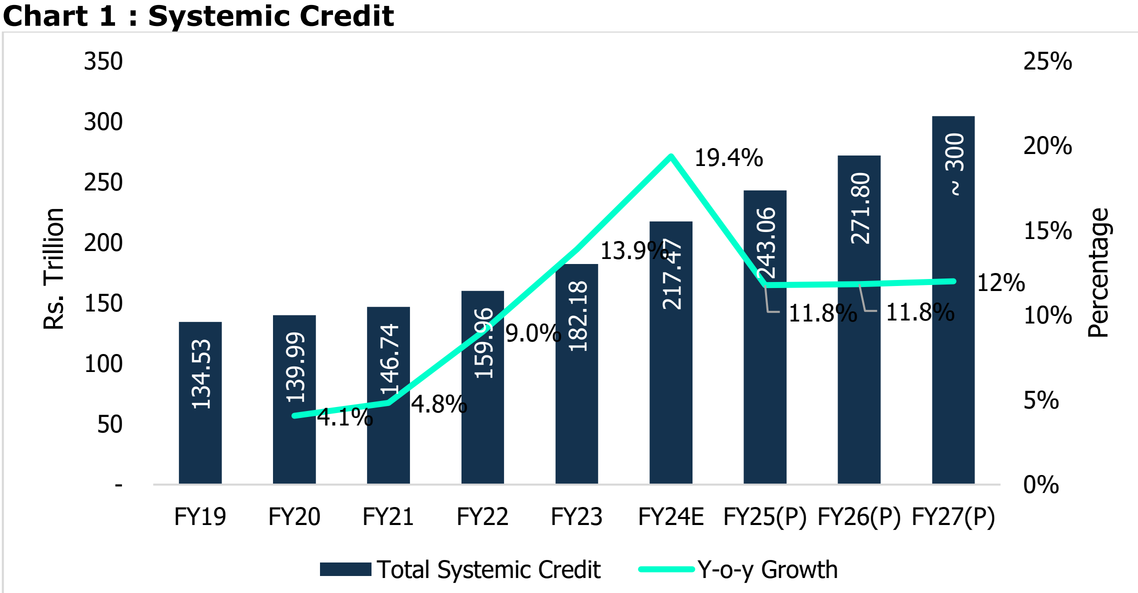
2. The remaining NBFCs, viz., NBFC-ICC, NBFC-MFI, NBFC Factors and NBFC-MGC could lie in any of the layers depending on the parameters of SBR.

3. Government owned NBFCs shall be placed in the Base Layer or Middle Layer, as the case may be.

And since NBFCs cater to niche areas, they are also categorized on the basis of the activities they undertake. Till February 21, 2019, NBFCs were divided into 12 categories. Thereafter, these categories were harmonized in order to provide NBFCs with greater operational flexibility. As a result, asset finance companies (AFCs), loan companies (LCs), and investment companies (ICs) were merged into a new category called Investment and Credit Companies (NBFC-ICC). At present, there are 11 categories of NBFCs in the activity-based classification.

Systemic Credit

Chart 1 : Systemic Credit

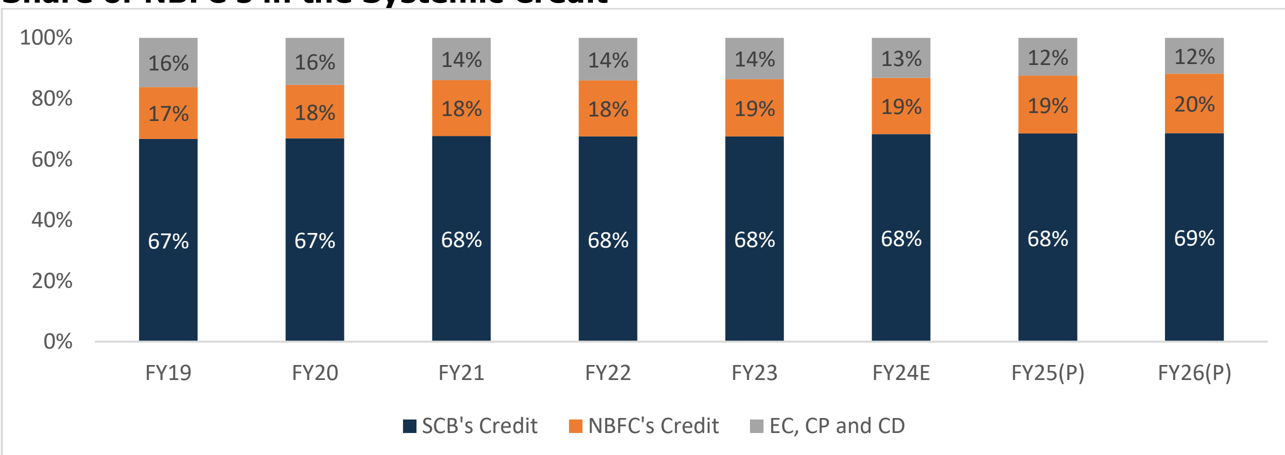


Source: RBI, CareEdge Estimates

Note: Systemic Credit includes SCB's Outstanding credit (excluding the Credit provided to NBFC's), NBFC's Outstanding Credit, Commercial Paper, Certificate of Deposits and External commercial borrowings. E Refers to Estimated and P refers to Projected.

Total systemic credit has shown consistent growth from FY19 to FY24, with a notable acceleration in recent years. FY23 saw a sharp increase, with a year-on-year (Y-o-Y) growth of 13.9%, reflecting the economic recovery post-pandemic and increased credit demand across various sectors. In FY24, the Y-o-Y growth is expected to remain strong at 19.4%, driven by sustained economic momentum and higher borrowing activity. Looking ahead, systemic credit is projected to grow at a stable rate of 11.8% in both FY25 and FY26, with total credit expected to reach Rs. 243.06 trillion in FY25 and Rs. 271.80 trillion in FY26 and approx. Rs. 300 trillion in FY27, reflecting ongoing growth in both corporate and retail lending as the economy continues to expand.

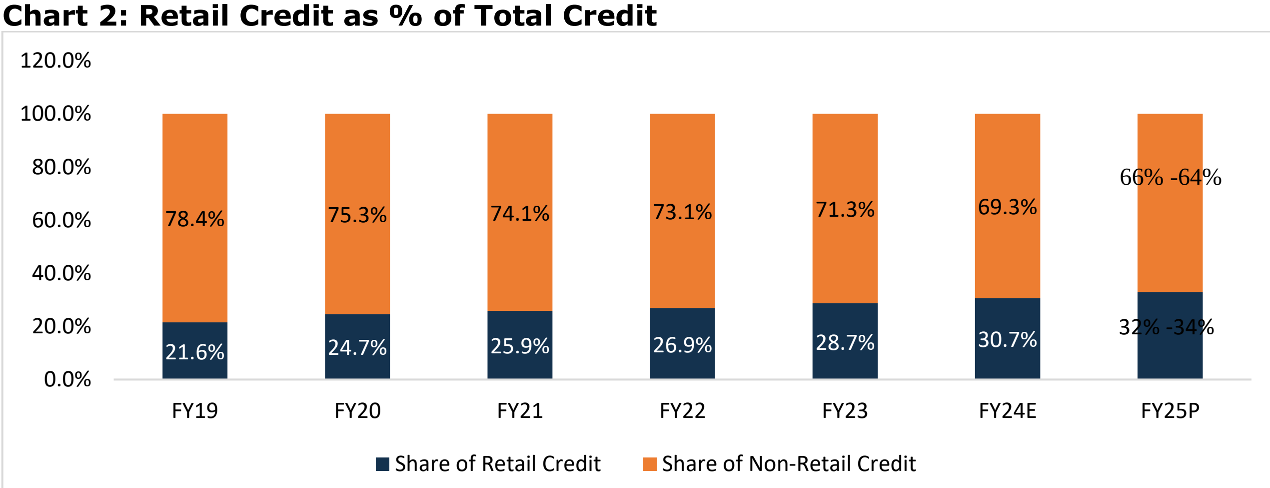
Share of NBFC's in the Systemic Credit



Source: RBI, CareEdge Estimates Note: P indicates Projected

SCBs (Scheduled Commercial Banks) have consistently held the largest share of total systemic credit, accounting for 67-68% from FY19 to FY24E, and are projected to maintain a similar share through FY26. Meanwhile, credit from NBFCs (Non-Banking Financial Companies) has seen a gradual increase, rising from 17% in FY19 to 19% in FY23, and it is expected to continue its upward trajectory, reaching 20% of the total systemic credit by FY26. NBFC credit has been the fastest-growing segment within the credit market, reflecting the growing role of NBFCs in providing financing to underserved sectors like small and medium enterprises (SMEs) and retail customers. This rapid growth is driving the increase in their share of total credit.

Chart 2: Retail Credit as % of Total Credit



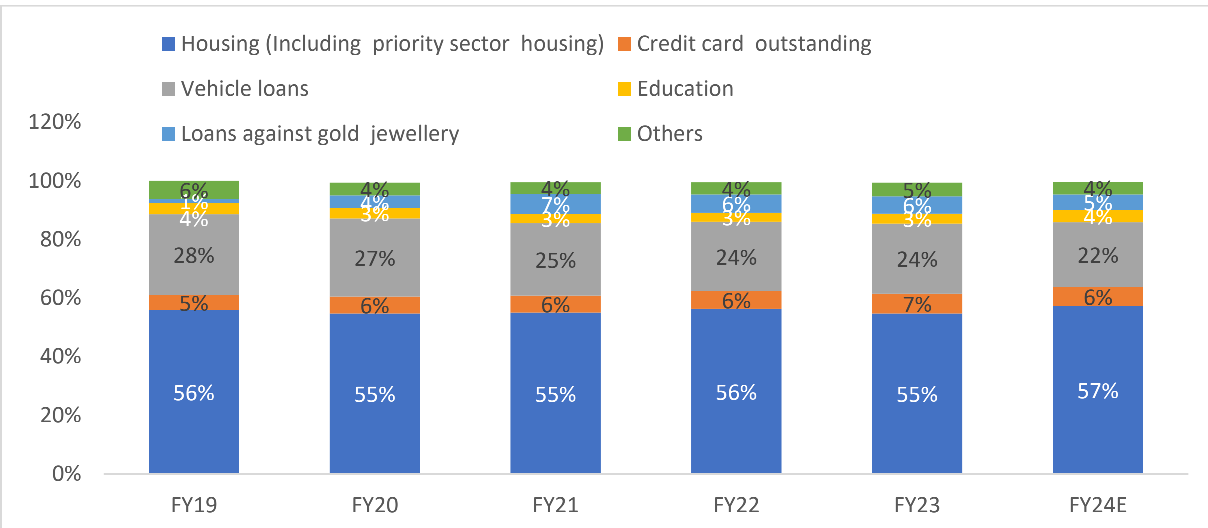
Source: RBI, CareEdge Estimates

Note: P indicates Projected

The share of retail credit in total systemic credit has been steadily increasing from 21.6% in FY19 to an expected 30.7% in FY24E and it is expected to be in the range of 32% to 34% in FY25. This growth reflects the rising demand for consumer loans, including home loans, personal loans, and auto loans, driven by factors such as increased income levels, higher consumer spending, and greater access to financing.

The retail credit which includes Housing (Including priority sector housing), Consumer durables, Credit card outstanding, Vehicle loans, Education, Advances against fixed deposits, Advances to individuals against share, bonds, etc. and Loans against gold jewellery, grew at a CAGR of 18.2% from FY19 to FY24. In FY23, the y-o-y growth of the retail credit was 22% and is expected to be 28% for FY24. The growing demand in the Indian retail credit market, driven by factors such as rising consumer confidence, increased disposable incomes, and greater access to credit, creates a compelling opportunity for both banks and Non-Banking Financial Companies (NBFCs).

Trend in Retail Credit Mix



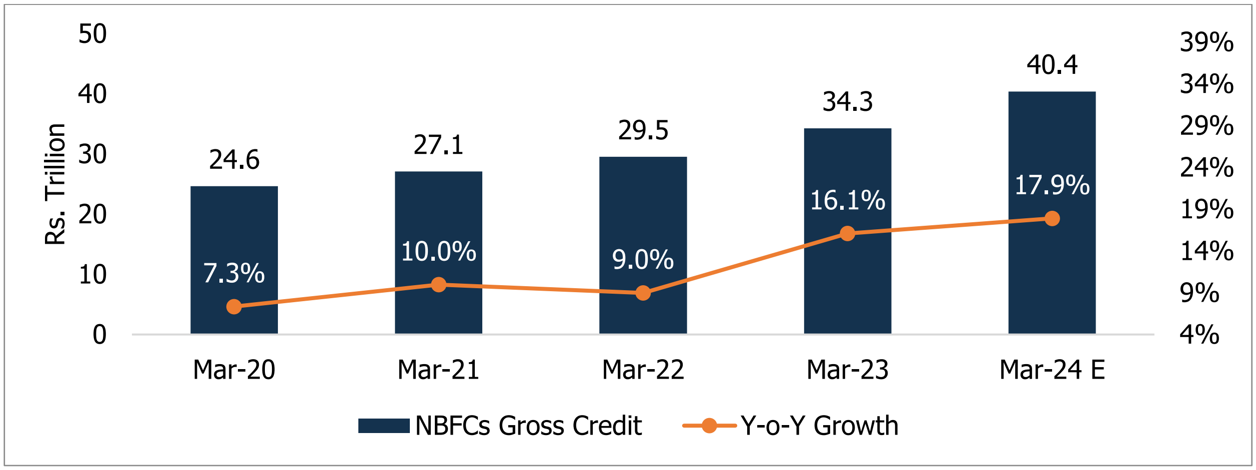
Source: RBI, CareEdge Estimates

Note: Others include Consumer Durables, Advances against fixed deposits and Advances to individuals

Share of Housing has remained range bound and is between 55% to 57% historically, however the share of vehicle loan is has declined from 28% to 22%. The housing credit by SCBs has seen a y-o-y growth of 36.5% in FY24, while the housing credit by NBFC has seen a y-o-y growth of 53% in FY24. The vehicle credit by SCBs has seen a y-o-y growth of 17.4% in FY24, while the housing credit by NBFC has seen a y-o-y growth of 25% in FY24.

Trends in NBFCs Credit in India

Chart 3: Gross Credit Deployed by NBFCs



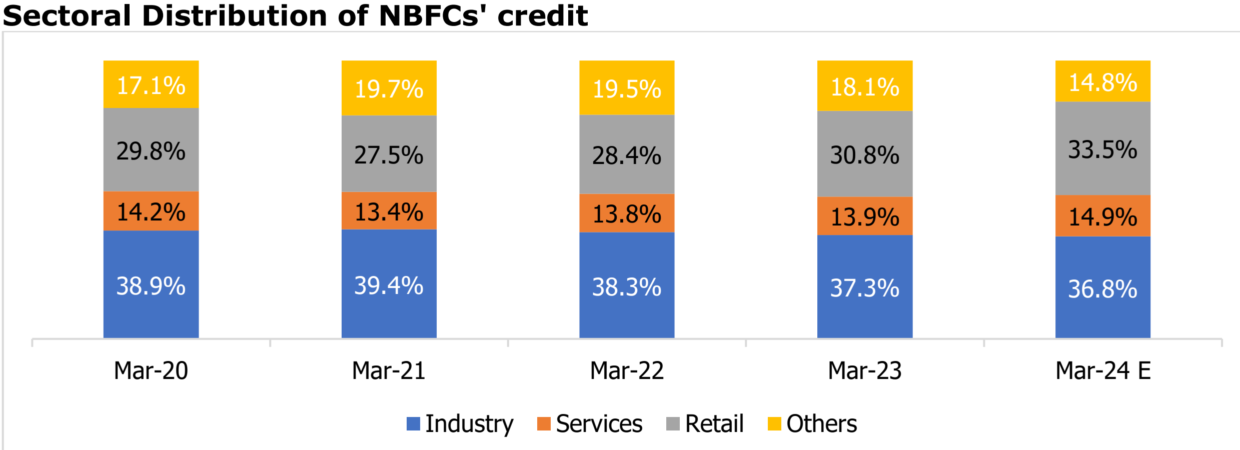
Source: RBI, CareEdge Research Note: Data are provisional; E indicates Estimated

As of Mar-24, the credit growth rate has seen an uptick of 17.9% y-o-y and is estimated to have crossed Rs. 40 trillion. The upward growth trajectory of NBFC credit indicates its importance in India's Financial System. This resilience in growth can mainly be attributed to the increasing demand for unsecured loans, retail credit mainly vehicle and housing loans and the growing demand for MSME Loans has also supported growth in credit.

CareEdge expects that over the medium-term demand for infrastructure loans is expected to see an uptick owing to Government's focus towards the sector. However, unsecured loans growth is likely to be impacted by RBI's increased risk-weight from 100% to 125% in last fiscal.

Sectoral Distribution of NBFCs Credit

Sectoral Distribution of NBFCs' credit



Source: RBI, CareEdge Research

Note: Industry includes credit to micro, small, medium and large enterprises;

Retail loans are personal loans for housing loans, consumer durables, auto loans, and other personal loans;

Services include credit towards commercial real-estate, retail trade and other such loans

Others include credit deployed towards agriculture and allied activities and other non-food credit

E indicates Estimated

The industry sector has remained the largest recipient of credit extended by NBFCs followed by retail loans, services, other non-food credit, and agriculture & allied activities. NBFCs growth in credit deployed towards industry is mainly attributable to increase in infrastructure lending by large government-owned NBFCs. Furthermore, NBFCs have steadily expanded their micro, small and medium enterprises (MSMEs) portfolio, addressing the credit needs of the sector and contributing to overall financial inclusion and economic growth. As of Mar-24, industry credit contributed Rs. 14.9 trillion, indicating around 16.2% y-o-y growth in NBFCs' credit to industry, as per the RBI.

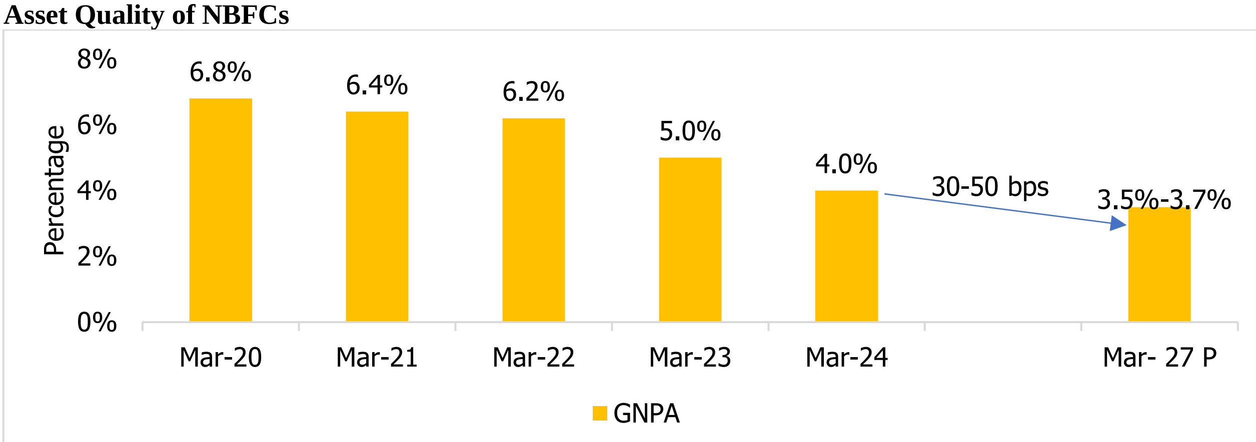
While NBFCs' credit to the industry is growing, their credit to services is expected to increase as compared to last three years. As of Mar-24, as per data published by RBI, credit deployed to the service sector has reached around Rs. 6 trillion indicating 26.3% y-o-y growth in NBFC credit deployed towards service sector.

Retail loans comprise housing loans, vehicle loans, loans against gold, consumer durables loans, and other such personal loans. Over the last couple of years, NBFCs have shifted their focus to retail lending in order to grow their business. There has been significant ramp-up in demand for retail credit as more and more consumers are getting comfortable with borrowing funds to meet their changing lifestyle needs.

The growth in NBFCs unsecured retail lending has outpaced the growth in NBFCs aggregate gross credit deployed. As of Mar-24, retail loans reached 13.5 trillion forming over a third of NBFCs gross credit deployed. Furthermore, in terms of delinquencies retail loans have lower delinquencies when compared to MSME/corporate lending, another major factor for the NBFCs increased focus towards retail lending.

Asset Quality of NBFCs

Asset Quality of NBFCs



Source: RBI, CareEdge Research, Note: P indicates projected

The asset quality of NBFCs has seen continued improvement on account of strong balance sheets, an increase in provisions and improved collection efficiency. Additionally, restructuring of their loan book and NPA write-offs have also aided the improvement in the asset quality of NBFCs. As per RBI, as of Mar-24, the GNPA of NBFCs has improved to 4% from an earlier 5% in Mar-23.

MFIs, with their high exposure to unsecured loans, face increased default risks, and financial strain, especially in tough economic conditions. In contrast, NBFCs with secured portfolios benefit from lower risk, and greater stability, allow them to better navigate economic challenges and continue growing.

Key Growth Drivers

Last Mile Financing and Unbanked Population

NBFCs have a strong presence in the unorganized and under-served areas where banks may not have a strong foothold. This is attributed to the lack of necessary bank infrastructure in these areas and an aversion on the part of banks to disburse loans to smaller companies. Further, the ease of internet access and affordable data packs have contributed to increased spending and demand for retail credit from these areas alongside raising the potential consumer base of NBFCs.

Growing Focus on Informal Customer Base

Traditional banks may not be very keen on lending to retail borrowers from semi-urban and rural areas or small companies with weaker credit scores and lack of documentation, as compared to larger borrowers. However, in terms of volume, the number of potential customers in this category is higher and NBFCs have created a niche segment by having customized credit assessment methods based on cash flow assessment and field verification. This gives NBFCs an opportunity to extend credit to the financially weaker set of customers, a growing customer base in the informal customer segment, further opening up avenues for NBFCs' growth.

Technological Adoption and Co-Lending Arrangements

NBFCs deploy technological solutions to develop innovative products and lower operational costs. Since NBFCs are fairly new in the financial landscape in comparison to most banks, they are more agile and better positioned to leverage technology to enhance their reach while increasing efficiency.

Additionally, NBFCs partner with various alternative financiers and commercial banks, enabling them to diversify their income avenues and reach their targeted customer base through different channels. Accordingly, bank collaborations with other NBFCs help make credit accessible to the under-banked and un-banked population.

Shifting Buying Behavior

Over the years, there have been significant changes in the perception of consumers toward borrowing. With the need to improve lifestyle, there is an increasing inclination toward borrowing to attain a certain standard of living people. This is prominent among the younger population. Accordingly, banks and NBFCs have seen significant traction in demand for personal loans over the last decade, indicating increased awareness about credit and shift in perception towards borrowing.

Rising Demand from Retail Customers

Retail loans are expected to have accounted for around 33% of total credit disbursed by NBFCs as of Mar-24, according to the data published by the RBI. The retail segment has shown consistent growth in credit demand throughout the pandemic alongside being a significant chunk of the customer base of NBFCs. Going forward, CareEdge Research believes that the demand for consumer durables, consumption of services, home loans and gold loans are likely to support the growth in retail demand and, consequently, aid in the new business of NBFCs.

Outlook

CareEdge Research expects NBFCs credit to grow between 12%-15% y-o-y in FY25. This growth is expected to be driven by continued demand for retail loans, particularly vehicle loans, home loans, credit towards MSMEs, and microfinance loans.

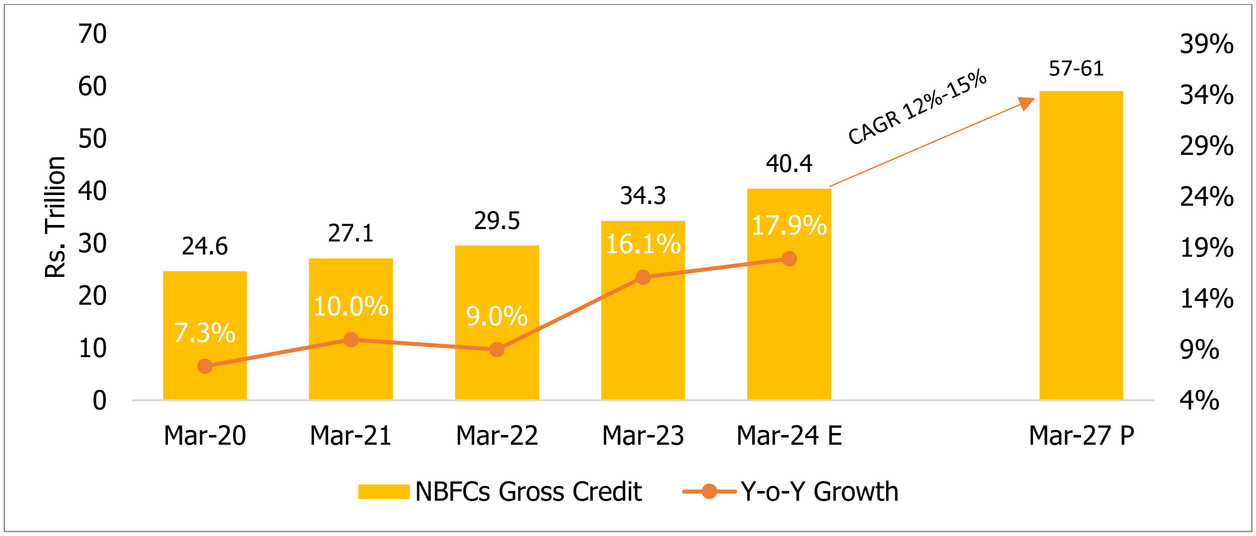
In the near term, while NBFCs can draw comfort from strong balance sheet, improved provisioning and asset quality in the coming year. FY25 is likely to bode-well for NBFCs as credit off-take is expected to remain healthy owing to strong public capex as well as anticipated revival of private expenditure, on-set of festive season and robust demand from retail and MSME segments.

As per the guidelines, the consumer credit exposure of NBFCs (outstanding as well as new) categorised as retail loans, excluding housing loans, educational loans, vehicle loans, loans against gold and microfinance/SHG loans will attract risk weight of 125% from an earlier 100%. While NBFCs are well capitalized, the risk weights are also applicable to banks and this can impact NBFCs. As NBFCs rely on banks for funds and borrowing from banks will become costly with banks charging high interest rate to meet the rise in risk weights.

NBFC Credit to Grow at 12%-15% CAGR.

NBFC Gross Credit to Grow

Gross Credit Deployed by NBFCs



Source: RBI, CareEdge Research

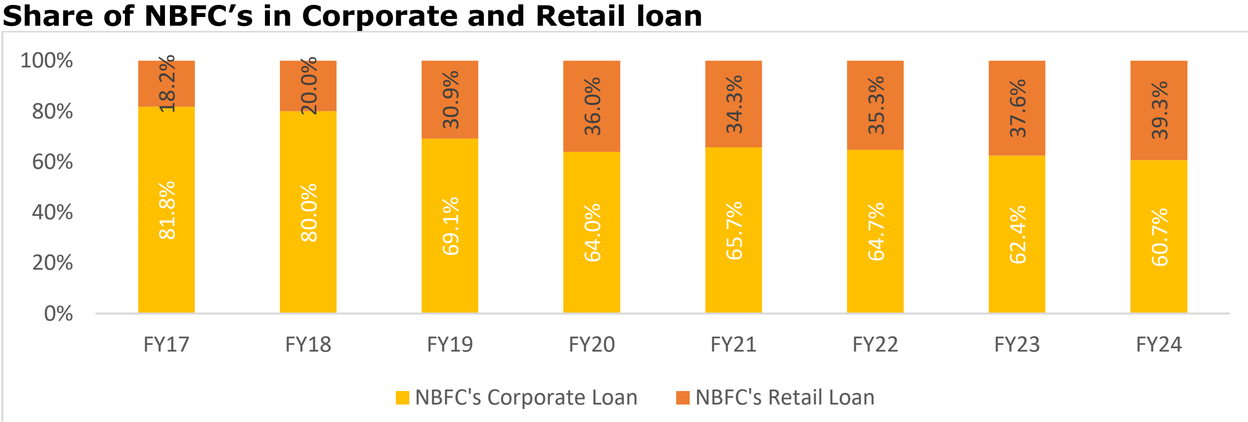
Note: Data are provisional, *E indicates Estimated, P indicates Projected*

As of Mar-24, the credit growth rate has seen an uptick of 17.9% y-o-y and is estimated to have crossed Rs. 40 trillion. The upward growth trajectory of NBFC credit indicates its importance in India's Financial System. This resilience in growth can mainly be attributed to the increasing demand for unsecured loans, retail credit mainly vehicle and housing loans and the growing demand for MSME Loans has also supported growth in credit.

Over the medium term, the credit growth of NBFCs is projected to grow at a CAGR of 12%-15% between FY24-FY27. These growth projections are largely driven by increased demand for MSME and retail loans such as home loans, vehicle loans, gold loans, Loan against property (LAP). Further, over the medium-term demand for infrastructure loans is expected to see an uptick owing to Government's focus towards the sector. However, unsecured loans growth could be cliffed by RBI's increased risk-weight from 100% to 125% in last fiscal.

Increasing Share of the NBFC Credit in the Retail Segment

Share of NBFC's in Corporate and Retail loan

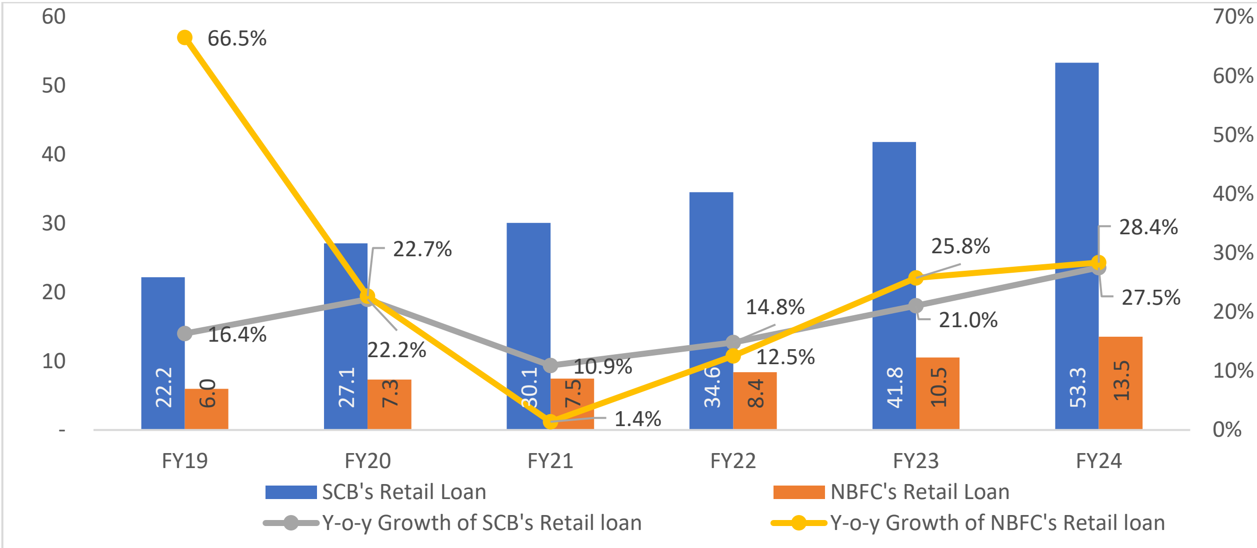


Source – RBI, CareEdge Research,

Note 1: Data for FY24 of NBFC's are Projected

Growth in the Retail Credit and Corporate Credit of Banks and NBFC's

Growth of SCB's and NBFC's in Retail Segment



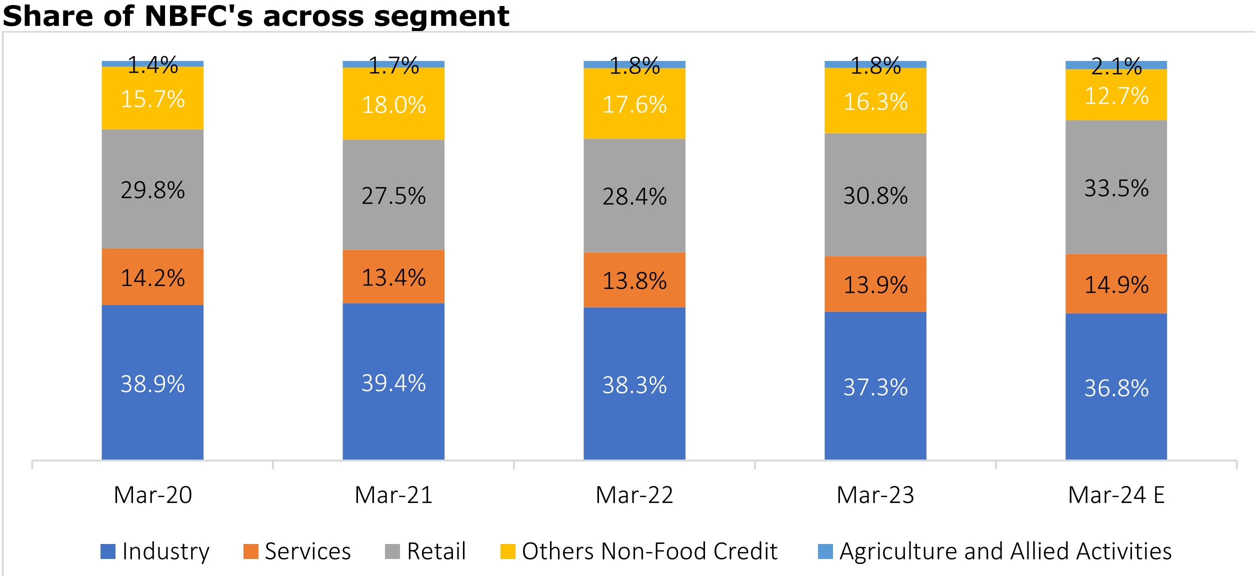
Source – RBI, CareEdge Research, Note 1: Data for FY24 of NBFC's are Projected

This shift was accompanied by a broader strategy of asset diversification, as NBFCs sought to stabilize their financial positions by investing in more secured and lower-risk assets. The liquidity crunch also made it increasingly difficult for NBFCs to raise funds, exacerbating their financial strain. The impact of the IL&FS crisis extended to Scheduled Commercial Banks (SCBs) as well, leading them to also reduce their corporate loan exposures in response to increased risk aversion and stricter regulatory scrutiny. This collective adjustment reflected a more cautious and diversified approach in the financial sector to prevent future crises.

In response to the COVID-19 pandemic, coupled with significant instability in raw material prices due to geopolitical conflicts and volatile macroeconomic conditions, both banks and NBFCs have seemingly adjusted their lending strategies. Aftermath of pandemic has led financial institutions to be risk averse, resulting in decline in credit deployed towards corporate lending. Consequently, NBFCs have redirected their focus toward retail loans, aiming to minimize risk and target the more stable, lower-risk household sector.

Share of NBFC's across segments

Share of NBFC's across segment



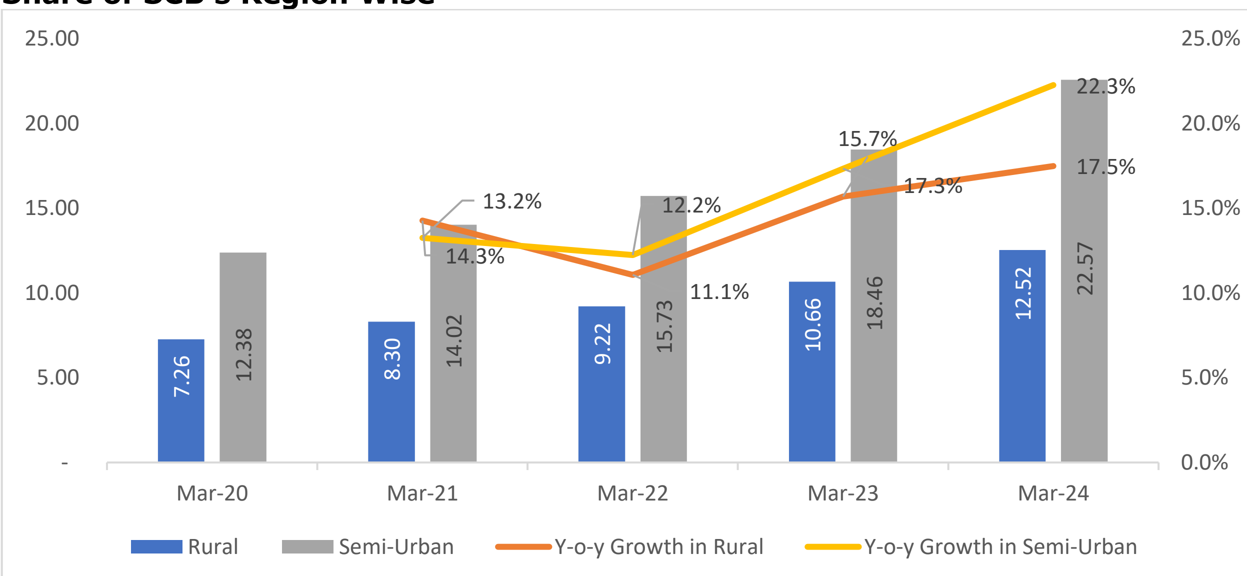
Source – RBI, CareEdge Research.

The shifting dynamics in the credit portfolio of non-banking financial companies (NBFCs) from FY20 to FY24 Expected reveal significant trends, particularly in the retail loans segment, which has increased its market share from

29.8% in FY20 to 33.5% in FY24 Expected. NBFCs are more agile in reaching underserved or rural segments of the population. While banks tend to focus on larger, more creditworthy customers, NBFCs usually cater to small and medium-sized borrowers or those with limited credit history. This growth highlights the increasing reliance on consumer financing as a key driver of credit expansion. As NBFCs strategically shift their focus from the industrial sector to the retail segment, they are capitalizing on the robust demand for consumer loans. This transition not only enhances their market presence but also presents opportunities for diversification within their portfolios. By prioritizing retail financing, NBFCs can support overall credit growth and better position themselves in a rapidly evolving market, ultimately shaping the future landscape of the NBFC sector.

Rural and Semi Urban Growth

Share of SCB's Region Wise



Source – RBI, CareEdge Research

Between March 2020 and March 2024, total credit in rural areas grew significantly from ₹7.26 trillion to ₹12.52 trillion, achieving a robust year-on-year growth rate of 17.5% in March 2024. In semi-urban areas, credit surged from ₹12.38 trillion to ₹22.57 trillion, reflecting an impressive growth rate of 22.3%. This growth is primarily driven by a significant increase in microfinance institution (MFI) lending, which has become a critical source of credit for underserved populations in both rural and semi-urban regions. MFIs have effectively catered to the financial needs of low-income households and small businesses, empowering them to invest in income-generating activities. Additionally, the rise in lending to micro, small, and medium enterprises (MSMEs) has been instrumental, as these businesses often rely on credit for operational expenses, expansion, and technology adoption. The government's emphasis on promoting MSMEs has further stimulated lending, positioning them as a key driver of economic growth.

Scheduled Commercial Banks (SCBs) have also prioritized lending to these sectors, reinforcing their commitment to priority sector lending. This focus has resulted in tailored financial products aimed at enhancing accessibility for borrowers in rural and urban areas. Initiatives such as government schemes to support agricultural financing have further bolstered credit availability, creating a conducive environment for growth. The sustained rise in MFI lending, coupled with increased MSME financing and robust priority sector lending strategies, is expected to continue driving credit demand, fostering economic development and financial inclusion in both rural and semi-urban sectors.

State wise rural credit outstanding of SCBs (Rs. In Million)

State	2021	2022	2023	2024	3 year CAGR
BIHAR	4,44,884.7	5,30,526.1	6,15,576.1	6,94,926.2	16%

GUJARAT	4,37,134.0	4,99,876.9	6,90,109.6	6,76,626.5	16%
TAMIL NADU	11,60,014.9	12,62,732.9	14,73,772.3	17,77,505.7	15%
TELANGANA	5,18,026.8	5,69,612.2	6,69,165.3	7,92,125.2	15%
HARYANA	3,27,041.7	3,59,392.0	4,47,045.5	4,73,713.7	13%
WEST BENGAL	6,34,315.0	7,19,749.4	7,76,126.5	9,14,696.8	13%
KERALA	1,50,810.9	1,62,486.4	1,82,812.9	2,14,329.9	12%
UTTAR PRADESH	12,93,502.0	14,01,604.8	15,89,869.2	18,37,848.9	12%
MAHARASHTRA	6,30,807.2	6,94,877.6	8,09,102.7	8,88,784.5	12%
MADHYA PRADESH	4,33,002.8	4,84,955.9	5,37,917.7	6,04,213.6	12%
ASSAM	2,30,934.7	2,52,002.8	2,62,515.0	3,20,501.5	12%
RAJASTHAN	6,68,404.4	7,35,651.5	8,20,202.5	9,25,778.5	11%

Source: RBI, CareEdge Research

State wise Semi-Urban outstanding of SCBs (Rs. In Million)

State	2021	2022	2023	2024	3 year CAGR
HARYANA	4,66,972.1	5,46,060.6	6,55,246.4	7,92,862.9	19%
GUJARAT	7,71,125.2	8,95,495.2	10,14,097.5	13,02,474.7	19%
ODISHA	3,68,948.5	4,31,601.1	4,94,788.9	6,07,896.8	18%
RAJASTHAN	8,56,198.8	9,99,645.2	11,82,409.3	14,01,563.3	18%
MADHYA PRADESH	6,83,337.7	7,83,564.0	9,16,461.9	11,01,853.1	17%
JHARKHAND	1,59,815.0	1,81,180.3	2,10,786.3	2,54,996.1	17%
WEST BENGAL	3,84,260.1	4,20,867.4	4,95,870.9	6,03,541.6	16%
ASSAM	2,52,629.1	2,81,258.3	3,44,746.0	3,93,102.3	16%
PUNJAB	7,04,043.9	7,67,775.9	8,77,709.5	10,92,277.8	16%
KARNATAKA	9,23,499.3	10,31,439.8	11,79,547.6	14,28,541.5	16%
TAMIL NADU	24,24,140.0	26,78,561.7	30,94,648.1	37,44,874.6	16%

Source: RBI, CareEdge Research

Note:- As per RBI, based on the size of the population (census 2011), a centre, where bank branch is located, is classified either into rural, semi-urban, urban, or metropolitan as under:

Source: RBI, CareEdge Research

MSME Finance

Introduction to MSMEs

The micro, small and medium enterprises ("**MSME**") sector is a vibrant and dynamic sector with crucial linkages to employment. The MSME sector is considered the growth engine of the Indian economy, with significant contribution to the GDP, exports and employment generation. The sector contributes significantly in the economic and social development of the country by fostering entrepreneurship and generating large employment opportunities at comparatively lower capital cost, next only to agriculture. MSMEs are complementary to large industries as ancillary units and the sector therefore contributes significantly in the inclusive industrial development of the country.

MSMEs are widening their domain across sectors of the economy, producing a diverse range of products and services to meet demands of domestic as well as global markets.

In accordance with the provision of Micro, Small & Medium Enterprises Development ("**MSMED**") Act, 2006 MSMEs are classified as follows:

Enterprise Category	Investment in Plant & Machinery or Equipment	Annual Turnover
Micro Enterprises	Does not exceed 1 crore	Does not exceed Rs. 5 crores
Small Enterprises	More than Rs. 1 crore but does not exceed Rs. 10 crores	More than Rs. 5 crores but does not exceed Rs. 50 crores
Medium Enterprises	More than Rs. 10 crores but does not exceed Rs. 50 crores	More than Rs. 50 crores but does not exceed Rs. 250 crores

Source: MSME Annual report 2022-23

Estimated Number of MSMEs (Activity Wise)

Activity Category	Estimated Number of Enterprises (in million)			Share (%)
	Rural	Urban	Total	
Manufacturing	11.4	8.3	19.7	31
Electricity*	0.00	0.00	0.00	0
Trade	10.9	12.2	23.1	36
Other Services	10.2	10.5	20.7	33
All	32.5	30.9	63.4	100

Source: MSME Annual Report 2023-24, CareEdge Research

Note: *Non-captive electricity generation and transmission

Number of MSMEs registered in Udyam portal in India

Category	Number of MSMEs	%
Micro	3,83,50,240	98.0
Small	7,16,480	1.8
Medium	67,955	0.2
Total	3,91,34,675	100.0

Source: Udyam portal (includes Udyam assist platform (UAP) registrations), Data as of 26th August 2024

As per the Udyam portal, more than 3.9 crore MSMEs are registered under Udyam portal, of which around 98% enterprises are micro category and around 1.5% of the enterprises fall under small category and the remaining are medium enterprises.

As per the National Sample Survey (NSS) 73rd round, conducted by National Sample Survey Office, Ministry of Statistics & Programme Implementation during the period 2015-16, there were 63,388 thousand unincorporated non-agriculture MSMEs in the country engaged in different economic activities (manufacturing, electricity, trade and other services). Of this, micro enterprises sector with 63,052 thousand accounts for more than 99% of total estimated number of MSMEs. While the small enterprise sector with around 331 thousand makes up 0.52% of total estimated number of MSMEs and medium enterprise sector with around 5 lakh that is around 0.01% of total estimated MSMEs, respectively.

State-wise Distribution of estimated MSMEs

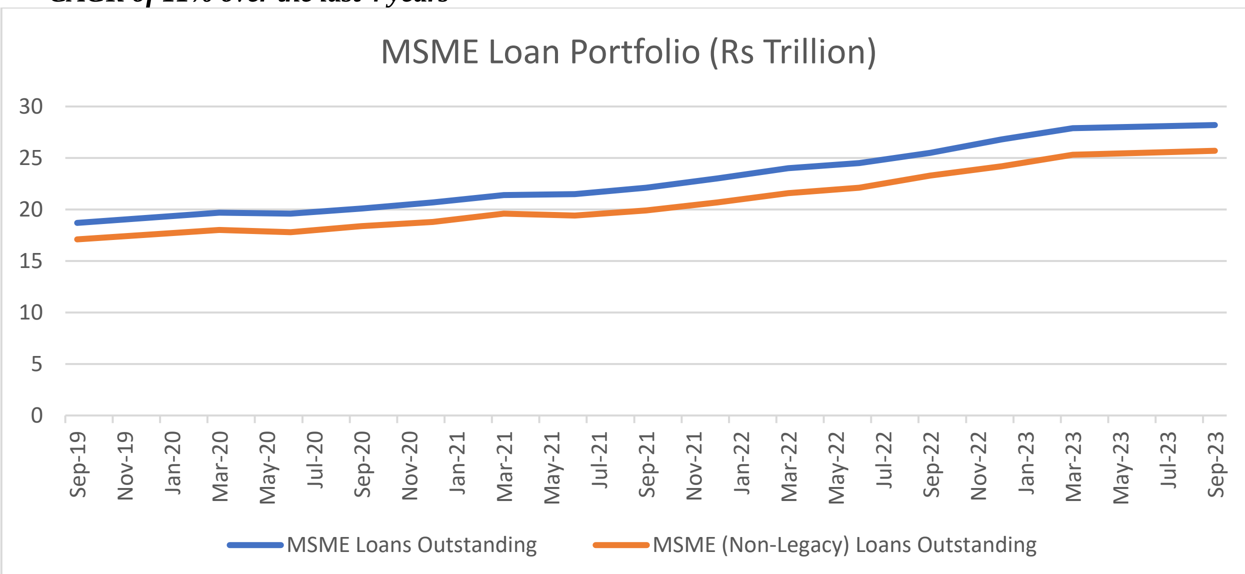
State/UT	Share (in %)			
	FY21	FY22	FY23	FY24
Uttar Pradesh	7.64%	8.04%	17.14%	14.19%
West Bengal	2.23%	3.31%	3.26%	13.98%
Tamil Nadu	10.96%	10.51%	8.53%	7.81%
Maharashtra	22.74%	18.93%	14.20%	7.54%
Karnataka	5.35%	6.12%	4.93%	6.05%

Bihar	3.17%	4.30%	3.77%	5.44%
Andhra Pradesh	2.29%	2.86%	2.86%	5.34%
Gujarat	8.68%	7.74%	6.11%	5.23%
Rajasthan	8.28%	7.64%	6.06%	4.23%
Madhya Pradesh	3.92%	4.78%	9.84%	4.21%
Telangana	3.44%	3.14%	2.71%	-

Source: MSME Annual Report 2023-24, CareEdge Research

Credit growth in MSME lending

- ***Commercial credit outstanding across all MSMEs stood at Rs. 28.2 Trillion as on Sep-23 and increased at a CAGR of 11% over the last 4 years***



Source: TransUnion CIBIL, CareEdge Research

Commercial credit to MSMEs in India grew at a steady pace of 11% CAGR in the 4-year period from Sep-19 to Sep-23. The first 2 years of this period overlapped with the Covid 19 crisis and moderated the overall growth rates. The period from Sep-21 to Sep-23 witnessed higher CAGR of 13% indicating that the financial institutions started addressing the pent-up demand.

Approximately 10% of the MSME portfolio is in the 720+ delinquency bucket which was affected by multiple factors including Covid. Excluding this portfolio, the non-legacy MSME commercial credit stood at Rs. 25.7 trillion as on Sep-23. This portfolio presents a more accurate perspective on the MSME credit and grew at a CAGR of 13.6% in the recent 2 years period of Sep-21 to Sep-23.

- ***Number of MSME borrowers has also increased at a rate similar to loan portfolio growth of 11% CAGR over the Sep-21 to Sep-23 period***

Table 1: Number of MSME Borrowers

(Figures in Million)

	Sep-19	Sep-20	Sep-21	Sep-22	Sep-23
Number of MSME Borrower	5.2	5.7	6.7	7.3	8.0

Source: TransUnion CIBIL, CareEdge Research

Number of MSME borrowers has increased steadily but is still much less than the total number of MSMEs in India. This indicates that while the financial sector is improving its outreach to the MSMEs, there is still a very large segment of the market that remains underserved. As on Sep-23 there are 8 million MSMEs that have a loan outstanding from formal lenders. There are 25 million MSMEs who have ever received a loan from formal lenders. The number of MSMEs is expected to grow to 75 million over the next few years and clearly highlights the gap in funding demand and supply. This means there is a gap of 50 million, presenting a significant opportunity for NBFCs specializing in MSME lending to capture this market.

- ***MSME credit to the Industrial sector got a boost in FY21 and FY22 with government support post Covid.***

India witnessed a sharp jump in MSME lending to the Industrial sector in FY21 as well as FY22, and this increase has been supported by Atmanirbhar Bharat scheme of Emergency Credit Line Guarantee Scheme (ECLGS) which provided 100% credit guarantee to lenders. The scheme that was announced by the Government in May 2020 helped the firms to get access to more credit.

Table 2: SCBs and NBFCs credit exposure to MSMEs in Industrial Sector

(Figures in Rs. Billion)

Outstanding as on	NBFCs			SCBs		
	Micro and Small Enterprise	Medium Enterprise	Total	Micro and Small Enterprise	Medium Enterprise	Total
Mar-19	373.6	160.2	533.8	3,755.1	1,063.9	4,819.0
Mar-20	364.4	140.8	505.2	3,922.7	1,051.0	4,973.6
Mar-21	442.4	149.1	591.5	4,331.9	1,386.0	5,717.9
Mar-22	469.7	171.9	641.5	5,321.8	2,140.0	7,461.8
Sep-22	499.7	151.0	650.7	5,729.6	2,250.8	7,980.4
Mar-23	716.4	200.7	917.1	5,983.9	2,560.2	8,544.1
Sep-23	838.8	185.5	1,024.3	6,296.8	2,617.0	8,913.8
Mar-24	NA	NA	NA	7,263.2	3,040.0	10,303.1

Source: RBI, CareEdge Research

Note: The credit exposure for MSMEs is NBFCs and SCBs credit exposure to `Micro & Small' and `Medium' enterprises under 'Industrial Sector' only.

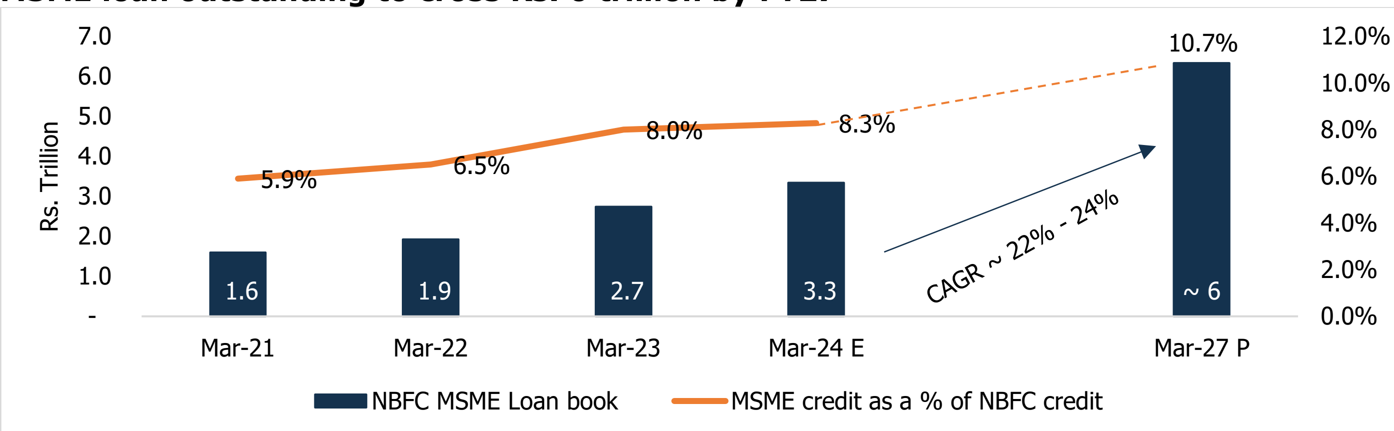
NBFCs mainly deploy credit to MSMEs belonging to the services and agricultural sectors. In comparison, bank credit to MSMEs witnessed a consistent growth. Bank credit deployed to MSMEs witnessed an improvement in FY21 and strengthened further in the FY22 on account of a resurgence in demand from MSMEs as well as support from the Central Government by way of credit guarantee. The ECLGS scheme launched in May 2020 after the pandemic hit the country in March 2020 revived credit offtake by MSMEs. The scheme was introduced to help mitigate the economic distress faced by MSMEs by providing them additional funding in the form of a fully guaranteed emergency credit line.

The credit extended towards MSME has increased significantly as during the pandemic, the Government encouraged banks to extend credit to MSMEs and aid them to buffer the effects of the pandemic. And as micro and small enterprises were more vulnerable, the credit towards them during the pandemic increased significantly during the FY21. On the other hand, medium enterprises were able to buffer the effects of pandemic to a certain extent. Although the credit towards medium enterprises increased over the previous financial year, the growth was moderate compared to growth in credit extended to micro and small enterprises. This has continued to result in the growth of credit to MSMEs significantly in FY22. Moreover, the extension of ECLGS up to March 2023, with the guarantee cover raised by Rs 50,000 crores to a total of 5 trillion has also contributed in the credit growth of MSME's. As of Mar'24, the total bank credit outstanding to MSMEs crossed Rs. 10 trillion.

- ***Quarterly disbursements picked up strongly during Dec'21 quarter and the momentum continued over the next year till FY23. FY24 (starting from Jun'23 quarter) showed signs of slowdown***

The growth trajectory of NBFCs focused on MSME lending, especially those targeting small-ticket sizes, has been remarkable, with a reported CAGR of 31.2% for FY21 to FY23, even amid the challenging years of the COVID-19 pandemic. This growth can be attributed to various factors, including their focus on an underserved market segment, government support, regulatory reforms, and advancements in the ecosystem such as Udyam registration. Additionally, their adeptness in utilizing technology-driven data collection and underwriting processes has enhanced their ability to reach out to underserved MSMEs. CareEdge Research expects NBFC MSME AUM to grow at a CAGR of approx. 22% to 24% and cross Rs. 6 trillion mark by end of FY27.

MSME loan outstanding to cross Rs. 6 trillion by FY27



Source: RBI, CareEdge Research

Note: The credit exposure for MSMEs is NBFCs exposure to `Micro & Small' and `Medium' enterprises under 'Industrial Sector' and 'Service Sector'.

E indicates Estimated; P indicates Projected

NBFCs mainly deploy credit to MSMEs belonging to the services and agricultural sectors. In comparison, bank credit to MSMEs witnessed consistent growth. Bank credit deployed to MSMEs witnessed an improvement in FY23 and is expected to strengthen further in FY24 due to the resurgence in demand from MSMEs and the support from the Central Government in terms of credit guarantee. NBFCs have reported approximately 31% CAGR growth in the last three fiscals. Notably, these entities have seen the substantial percentage increase in their share of MSME lending, also reflected in their loan book growth compared to banks, with NBFCs reporting more than 3x growth in FY23 y-o-y compared to both PSBs and PVBs.

Distribution of Credit within MSME sub segments of Micro, Small and Medium

- ***Share of Micro, Small and Medium segments remained stable over time. Highest sub-segment is Small, followed by Medium and Micro***

Table 3: Distribution of MSME commercial credit outstanding across segments

Category*	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Micro	25%	25%	26%	26%	26%	26%	26%	25%	25%	25%	25%	26%	26%
Small	41%	41%	41%	41%	42%	41%	42%	42%	42%	42%	42%	42%	42%
Medium	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%

Source: TransUnion CIBIL, CareEdge Research *Micro: Exposure upto Rs 1 crore; Small: Exposure between Rs. 1 crore to Rs. 10 crore; Medium: Exposure between Rs. 10 crore to Rs. 50 crore

Small category has the highest % of the credit outstanding to MSME sector ranging between 41-42%, followed by Medium segment at 33% and then by Micro sub-segment ranging between 25-26%.
This contrasts with 98.0% of the Udyam registered MSMEs being the Micro category followed by 1.8% in Small category and then by 0.2% in Medium category.

- ***Disbursement share is also similar to the share of credit outstanding over 4-year period of Sep-19 to Sep-23 with highest contribution from Small category. However recent period has shown reducing share of Medium category with rise in Micro category.***

Table 4: Distribution of MSME commercial credit outstanding across segments

Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Sep-21	Jun-22	Sep-22	Dec-22	Mar-23	Ju 2
25%	25%	25%	24%	22%	23%	23%	19%	21%	21%	22%	23%	24%	25%	26%	25
40%	41%	40%	43%	40%	40%	40%	40%	41%	40%	40%	41%	40%	40%	41%	4
35%	34%	35%	33%	38%	37%	37%	41%	38%	39%	38%	36%	36%	35%	34%	3

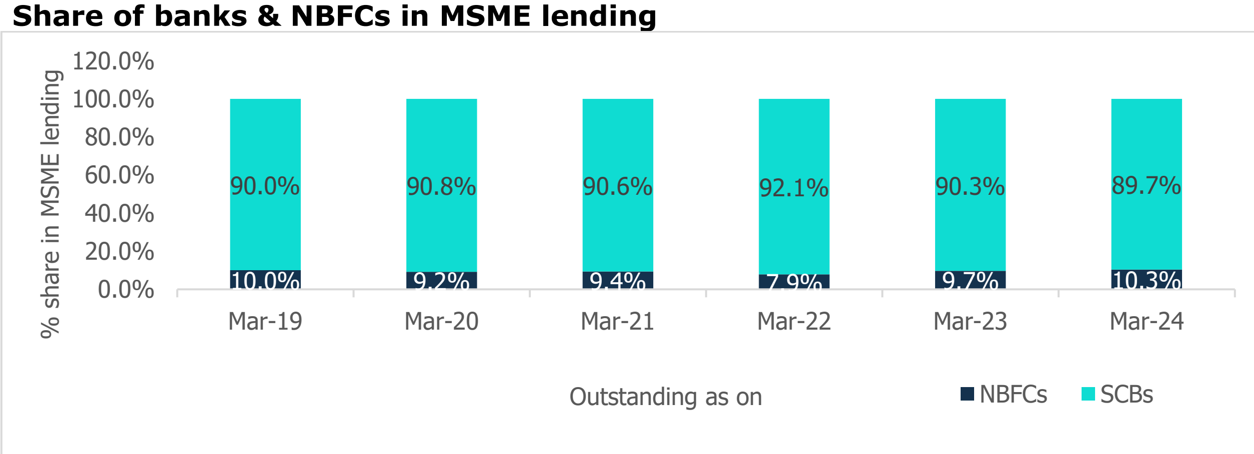
Source: TransUnion CIBIL, CareEdge Research *Micro: Exposure upto Rs 1 crore; Small: Exposure between Rs. 1 crore to Rs. 10 crore; Medium: Exposure between Rs. 10 crore to Rs. 50 crore

Since Jun'21 the share of micro category in disbursements had steadily increased from 19% (Jun'21) to 26% (Sep'23) as it is regaining its lost share. This category's share had fallen from 25% to 19% between Sep-19 to Jun-21 and was most affected by the Covid related stress.

Share of Banks & Non-Banks in MSME lending

- ***NBFCs share of MSME lending has been increasing post the Covid period***

Share of banks & NBFCs in MSME lending



Source: RBI, CareEdge Research
Note: The credit exposure for MSMEs is NBFCs and SCBs credit exposure to `Micro & Small' and `Medium' enterprises under 'Industrial Sector' only.

The MSME sector is underpenetrated and there is a huge unmet credit demand in the sector, primarily due to lack of documentation and credit history required to access to financing from formal banking channels. There is also a significant gap between the original credit requirement and the actual credit exposure of formal channels to MSMEs, which provides a huge opportunity in MSME lending. As of September 2023, the proportion of NBFCs has increased to 10.30% compared to previous years.

NBFCs share in disbursements is increasing steadily in different MSME categories

% Share of NBFCs in MSME Quarterly Origination across categories

Category*	Sep-20	Mar-21	Sep-21	Mar-22	Sep-22	Mar-23	Sep-23
Micro	12	28	26	28	28	28	26
Small	8	16	14	17	17	22	20
Medium	8	15	14	14	14	16	16

Source: TransUnion CIBIL, CareEdge Research *Micro: Exposure upto Rs 1 crore; Small: Exposure between Rs. 1 crore to Rs. 10 crore; Medium: Exposure between Rs. 10 crore to Rs. 50 crore

NBFCs share of MSME lending is gradually increasing post Covid. NBFC's are having a high share in Micro segment as they have the capabilities of reaching out to the rural and semi-urban areas as well as the ability to service less formalized micro enterprises.

- ***NBFC credit to MSMEs is well distributed across Manufacturing, Trade, Services and Others***

Distribution (%) of MSME loans originated by NBFCs across sectors

MSME Sub Sectors	Sep-19	Sep-20	Sep-21	Sep-22	Sep-23
Manufacturing	23	24	24	23	24
Trade	25	27	25	25	28
Professional & Other Services	27	22	25	26	25
Other Sectors	25	26	27	26	24

Source: TransUnion CIBIL, CareEdge Research

NBFC's are catering to diverse sectors and their origination is well diversified across sectors. Share of Trade sector in NBFC MSME loan originations is gradually increasing.

3.5 NPA Rates in MSME Segment

MSMEs have poor financial muscle and were severely impacted by the coronavirus pandemic. Since most MSMEs operate in the manufacturing sector, the nationwide lockdown which impacted production as well as demand caused increased stress to MSMEs. Additionally, MSMEs likely witnessed delayed payments on orders serviced and the inability to adopt digitization or accommodate higher costs on social distancing and limited workforce impaired MSMEs' operations. Many went out of business and some struggled to tide over the crisis with cash flow issues which translated into a strain on their ability to repay banks.

Bank-wise SMA distribution of MSME Portfolio

Period ended	Public sector banks + Private sector banks				
	0 days past due	SMA-0	SMA-1	SMA-2	GNPA
Mar-22	79.70%	6.40%	3.50%	1.10%	9.30%
Jun-22	79.60%	6.40%	3.50%	2.20%	9.80%
Sep-22	81.60%	6.70%	1.90%	2.10%	7.70%
Dec-22	82.20%	6.30%	2.00%	2.00%	7.40%
Mar-23	84.60%	5.10%	2.60%	0.90%	6.80%

Source: RBI, CareEdge Research

MSMEs seeking loans from banks also struggled to meet their obligations due to uncertainty and the second wave of the pandemic. As per data published by the RBI, GNPAs from the MSME segment seemed to decline at the start of Sep-21 as operations returned back to normalcy. GNPAs have further improved and declined from 9.3% in FY22 to 6.80% in FY23. CareEdge Research estimates GNPA levels to ease gradually over the next financial year.

- ***Asset quality has been steadily improving for overall MSMEs and the improvement is visible across categories. NBFCs MSME portfolio has seen the most significant improvement in asset quality.***

90+ DPD* of MSMEs across categories & lenders

	Sep-19	Mar-20	Sep-20	Mar-21	Sep-21	Mar-22	Sep-22	Mar-23	Sep-23
90+ DPD	4.2	3.9	3.4	3.7	4.4	2.9	3.0	2.4	2.3
			*By Category***						
90+ DPD Micro	4.7	4.7	4.0	4.0	5.4	4.0	3.8	3.1	3.1
90+ DPD Small	4.3	3.8	3.1	3.9	4.1	2.6	2.8	2.1	2.1
90+ DPD Medium	3.7	3.3	3.1	3.2	3.9	2.6	2.7	2.1	2.1
			By Lender Type						
90+ DPD Private Bank	2.3	2.0	2.0	2.3	2.7	1.6	1.8	1.4	1.5
90+ DPD PSB	3.6	5.2	4.2	4.6	5.4	3.7	3.7	3.0	3.2
90+ DPD NBFC	3.6	5.2	5.1	5.7	6.6	5.7	5.2	4.0	2.9

Source: TransUnion CIBIL, CareEdge Research *90+ DPD of loan portfolio excluding legacy loans with DPD > 720 dpd **Micro: Exposure upto Rs 1 crore; Small: Exposure between Rs. 1 crore to Rs. 10 crore; Medium: Exposure between Rs. 10 crore to Rs. 50 crore.

Overall MSME 90+ DPD % is gradually reducing post Covid and stood at 2.3% as on Sep-23.
90+ DPD % for Micro segment has demonstrated the most improvement by reducing from 4.7% in Sep-19 to 3.1% in Sep-23.

NBFC’s asset quality faced stress during Coivd and the 90+ DPD increased to 6.6% by Sep-21. However the performance improved significantly as the 90+ DPD reduced to 2.9% as on Sep’23 which is the lowest in the last 4 years.

3.6 Government Policies

The Government of India has designed various policies for the growth of MSMEs in the country.

- Revamp of the credit guarantee scheme for MSMEs wef April 2023 through fund infusion of Rs 9,000 crore in the corpus. This will facilitate additional collateral-free guaranteed credit of Rs 2 trillion and reduces the cost of the credit by 1%.
- Announcement on introducing an Entity DigiLocker for MSMEs in order to store and share documents securely in an online mode.
- Under Vivad se Vishwasl, 95% of the forfeited amount relating to bid or performance security is to be returned by the government in case of failure by MSMEs to execute contracts during the Covid period.
- PM VIshwakarma KAushal Samman (PM VIKAS) for traditional artisans to integrate them with the MSME value chain and assist them in improving the quality, scale and reach of their products.

3.7 Growth drivers for NBFCs in MSME Funding

- ***NBFCs have a strong competitive positioning in MSME lending***

There are many different types of institutions and lending models operating in India that are trying to address the credit funding requirements of MSMEs. Comparative position of these players is presented below.

	MSME Funding Provided	Key Strengths	Key Constraints
Public Sector Banks	All types of Term Loans, Working Capital, Non-fund based credit.	Ability to lend at low rates Large franchise and balance sheets to fund the sector Government mandate to support the MSME allows higher risk appetite.	Long turnaround times and documentation procedures that are unviable for many MSMEs Limited product innovation.

		Provide other banking services along with credit.	Credit assessment largely based on documented procedures. More suitable for Medium MSMEs.
Private Sector Banks	All types of Term Loans, Working Capital, Non-fund based credit.	Ability & willingness to lend at low rates to low risk MSMEs Providing working capital, banking transactions & cash management support.	Focus more on collateralized lending and shorter-term working capital loans. Credit assessment largely based on documented procedures. Limited last mile presence creates challenges in customer service.
NBFCs	Mainly fund based services provided in the form of Terms Loans.	Ability to lend both collateralized and non-collateralized loans. Deeper regional penetration in semi-urban and rural areas. Faster turnaround time. Simpler and more client centric processes. Ability to assess and lend to MSMEs that have limited formal documented income. Hybrid models using data and interviews. Last mile field-level connect gives better collection abilities. Adopting a “Phygital” approach combining best of Technology with a Branch based physical model. More nimble operations due to cheaper scaling up & infrastructure costs. Ability to focus on few lending products thereby improving efficiency.	High dependence on Banking sector for funding. Affects their cost of funding and acts as a constraint to cater to a certain segment of MSME borrowers. Fragmented sector with very different models and operational processes followed by different players. Ability to retain customers becomes a challenge as ‘graduated’ customers move to banks for higher amount and lower rates.

Fintech Intermediaries	Not lending directly but acting as intermediaries between MSME's and lenders	Use data and advanced modeling to improve credit access to MSMEs	Dependent on other lenders No field level presence creates service issues.
Credit Funds (AIFs)	Debt in the form of investment in NCDs or other instruments issued by MSMEs	Ability to lending to larger MSMEs Long term and complex debt funding requirements are catered to.	Caters to a very niche segment of the MSME space. Complex nature of investment.
TREDS Platforms	RBI regulated Platforms for bill discounting of MSMEs by Banks & NBFCs.	Resolving the working capital requirements of MSMEs who are dealing with large corporates and Government.	MSME to MSME bill discounted is not catered to by the lenders who prefer dealing with invoices of higher rated entities. Only for working capital requirements.
Development Finance Institutions	Institutions such as SIDBI & NABARD providing direct & indirect funding for the MSMEs	Providing assistance to other financial institutions by refinancing or giving funds for onwards lending under different schemes.	Do not have their own setup and rely on Banks & NBFCs to fund the MSMEs

- ***NBFC's origination strength is complemented by Bank's liability franchise, as Banks partner with NBFCs in multiple forms of support***

As seen in the comparative matrix, NBFCs have significant competitive strengths over other types of lending institutions to support the MSME sector. This gives the NBFCs a strong and stable loan origination ability.

Banks in India have got a very deep liability franchise and have access to the dominant share of the savings.
Banks and NBFCs therefore collaborate by working with each other in the areas of their respective strengths. Banks rely upon the NBFCs to originate priority sector loans (PSL) of which a significant proportion is towards MSME funding. The proportion of MSME funding in PSL stood at 35% as on Mar-24.

as % of PSL Loans as on March 31st 2024	
Micro and Small Enterprises	28%
Medium Enterprises	7%
Total	35%

Source: Reserve Bank of India

<u>Banks provide Balance Sheet Funding to NBFCs:</u> Collaboration of the banks with NBFCs is also visible in the large balance sheet funding provided by the Banks to the NBFCs. The total amount of credit outstanding from Banks to NBFCs stood at Rs. 15.48 Trillion and constituted 9.4% of the gross bank credit as on March 31st, 2024.

<u>Banks buy Securitization assets from NBFCs:</u> Further, banks are large investors Direct Assignments and Securitization of the loans originated by NBFCs. Total securitization volumes (including direct assignments and PTCs) during FY24 was Rs. 2.05 Trillion. Out of this Rs. 1,01 Trillion was Direct Assignment and the rest was PTC. Direct assignments are typically done by the Banks as investors into the pools of NBFCs.

Banks do Co-Lending & Business Correspondent Partnerships with NBFCs: Realizing the unique ability of NBFCs to originate loans, banks have tied up with them to do co-lending (wherein both Bank & NBFC lend to the borrower) and business correspondent (wherein NBFC gets the customer & bank provides the funding) based loans.

Therefore, banks act as partners and not so much as competitors with the NBFCs.

- ***There is large unmet credit demand of the MSME sector in India that NBFCs can service and grow their business***

As per an IFC report published in November 2018, the total addressable credit gap in the MSME sector stood at Rs. 25.82 Trillion (at the end of 2017). The estimation of the credit gap was done based on the number of MSMEs, their distribution, working capital & capex requirements and formal credit to the MSME sector. The key findings were as below:

	Credit Gap estimate for the period ending 2017	Rs. Trillion
A	Total MSME Demand for Debt	69.3
B	Excluded demand (estimated for new companies, sick companies that cannot be addressed immediately)	32.6
C = A – B	Total MSME Addressable Demand for Debt	36.7
D	Total Supply for Formal Credit	10.9
E = C – D	**Credit Gap = Demand – Supply**	**25.8**

The credit gap was further bifurcated into micro, small and medium based on the distribution and scale estimate for each type of entity as follows:

(Figures in Rs. Trillion)

	Micro	Small	Medium	Total
Formal Credit Demand	11.8	21.7	3.3	36.7
Formal Credit Supply	3.9	4.8	2.2	10.9
Gap	**7.9**	**16.9**	**1.1**	**25.8**

The MSME Credit Gap at the end of 2017 was itself quite substantial. Over the last 7-year period since 2017, the size of the economy has grown significantly and the number and scale of MSMEs has also increased.
CARE Advisory has applied a similar methodology to that of the IFC report and has considered to following factors to estimate the current credit gap in the MSME sector:

- Growth in GDP and its estimated impact on the scale of MSMEs
- Increase in the number of MSMEs
- Change in the distribution of MSMEs
- Increase in formal credit support provided to the MSMEs

(Figures in Rs. Trillion)

Mar'24 (Estimates)	Credit Demand	Credit Supply	Credit Gap
Micro	19.8	7.2	12.6
Small	31.5	11.7	19.8
Medium	10.3	9.2	1.2
Total MSME	**61.6**	**28.0**	**33.6**
Mar'27 (Projections)	Credit Demand	Credit Supply	Credit Gap
Micro	25.0	10.4	14.7

Small	42.2	16.9	25.3
Medium	13.9	13.2	0.6
Total MSME	**81.1**	**40.4**	**40.6**

- ***NBFCs have the underwriting and client servicing capabilities to cater to the unique requirements of MSME funding***

There are many unique design elements adopted by NBFCs that provide them a competitive edge in providing MSME credit. Based on the analysis of multiple NBFCs and their lending models, CARE Advisory has highlighted these factors below:

MSME's Structural Factors	NBFC's Solution
Non Documented Income Micro & some small segment MSMEs are relatively unorganized with limited documented income proofs,	**Client Visit & Interview Based Credit Assessment** NBFCs complement the available data of the borrowers with a detailed field visit based credit assessment. Field assessment techniques involve meeting the borrower's clients, looking at the business assets and reviewing informal documents for an estimation of income. Field visit also reduces fraud risk. This process also helps in understanding the client requirements as some of the borrowers are not comfortable in filling up forms & preparing financial projections
Onerous loan application process Many of the MSME borrowers do not have the capacity or are intimidated or overwhelmed with the loan application process of filling forms and making CMAs.	**Assisted Loan Application process** NBFCs follow an assisted loan application process in which employees of the NBFC help in understanding the funding needs of the borrower & support in filling the application for the loan. The documentation process also much more simplified as compared to traditional banks.
Weak financial literacy and cash flow planning Many micro enterprises do not have knowledge of financial planning and accordingly they cannot plan their funding in a timely manner.	**Faster TAT helps in urgent cash flow requirements** NBFC processes support faster Turnaround Time (TAT) and help in getting loans in time to the MSME borrowers. This ability also allows the NBFCs to price a certain % of premium.
Smaller funding needs Micro and small enterprises have smaller funding requirements which are difficult to cater to by traditional banks due to their cost structure.	**Ability to disburse small to mid-sized loans** Many NBFC products cater to the small and medium ticket size loan requirements. NBFCs tend to face higher per unit operating costs for these loans, but are able to price them into the product.
Imperfect Collaterals The property collateral for an MSME are many times not well documented or registered in the name of the promoter (in case of inherited properties).	**Collateral management built in the origination process** NBFCs have solved this problem by first helping the MSME in regularizing their property registrations or giving co-borrower based loans (for both borrower & property owner). The valuation and technical evaluation process is done in detail by the NBFCs and accordingly the level of LTV is adjusted to take care of the risk. In short, NBFCs have built the process of giving loans against such collaterals for MSMEs.
Limited Banking Habits In many MSMEs banking and digital payments have not yet fully been	**Having Cash Collection infrastructure in addition to Digital Collections**

ingrained. Therefore servicing through regular NACH mandates becomes a challenge.	Given the large branch network, NBFCs have built the last mile collection abilities in case the borrower is not able to repay through banking channels. In fact there is a hybrid model where NBFC employee helps the borrower in making a digital payment (through UPI/ payment gateways). This handholding is required for many MSMEs until they evolve their digital banking practices.
MSME are regionally distributed including Semi-urban and rural areas MSME's closer to urban areas have better access to credit than those located in non-urban locations.	**Diverse branch network** NBFCs have a were well distributed branch network, in part because the branch setup is very nimble and allows opening of remote area branches. This helps in reaching out to and retaining MSME clients.

- ***NBFCs have a more dynamic operating structure thereby allowing them to adapt to the market requirements for MSMEs***

Branch structure of Banks requires opening of the branch for multiple products including liability, assets and banking services. As against that an NBFC branch only focuses on the assets and can be set up at a relatively lower cost. This allows the NBFCs more flexibility in opening and closing of branches, thereby letting them start operations which may not be viable for a full banking setup. This provides a competitive advantage to the NBFCs.
Similarly, the qualifications requirement for an NBFC employee is more flexible than that of Banks. This again provides flexibility to the NBFC in terms of scaling up or scaling down of operations. Further, this allows the NBFC to hire a team with more localized knowledge as the talent pool from which they get to select the team is wider.

These are some of the key factors which make NBFC operations more flexible and allow the NBFCs to experiment with a lower risk and investment. This in turn gives the impetus to have a wider outreach and variations in products. If a geography or product is not successful, it is easier to change or close it.

- ***NBFCs are leveraging the use of technology for better efficiency and client delivery while at the same time ensuring that they have the branch presence to address various client needs. This is a unique "Phygital" (Physical + Digital) model being adopted by some pioneering NBFCs in India.***

The digital, banking and payments infrastructure in India has evolved rapidly in the recent period. There is a digital backbone on the basis of which many financial services which seemed difficult to deliver, are now becoming routine in nature.

Some of these developments are structural in nature and are highlighted below:

Key Structural Change	Advantages for Lending
Aadhar Unique identification number Nearly 93% of India's population (and 99.9% of the adult population) is covered.	Acts as a universal, unique identification number helping in much faster and efficient KYC and address verification.
Mobile & Internet penetration There were 75.15 crore internet uses in India at the start of 2024, which is 52.4% of the total population. There were 112 crore cellular mobile connections registered.	Allows digitization of loan processing and loan servicing activities. Reduces risk. Reduces turnaround time. Allows for direct connect with the borrower.
Jan Dhan bank accounts As on August 28, 2024 there were 53.13 crore Jan Dhan bank accounts opened under the Pradhan Mantri Jan Dhan Yojana (PMJDY) in India.	Improves financial inclusion and creates the base for online transactions across all segments of the population.

	Allows for digital disbursement and collection of loans thereby reducing the risks & leakage in lending.
Digital Transactions – UPI & Payment Gateways The digital payment transactions have grown from 220 crore in FY2013-14 to 18,592 Crore in FY2023-24. During the same period, the value of transactions has grown from Rs. 952 trillion to Rs. 3,658 trillion.	Digital payments provide two important benefits for credit services. First is to allow repayments to be done via digital mode. Second is to build the transaction data for MSMEs which can be used for surrogate credit assessment.
GST (Goods & Services Tax) As per GSTN portal there are 1.48 crore GST registered taxpayers in India	GST data allows for lenders to assess MSMEs sales and purchases in a verified manner. Many lending products have evolved around this data.
Credit Bureau As per World Bank data, 63.1% of adult population in India was covered by credit bureaus in 2019 and this % is constantly increasing. Transunion CIBIL has records of more than 60 crore adults and close to 3.2 crore firms.	With a wide base of individual and firms data getting covered by credit bureaus, the lending decisions have become better and credit discipline in MSMEs will increase.

On the back of these structural changes, many digital tools and initiatives have started which have made the lending process faster, more transparent and with wider outreach. These tools include E KYC, E Documentation, E-NACH (online repayment mandates), GST data, Digi Locker for documents, automated collection systems, account aggregator and many others.
While many Fintech's are primarily relying on these tools to do business, many NBFCs have adopted a more pragmatic Phygital approach. They maintain their core strength of being able to connect with the borrower in person and at the same time use technology to provide better service to the customers. These are delivered through process automation tools using employee Apps and client Apps.

As a result, NBFCs have been able to leverage technology and maintain their client connect enhance their product offerings in the MSME space. MSME lending growth will be therefore further enabled along with the growth of the digital infrastructure.

3.8 Key Challenges for MSME Industry

Mitigating Risk Premiums Through Improved Information Availability

The absence of reliable data regarding small businesses creates significant challenges for lenders in assessing creditworthiness, leading to the imposition of higher credit risk premiums and, consequently, elevated interest rates. However, by incorporating a combination of traditional data (e.g., credit bureau reports, financial statements, and credit scores), non-traditional data (such as payment histories, telecom data, provident fund contributions, and psychometric information), and government data (including Aadhaar and GST records), lenders can enhance their ability to evaluate borrowers. This multi-source data integration allows for a more comprehensive understanding of customer profiles, thereby reducing information asymmetry. Over time, this could lead to a reduction in risk premiums, as the accuracy of credit assessments improves.

Increased Competition from New Players and Partnerships

The entry of new players into the lending market, particularly those with access to large consumer data repositories (e.g., e-commerce platforms and payment service providers), is expected to drive heightened competition. For example, Amazon India's launch of a platform in June 2018, allowing sellers to select loan offers from various lenders, and Meta's (formerly Facebook) partnership with Indifi Technologies in August 2021 to provide loans to small businesses advertising on its platform, are indicative of this trend. Moreover, traditional lenders are increasingly relying on strategic partnerships and digital ecosystems to cross-sell products to their existing customers, acquire clients from competing lenders, and attract new-to-credit individuals. These dynamics are likely to expand the market for MSME loans, further intensifying competitive pressures within the sector

NBFCs' Growing Role in Financial Inclusion

A significant portion of India's population—specifically under-served households and businesses—faces barriers to accessing credit due to factors such as lack of credit history or the inability to offer collateral. Non-Banking Financial Companies (NBFCs) have demonstrated effectiveness in addressing this market gap by leveraging several competitive advantages, including robust origination capabilities, extensive geographical reach, enhanced customer service, faster processing times, streamlined documentation, digital onboarding, and localized knowledge. Furthermore, their differentiated credit appraisal models enable them to serve high-risk segments that traditional financial institutions may overlook. Consequently, NBFCs have secured a substantial market share across various financial segments, contributing significantly to financial inclusion.

3.9 Rising Competition and Strategic Partnerships in the NBFC's offering MSME Loan

The increasing competition in the MSME loan market is providing significant opportunities for NBFCs. With more financial institutions entering the space, MSMEs now have access to more competitive interest rates, flexible terms, and faster loan disbursements. This expansion is meeting the growing demand for financing from underserved small and medium-sized businesses.

Strategic partnerships between NBFCs and other financial players, including banks and fintechs, are key to staying competitive. These collaborations enable NBFCs to streamline processes, reduce costs, and expand their market reach. Furthermore, changing market conditions are compelling traditional NBFCs to adopt digital solutions to improve efficiency and remain relevant. By leveraging digital platforms, NBFCs can enhance credit risk assessment, speed up loan approvals, and offer more tailored financial products, making them better positioned to serve MSMEs in a rapidly evolving market.

3.10 Key Success Factors for NBFC's offering MSME loan

- ❖ **Precision in Underwriting**: Strong underwriting capabilities are essential for NBFCs offering MSME loans, ensuring that only creditworthy businesses are funded. In addition to leveraging alternative data sources like transaction histories and GST filings, it is crucial to analyze the cash flow of the business. By evaluating cash flow patterns—such as receivables, payables, and operational expenses—NBFCs can better assess the financial health and repayment capacity of MSMEs. This comprehensive approach to underwriting allows for more accurate risk assessments, expanding access to credit while minimizing defaults.
- ❖ **Sustaining Portfolio Health**: Maintaining a high-quality loan portfolio is vital for long-term success. NBFCs must actively monitor repayments, assess credit risk, and take corrective actions—such as loan restructuring or offering payment flexibility—to minimize defaults. A balanced approach, with diversification across risk segments, helps protect against large-scale credit losses and ensures business stability.
- ❖ **Targeting Untapped Markets:** A focused approach to under-penetrated markets—particularly in rural or emerging sectors—offers NBFCs significant growth opportunities. By simplifying loan access and tailoring products to local needs, NBFCs can capture a loyal customer base in underserved areas, driving both financial inclusion and business expansion.
- ❖ **Effective Collateral Management:** Managing collateral risk effectively is key to protecting loan books. While MSMEs may lack traditional collateral, NBFCs can mitigate risk by accepting alternative assets like receivables or personal guarantees. Flexible collateral policies and real-time tracking tools ensure security while not overburdening businesses with excessive requirements.
- ❖ **Access to Affordable Capital:** The ability to raise funds at competitive rates is crucial for offering attractive loan terms. NBFCs with higher credit ratings have a significant advantage, as they can secure cheaper capital through lower interest rates in the debt markets. This allows them to pass on the cost savings to MSMEs, offering more favorable loan terms, including lower interest rates and flexible repayment options. Access to affordable capital not only makes the NBFC more competitive but also enables faster scaling of operations, expanding their reach to more underserved businesses.

3.11 Outlook

The MSME sector is the driving force of the Indian economy and has major potential to spread industrialization across the economy. The sector faces number of challenges such as limited access to finance, inadequate availability of skilled labour, and insufficient infrastructure. Along with this, rising interest rates by RBI to control inflation has become a hindrance to the growth in sector. This has led to increase in borrowing cost for MSMEs and further made the situation difficult for accessing credit. This high rise in borrowing cost is expected to impact the cash flows and profitability of MSMEs. Although, this sector has many challenges, the growth potential remains high.

MSMEs employ a large number of people making the sector a key contributor to the economic development of the country. The sheer number of work force engaged also results in this sector receiving good Government support and benefits. Apart from Government initiatives, the improved use of digital solutions adopted during the pandemic (such as easy payments and marketing through digital platforms) increased demand for finished products have strengthen the MSMEs and resulted in recovery of their business.

The MSME sector is expected to help India achieve its goal of becoming a USD 5 trillion economy by 2025. In addition to this, MSMEs are expected to contribute more than 40% of India's nominal gross domestic product (GDP) by financial year 2025 for which it will require immense support from the Government, institutions and banks.

Auto Financing
Introduction to Auto Financing

The automotive industry is considered to be one of the major drivers of economic growth due to its linkages with multiple industries. Its contribution to the GDP of India stands at around 7%. The growth of this sector benefits the commodity sector as vehicle manufacturing requires steel, aluminum, plastic, etc. It also holds importance for the Banks, NBFCs and other financial institutions in the form of automobile financing. Moreover, it is a crucial source of demand for the oil & gas industry.

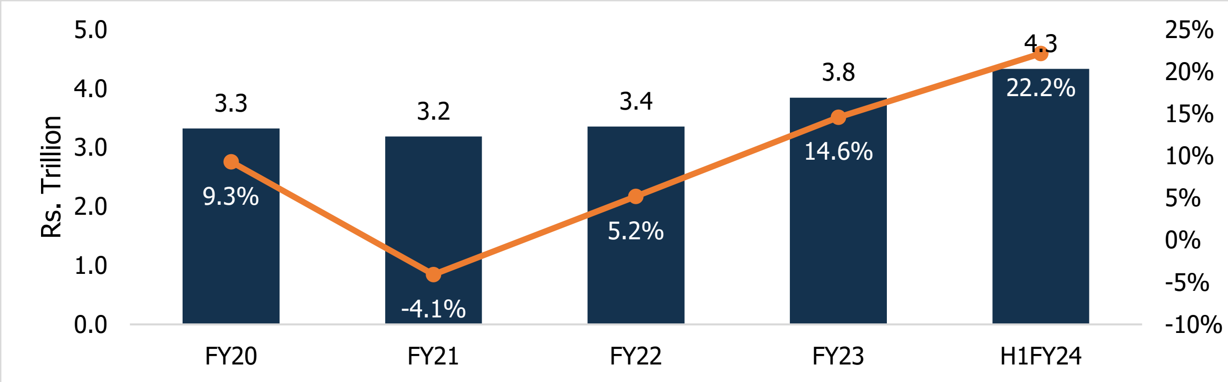
India is the largest manufacturer of two-wheelers, three-wheelers, and tractors. With a vibrant supply chain ecosystem, favorable policies, close proximity to port and other factors, India's southern states continue to be the front runners in EV manufacturing and consumption. Hosur is actually one of the major manufacturing hotspots of Tamil Nadu, with many automobile OEMs having their factories there. It has emerged as a key industrial hub covering electronics, automobiles & auto components, light-machinery, engineering, specialty chemicals, etc. This region is being preferred by several automobile manufacturers and its strong and vibrant presence of MSMEs in Hosur also make it attractive for investors.

And auto financing has emerged as a pivotal component in India's rapidly growing automotive industry. As the demand for vehicles continues to rise, auto financing plays a crucial role in bridging the gap between a savings of the borrower and the cost of their desired vehicle, making vehicle ownership more accessible for a wider segment of the population. Non-Banking Finance Company (NBFCs) has been a pillar of strength for the automobile industry, primarily lending to customers in semi-urban and rural areas where credit availability from the banking sector is generally difficult. Continuous access to easy and secure credit to consumers has facilitated sales of vehicles over the years.

The retail loan book exposure of the NBFCs consist of vehicle financing, housing loans and microfinance. More than 50% of the total vehicle financing exposure of NBFCs is from commercial vehicles (CVs) and passenger car/utility Vehicles (UVs) financing. Balance includes tractor/two/three-wheeler financing.

Trends in Auto Financing (Loan outstanding, Asset Quality and Profitability)

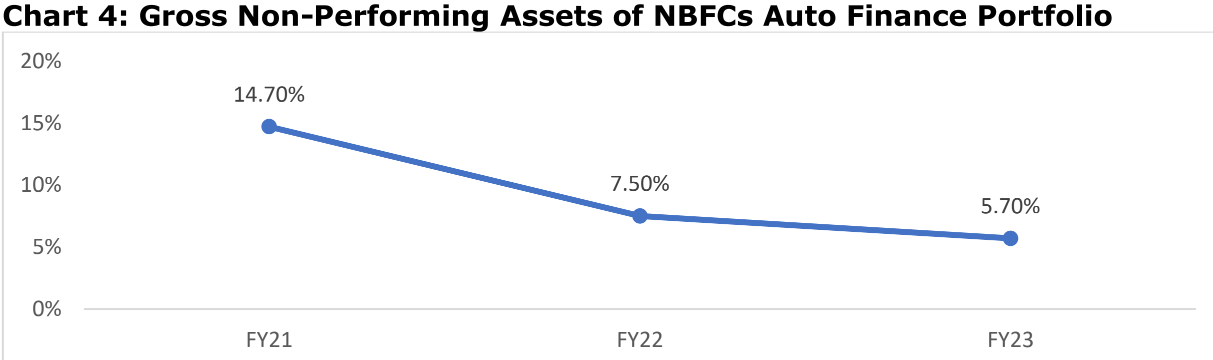
Trend in NBFCs Credit towards Auto Financing



Source: RBI, CareEdge Research

In FY21, the retail auto financing book witnessed a marginal dip of 4.1% y-o-y amid significant decline in automobile sales. During the Covid-19 pandemic the demand for automobiles was impacted on account of shutting down of manufacturing firms, auto dealer showrooms, halt in movement of goods and services. However, in the post-Covid era there has been significant growth in automobile sales especially in the passenger and commercial vehicles segment. This led to increase in demand for auto loans from NBFCs and other financial institutions. The retail auto financing book of NBFCs forms a significant chunk of NBFCs retail credit. This segment has seen continued improvement reaching Rs. 4.3 trillion as of Sep'23, indicating 22.2% y-o-y growth over Sep'22.

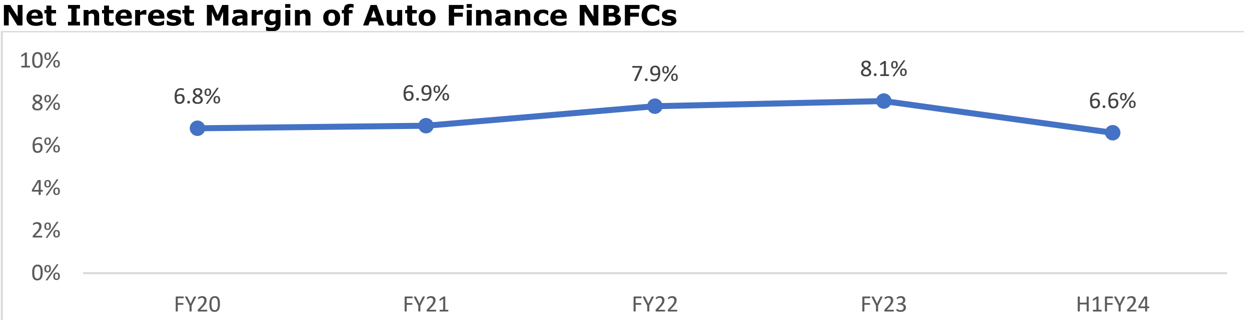
Chart 4: Gross Non-Performing Assets of NBFCs Auto Finance Portfolio



Source: RBI, CareEdge Research

Post Covid-19, NBFCs have witnessed significant improvement in asset quality of their auto loans portfolio. The GNPA of auto loan segment of NBFCs improved from 14.7% in FY21 to a staggering 7.5% in FY22. This improvement in asset quality comes on the back of improved customer sentiments, resumption in movement of goods and services and overall sustained macroeconomic activity.

Net Interest Margin of Auto Finance NBFCs



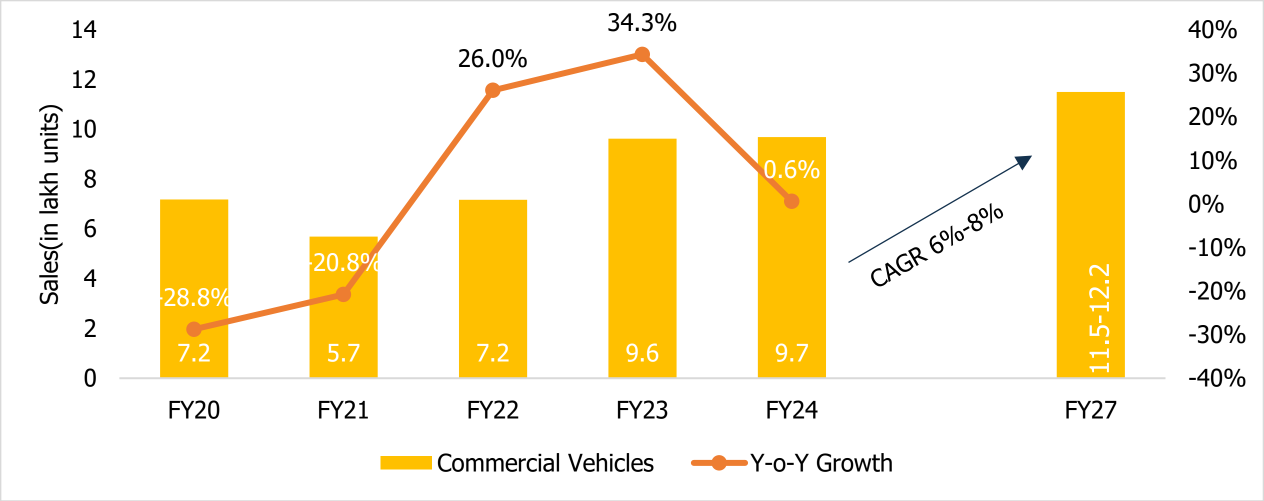
Source: CareEdge Estimates

The profitability of auto financing NBFCs is in line with the rise in demand for auto loans. The NIMs of auto finance NBFCs seems to have been on a continued growth trajectory. The improved asset quality is expected to have controlled credit costs to a certain extent thereby supporting profitability.

Trends in Commercial Vehicle Financing

The Indian Commercial Vehicle (CV) industry is the lifeline of the economy. About two-thirds of goods and 87% of the passenger traffic in the country moves via road. Past trends have shown that CV demand is closely correlated with the GDP growth rate (more strongly with the Index of Industrial Production, IIP) of the country. Therefore, it is believed that a phase of growth or slowdown in CV demand is a harbinger of a simultaneous upturn or downturn in the economy, respectively. The growth in Medium & Heavy Commercial Vehicles (M&HCV) is considered to be a crucial indicator for pickup in investment activities while growth in Light Commercial Vehicles (LCV) is considered an indicator of consumption demand.

Domestic sales of Commercial Vehicles in India

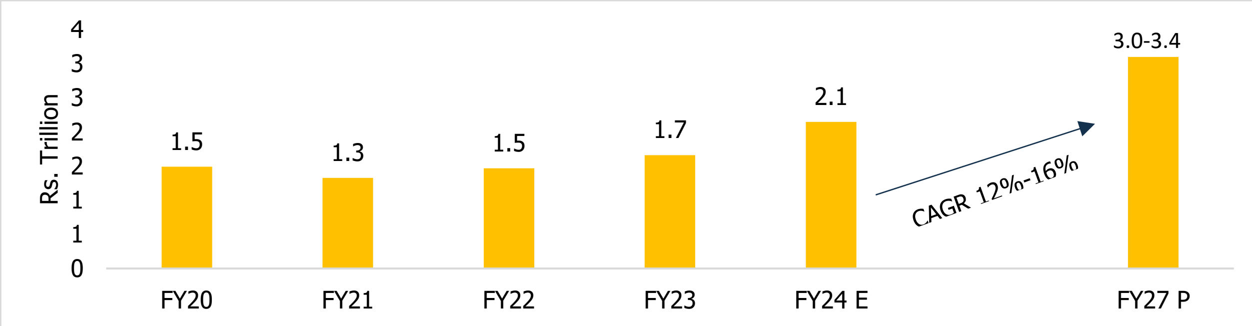


Source: Society of India Automobile Manufacturers (SIAM), CareEdge Research

During FY24, sales of commercial vehicle (CV) remained flat at 9.68 lakh units in FY24 compared to nearly 9.62 lakh units in previous year. However, the demand could witness uptrend subject to adequate deployment of funds from the Central Government towards Infrastructure development, which fostered an environment for bulk deals, especially in Tippers and government sectors. Furthermore, there was a discernible improvement in market sentiment, supporting a healthy traction in HCVs, Buses and LCVs and signaling a revitalized tourism market. CareEdge projects domestic commercial vehicles to grow at a CAGR of 6%-8% between FY24-FY27 largely driven by ramp-up in infrastructure activities and increased demand from end-user industries.

The commercial vehicle segment posted sales volume growth of 34% y-o-y in FY23, the second-highest domestic sales, and is close to the previous peak of FY19. The industry has showcased excellent performance growth due to structural upcycle over the past few years. In FY23, the demand sentiments across the segment showed healthy growth led by a strong infrastructure push by the Central Government, improved freight availability, and pre-buying ahead of the implementation of phase II of the BS-VI emission norms.

Trend in NBFCs Credit towards Commercial Vehicle Financing



Source: CareEdge Estimates
Note: E indicates estimated; P indicates Projected

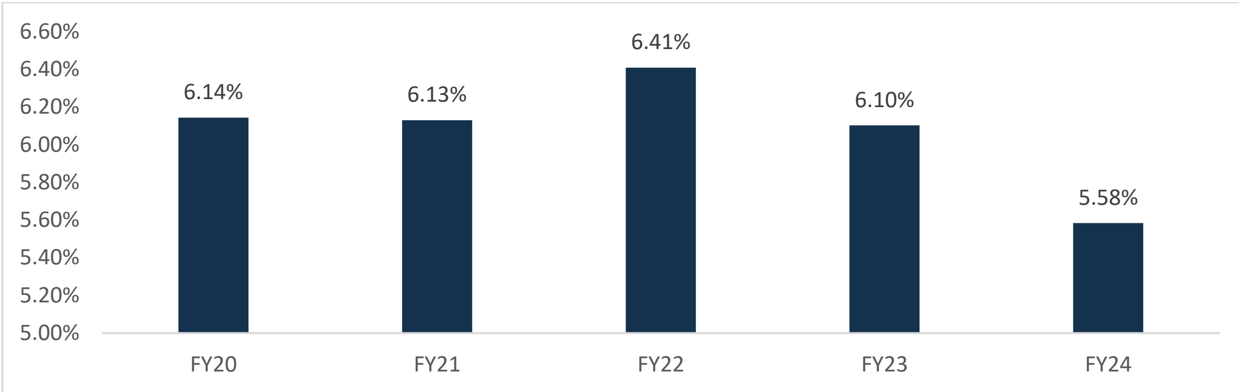
In FY21, commercial vehicle financing declined on account of decline in sale of commercial vehicles amid halt in logistics and transport operations, economic standstill, shutting of manufacturing operations and dealership showrooms. Post Covid-19, the commercial vehicle finance segment has seen good growth in like with the industry. This growth is attributed to increased demand for commercial vehicles amid improvement in economic activity, revival of construction / mining activities. As of FY24, the commercial vehicle finance segment is expected to have witnessed nearly 30% y-o-y growth reaching Rs. 2.1 trillion, this growth is likely to have been driven by rise in demand for used vehicle financing, pent up demand for commercial vehicles, infrastructure development and overall economic activity.

Over the medium term, CareEdge Research projects NBFCs commercial vehicle financing to grow at a CAGR of 12%-16% between FY24-FY27. This growth is expected to be largely supported by increase in big ticket financing and Government's thrust towards infrastructure development. Further, expected demand for commercial vehicles from end-user industries especially steel and cement is also likely to aid demand for commercial vehicle loans. The used vehicle segment financing is also expected to pick-up for NBFCs banks due to its increased focused as well as presence in non-metro cities.

Rural borrowers form a major part of the total borrowers of CV financing NBFCs. These were affected dur to Covid-19 due to increased infections in rural areas. Also, the lockdowns had cash flows to a prolonged period of restricted economic activity which has affected their repayment capacity. Health and income stresses during the Covid-19 period of FY21 and FY22 to a certain extent had been more pronounced in the rural and semi-urban areas, which formed a large part of the borrower base. This, along with persistent stress in urban markets lead to higher non-performing loans and impairment costs.

The asset quality of commercial vehicle loans of auto finance NBFCs is estimated to improve in the near term, on account of low delinquencies, sustained economic activity and boost in logistics and transportation sectors. Commercial vehicle loans are susceptible to a variety of external factors such as changes in fuel prices, regulatory shifts affecting the transport industry, and economic downturns, all of which can impact the repayment capacity of borrowers. Therefore, NBFCs place a strong emphasis on rigorous risk assessment and ongoing monitoring to ensure the asset quality of their commercial vehicle loan portfolios remains robust.

Profitability Trend (NIMs)



Source – Company Reports,

Note: Company financial of top 6 companies are taken – Sundaram Finance, Shriram Transport Finance, Mahindra and Mahindra Financial Services Ltd., Indostar Finance, Cholamandalam Finance, Tata Motor Finance

In recent years, the Net Interest Margin (NIM) of the finance company providing commercial vehicle loans has shown a slight downward trend. From 6.41% in FY22, the NIM decreased to 6.10% in FY23 and further contracted to 5.58% in FY24. This decline suggests a potential tightening in profit margins, likely due to factors such as increased competition, rising funding costs, or changing loan portfolio dynamics. Despite the drop, the NIM remains above 5%, indicating a still favorable, though reducing, profitability from interest income in the commercial vehicle financing sector.

Used Commercial Vehicle Financing

The Covid-19 pandemic had a profound impact on the commercial vehicles (CVs) market, particularly in terms of new vehicle production. Manufacturing operations came to a standstill, resulting in a significant decline in the production of new commercial vehicles. However, this downturn in new vehicle production had an unexpected consequence - a surge in demand for used commercial vehicles.

Over the past few years the demand for used commercial vehicles has seen good growth as businesses are becoming aware cost-effectiveness and operational advantages of acquiring pre-owned vehicles. As compared to brand-new vehicles, used commercial vehicles come at a considerably lower price point, making them an attractive option for small and medium-sized enterprises (SMEs) looking to expand their fleets or individuals seeking affordable transportation solutions. This cost-effectiveness allows businesses to optimize their operational expenses and enhance their overall profitability. The rise in demand for used commercial vehicle can also be attributed to of expanding logistics and transportation requirement, leading to rising need for financial options for used commercial vehicles.

Non-banking financers in the used commercial vehicle financing landscape. Their quick turnaround times, flexible loan structures, and focus on smaller ticket sizes cater perfectly to the needs of used CV buyers. Additionally, NBFCs are actively developing innovative financing models, such as lease-to-own schemes, further propelling the sector's growth. Despite the positive strides, challenges such as the concerns over vehicle quality, lack of standardized valuation mechanisms, potential volatility in the resale value of used vehicles and regulatory changes pose considerations for both lenders and borrowers.

Furthermore, the increased demand for used vehicles has also prompted a need to review the Loan-to-Value ratios (LTVs) of auto loan financers. Lenders are likely to adjust their lending practices to manage the risks associated with financing used cars. Striking the right balance in LTVs is crucial to prevent overexposure and mitigate potential depreciation risks. Auto loan financers in India are likely to adopt measures to ensure responsible lending practices and maintain a sustainable used vehicle market.

Additionally, the regulatory environment and advancements in technology have also played a role in shaping the used commercial vehicle sector in India. Regulatory frameworks governing emissions standards, safety regulations, and other compliance factors have evolved, ensuring that pre-owned vehicles meet certain standards before being sold in the market. Additionally, advancements in vehicle diagnostics and maintenance technologies have enhanced the overall reliability and performance of pre-owned commercial vehicles, instilling confidence among buyers about the longevity and efficiency of these vehicles.

The used commercial vehicle has been gaining significant traction in recent times and established financial institutions, including banks and non-banking financial companies (NBFCs), are recognizing the potential of the used commercial vehicle financing segment and are actively expanding their portfolios to cater to the growing demand. With the realization that businesses, especially small and medium enterprises (SMEs), often prefer the cost-effectiveness of acquiring used commercial vehicles, financers are offering tailored loan products to meet these specific needs.

However, this continued growth in used vehicles market raises concern about the potential creation of a bubble. The increased demand for used cars, driven by factors such as rising new car prices and a preference for more budget-friendly options, has led to a surge in prices for certain used models. This price inflation can impact the sustainability of the current market dynamics. Regulatory bodies and market participants are expected to closely monitor this trend to prevent speculative practices and ensure the stability of the used vehicle market in India.

Key Areas in the Lending Process Where Technology is Transforming Operations

A) Customer Acquisition and Distribution:

- **Targeting the right customers**: Data analytics and AI help lenders identify potential borrowers based on factors like income, education, credit history, and spending patterns, leading to more precise marketing and better customer targeting.
- **Chatbots**: AI-powered chatbots provide immediate customer service, offering guidance on loan options and answering queries, which enhances borrower experience and reduces the need for human intervention.
- **Lead management systems**: These automated systems help lenders track and manage prospective borrowers, streamlining communication, follow-ups, and converting leads into actual loans more effectively.

B) Loan Products: Technology enables lenders to use data analytics and machine learning to create personalized loan products based on individual borrower profiles, helping offer more suitable financial solutions with better terms and conditions.

C) Loan Approval and Risk Management:

- **AI-driven credit scoring**: AI tools improve the loan approval process by assessing borrowers' creditworthiness more accurately and quickly, using a wider range of financial data and alternative credit metrics.
- **Real-time risk monitoring**: Technology helps lenders assess and manage risk by continuously analysing borrower behaviour and economic factors, enabling faster responses to potential defaults or financial instability.

D) Debt Collection:

- **Automated collection systems**: AI-driven collections platforms optimize recovery efforts by identifying the best time and communication method for reaching overdue borrowers, improving repayment rates.
- **Behaviour-based collections**: Predictive analytics help tailor collection strategies to individual borrower profiles, enhancing the likelihood of repayment and maintaining positive customer relationships.

Growth Drivers

- **Infrastructure Development and Industrialization**

The growth of commercial vehicle industry is directly correlated with the industrial and infrastructure growth in the economy. With the government's increased spending in the infrastructure projects such as roads, irrigation, affordable housing, etc. and its ambitious Make in India programme supported by favorable schemes such as Production Linked Incentive scheme, the industrial and infrastructure growth of India is expected to pick-up. This can increase opportunities for financers to provide funding for commercial vehicles required for the development of infrastructure and the expansion of industrial sector.

- **Growing Logistics and Transportation Needs:**

The demand for commercial vehicles is on an upward trajectory owing to the growth of e-commerce, increased manufacturing activities, and a booming retail sector. Businesses are expanding their fleet to meet the growing logistics and transportation needs, creating a demand for financers such as Banks, NBFCs and FIs to facilitate vehicle acquisitions.

- **Urbanization**

Urbanization is a key driver of India's overall growth. Urbanization of India's population is growing on a larger population base, warranting a need for more vehicles. This would create opportunity for sales of vehicles. Delhi, Mumbai, and Kolkata will be among the world's largest cities and cumulatively become home to ~100 million people. This rapid urbanization would increase the demand for vehicles across the country.

- **Hub and Spoke model**

The transportation of goods follows a hub and spoke model wherein goods arrive at certain key hubs through trucks, and are transported in Light commercial vehicles (LCVs). Increased manufacturing and infrastructure activity have spurred the sales of medium and heavy commercial vehicle. The growing demand of freight transport is further aiding the demand for LCVs, which will create opportunities for financers to provide funding for acquisition of LCVs.

- **Rural Development**

Rural development can be a significant growth driver in auto financing by expanding access to vehicles in underserved areas. As rural economies grow, driven by improved infrastructure, agriculture, and small businesses, there is an increasing demand for mobility solutions, including personal and commercial vehicles. Auto lenders can tap into this market by offering tailored financing products that address the unique financial needs and challenges of rural customers, such as flexible payment terms and lower interest rates. Additionally, with the growth of digital platforms and mobile banking in rural regions, lenders can reach more customers, streamline loan processing, and boost vehicle ownership, further driving economic growth and mobility in rural areas.

Outlook

Domestic automobile sales grew by 20% on a year-on-year (y-o-y) basis in FY23, the first full year without any impact of the pandemic after a gap of two years. The growth in sales volume across segments was supported by healthy demand in the urban areas, increasing replacement demand, growing demand for utility vehicles in the passenger vehicle segment, vehicle scrappage policy, and higher infrastructure spending.

Despite inflationary pressure throughout the year, preponing purchases before the implementation of new fuel emission norms (BS-VI Phase -II), easing of semiconductor chip supply, and pent-up demand supported the sales growth.

The domestic automobile sales volume is expected to show moderate growth by 7-9% in FY24, after witnessing double-digit growth in FY23. Overall, the domestic automobile industry sales are expected to grow with a CAGR of around 5%-7% over the period of 2024-2028. Although consistently high inflationary and interest rate environment could dampen consumer sentiment, monsoons remain a key monitorable for rural demand growth going forward. NBFCs credit towards the auto loans segment is expected to witness growth of 13%-16% in FY24 driven by uptick in domestic automobile sales.

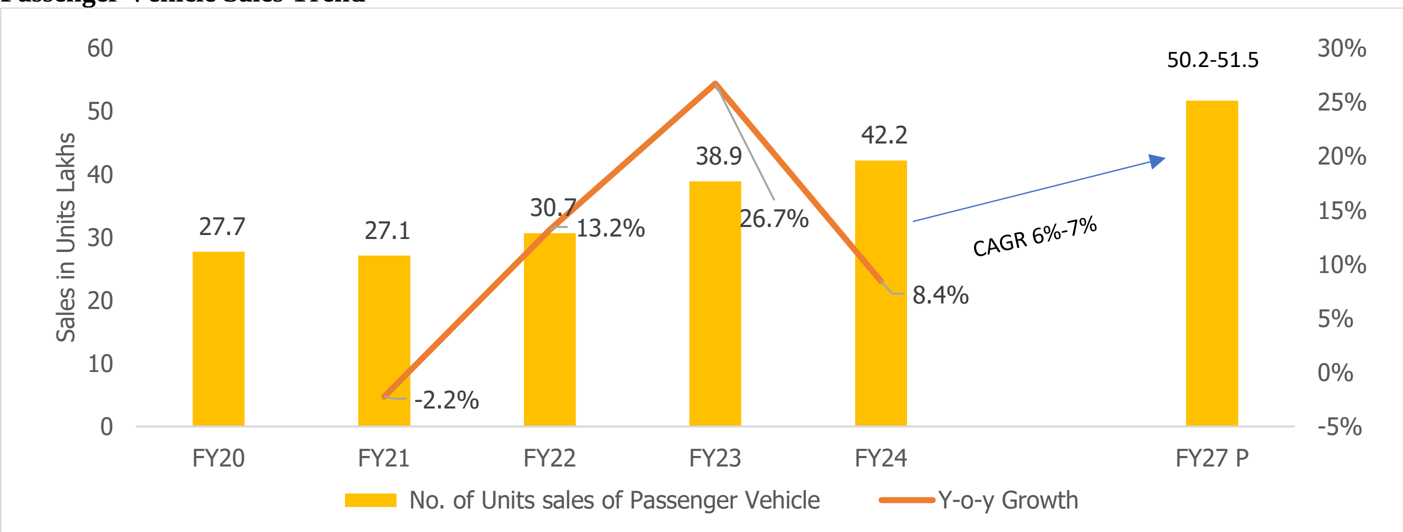
The commercial vehicle segment is expected to witness rise in demand in FY24. This growth is expected to be largely supported by freight demand, replacement demand, structural economic recovery and higher infra spends by the Government. However, the increase in fuel prices and its impact on viability of fleet operators will remain a key challenge in the near term. The expected growth in demand for commercial vehicle is expected to drive growth in NBFCs credit towards commercial vehicle segment.

Passenger Vehicle

Overview

The Indian passenger vehicle (PV) sector accounts for about 18% of the overall automobile industry in India, measured by domestic sales volume. The growth of the passenger vehicle depends upon the rapid urbanization, middle-class aspirations and a robust manufacturing ecosystem. India's passenger vehicle sector not only meets domestic demand but also serves globally as the export hub. The Indian Passenger Vehicle has seen the huge growth post pandemic drastically, growing its volume by the CAGR 15.9% from FY21-24. This growth trend has been supported by improved vehicle availability and the introduction of new and updated models from various Original Equipment Manufacturers (OEMs). This upswing has been further supported by increased supplies and a wider range of products, catering to diverse consumer demands.

Passenger Vehicle Sales Trend



Source: CareEdge Research, SIAM (Society of Indian Automobile Manufacturers)
P indicates Projected

There has been Premiumization in the Average Selling Price of the Vehicle, the average selling price (ASP) between fiscal 2019 and 2023 increased at a CAGR of 7-9% because of premiumization trend as well as sharp rise in vehicle prices. Modern consumers in India are preferring mid-end or top end version of the vehicles moving away from the traditional fuel-efficient budget friendly small cars towards higher priced feature loaded larger cars which offer much more space, taller ride height, seamless connectivity, and improved performance.

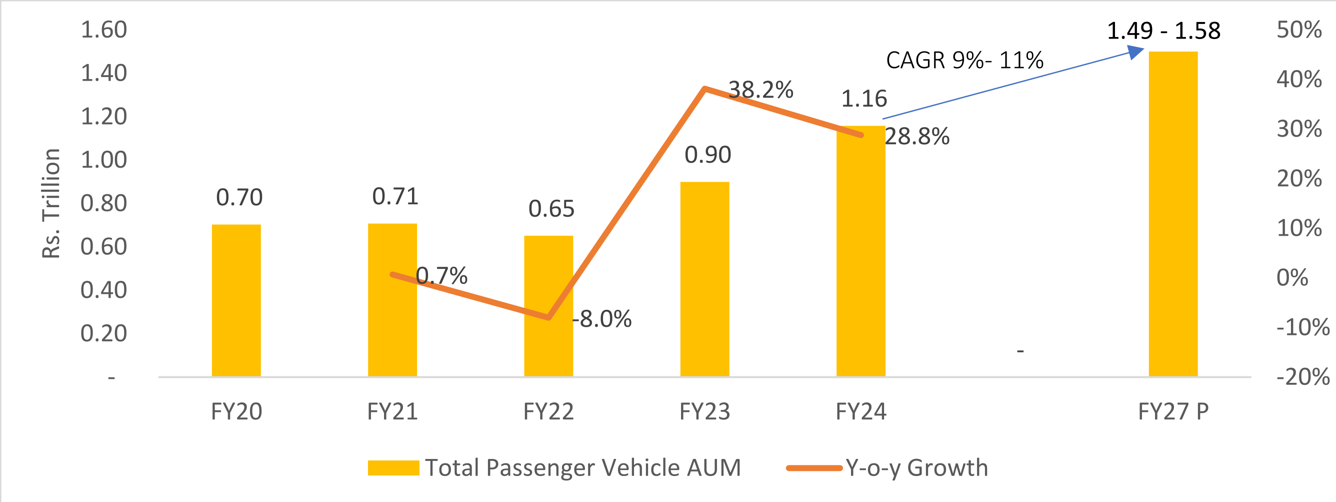
The Indian PV market is one of the fastest growing in the world (CAGR 2021-2023), growing at 15.4% vs. 6.8% for Global passenger vehicle market. It was ranked second in terms of annual sales (after China) in 2023. However, the market is still highly underpenetrated compared with most developed economies, or even developing countries such as China, Brazil and Mexico.

Among passenger vehicles, Multi-utility vehicles (MUVs) have seen significant demand largely driven by their growing popularity among domestic consumers attracted to their versatility, spaciousness, often associated with luxury, comfort, and sophistication. Consumers are increasingly preferring MUVs over traditional hatchbacks due to the moderate price difference between the two, coupled with rising disposable incomes and evolving preferences. This increased demand for passenger vehicles is likely to create significant opportunities for NBFCs leading to increased credit deployed towards passenger vehicle segments.

Passenger Vehicle Financing loan outstanding

Passenger vehicle financing has witnessed significant growth over the past five years. Top 5 NBFCs PV financing witnessed growth at a CAGR of 13% between FY20-24. Over the medium term, NBFCs credit towards passenger vehicles is expected to grow at a CAGR of 9-11% between FY24-FY27. This growth is likely to be supported by under-penetration of the passenger vehicles, increase in disposable incomes, faster economic growth, younger population, and increased focus from international OEMs.

Passenger Vehicle Loan Outstanding Trend

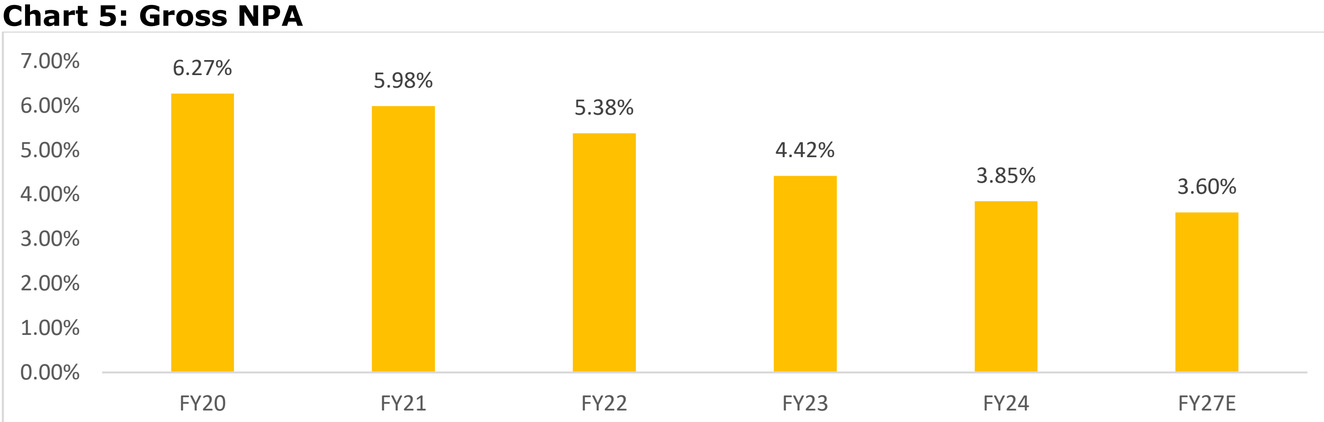


Source: CareEdge Research
Note: The Consolidated Data includes the data from Shriram Transport Finance, Sundaram Finance, Cholamandalam Investment finance, Tata Motor Finance and Mahindra and Mahindra Financial services.
P indicates Projected

Asset Quality – Passenger Vehicle Financing

The improvement in the Asset quality has been substantial post pandemic it has reduced from 6.27% in FY20 to 3.85% in FY24.

Chart 5: Gross NPA



Source: CareEdge Research
Note: The Consolidated Data includes the data from Shriram Transport Finance, Sundaram Finance, Cholamandalam Investment finance, Tata Motor Finance and Mahindra and Mahindra Financial services.
E indicates Estimated

In FY24, the gross NPA improved to 3.85% from 4.42% in FY23, indicating 57 bps improvement in the asset quality. The GNPA is expected to gradually decline between FY24-FY27, mainly due to sustained interest rates, strong rebound in the collection efficiencies and rise in disposable income per capita.

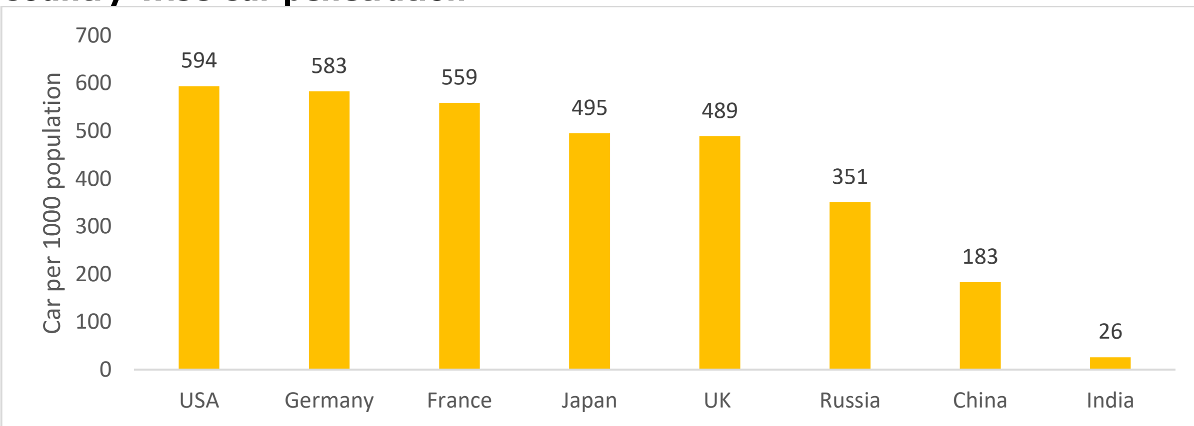
Growth Drive for the Passenger Vehicle and Used Passenger Vehicle

- **Passenger Vehicle**

Passenger Vehicle Market Underpenetrated, Offering Strong Growth Potential in the Long Run.

According to Careedge Research, India had 26 cars per 1,000 people as of fiscal 2024. Although the penetration grew from 22 cars per 1000 people in fiscal 2019 to 26 cars as of fiscal 2024, it is significantly lower than the developed nations and even emerging nations like Brazil, Russia, and Mexico. This provides significant headroom for growth, especially given the expected increase in disposable incomes, faster economic growth, younger population, and increased focus from international OEMs. With penetration below the global average, India offers tremendous growth potential for automobile manufacturers

Country-wise Car penetration



Source: CareEdge Research

Regulatory Roadmap Critical to Driving Electric Mobility Growth in India.

The growth in the sale of passenger electric vehicles (EVs) in India is largely driven by the government's focus on building EV infrastructure and offering attractive tax incentives. With increased investment in expanding the EV charging network and initiatives like the FAME scheme providing subsidies for both consumers and manufacturers, EVs are becoming more accessible and affordable. These regulatory measures are expected to significantly boost the adoption of passenger EVs, accelerating their growth in the Indian market.

- **Used Vehicle**

Leveraging Digital Platforms for Lead Generation in the Expanding E-commerce Landscape.

The growing e-commerce landscape has revolutionized the sale of used vehicles, offering a seamless and efficient way for consumers to buy and sell pre-owned cars. Digital platforms like Cars24 and Spinny have played a pivotal role in this transformation by leveraging technology to streamline the entire process, from vehicle inspection to financing and delivery. These platforms have simplified lead generation, providing a trusted, transparent, and user-friendly experience, making it easier for buyers to find the right car and for sellers to reach a wider audience. Moreover, the reach of these platforms has expanded beyond Tier 1 cities, penetrating Tier 2, 3, and even Tier 4 cities, where growing internet access and increasing disposable incomes are fueling demand for used vehicles. This digital shift is accelerating growth in India's used vehicle market, improving convenience and accessibility across regions.

Accelerated Replacement Cycles and Shifting Consumer Preferences Post-Covid.
The accelerated replacement cycle of cars has amplified both the demand and supply of used cars. New vehicles are now being replaced approximately every 4-5 years, a shift from the previous 6-8 years cycle. This phenomenon has created strong demand for both new and used cars. Consumers who may not be able to afford a brand-new car can now access high-quality, well-maintained pre-owned vehicles at more affordable prices, offering them a cost-effective option without compromising on quality. At the same time, those upgrading to new cars are contributing to the availability of newer used cars, further stimulating growth in the used car market. This dynamic has benefited both segments, driving the overall automotive market forward.

Passenger Vehicle Financing Outlook for next 3 years

The domestic passenger vehicle industry grew at a 11.1% CAGR during FY20-FY24 period. Despite the pandemic hit, the industry surpassed record high sales of FY19; led by the sharp rise in traction for the SUV segment, increased vehicle launches coupled with the entry of newer players. Relatively lower impact on disposable income of the upper middle class led to a significant growth in the SUV segment driving overall PV sales. In FY24, the industry reached a historic high of about 42 lakh vehicle sales. Over the medium term, with projected improvement in macro-economic scenarios, inflation levels expected to remain subdued in the 3-5% range in FY25, which is within the RBI's target band. Fuel prices are also expected to remain near steady in the next 5 years.

These favorable macroeconomic factors are expected to aid the consumer disposable income levels which will eventually help the Passenger vehicle industry to grow at higher pace. CareEdge projects the industry of Passenger Vehicle to clock 6%-7% CAGR between FY24-FY27 period to reach 50.2-51.5 lakh units domestic vehicle sales. With healthy outlook for the passenger vehicle segment, CareEdge projects NBFCs credit towards passenger vehicle financing to grow at a CAGR of 9%-11% between FY24-FY27, with AUM reaching between Rs.1.49-1.58 trillion. This growth is likely to be supported by under penetration of the auto industry in India.

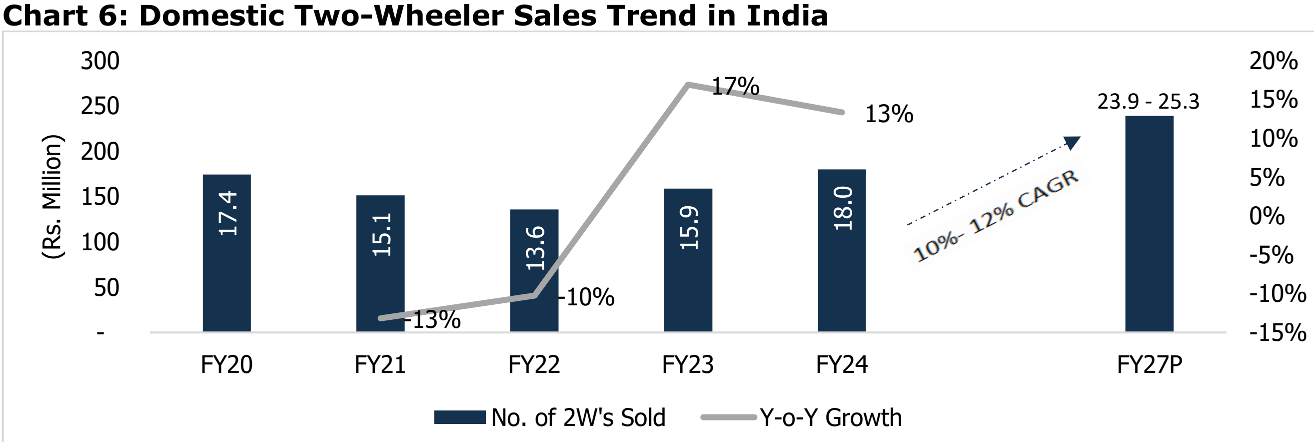
Two-Wheeler

Overview of Two- Wheeler Industry

The two-wheeler (2Ws) segment takes the largest chunk of the pie in the Indian automobile industry, with around 75% share in the total domestic sales volume. The two-wheeler industry has three sub-segments namely, Motorcycles, Scooters, and Mopeds.

The two-wheeler industry had witnessed domestic sales growth of 13% on y-o-y basis in FY24. The key drivers for growth included increased purchasing power led by distribution of harvest payments to farmers along with the ongoing wedding season. Additionally, the availability of a wide range of models and variants, coupled with favorable weather conditions and a generally positive market sentiment, contributed to this growth. Enhanced product acceptance, particularly among the youth, and lucrative financial options, coupled with the anticipation of price increases in January 2024, spurred purchases during FY24.

Chart 6: Domestic Two-Wheeler Sales Trend in India



Source: SIAM, CareEdge Research
Note: P indicates Projected

The two-wheeler segment domestic sales volume grew by 17% in FY23, after witnessing de-growth in the last three consecutive fiscals. The consumer demand dipped because of rise in vehicle prices, commodity price escalations, high petrol prices and inflationary headwinds, amid job losses and income uncertainty. This segment is yet to reach the pre-pandemic level and domestic sales are still below the 2014-15 level. Owing to changes in consumer demand trends, new regulatory norms and high cost of vehicle ownership, sales of entry-level vehicle category are expected to remain moderate in the near term. This segment is still below the pre-covid level (21.2 million in FY19), as demand from rural

India continues to remain moderate in light of the inflationary and high interest rate environment across all discretionary spend categories.

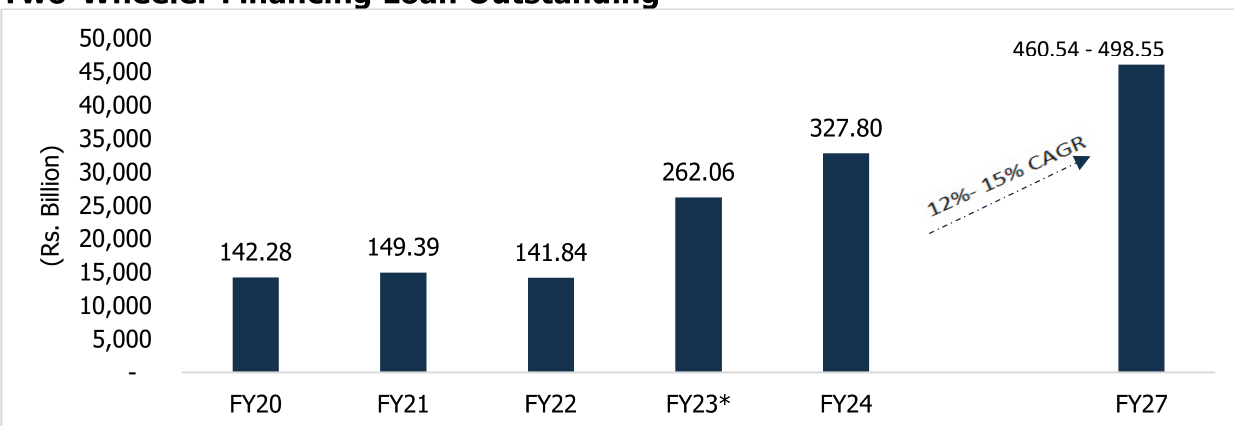
By FY27, two-wheeler is expected to reach between 239 and 253 lakhs of sales, indicating 10%- 12% CAGR from FY24 to FY27.

Credit Growth of "Two-Wheeler Financing"

India is a consumption-driven economy, and the spending power of the increasing middle class has grown enormously. With convenient financing alternatives now accessible, people are adopting aspirational brand names when making purchases. Given higher prices, India's two-wheeler market was very modest. However, vehicle manufacturers have learned to cater to price-sensitive Indian consumers by offering specific versions and models. The approach has the potential to greatly enhance market growth.

Compared to banks, NBFCs are the leading financiers of two-wheeler vehicles. NBFCs have expanded their market share, owing to their regional expertise, improved customer relationship management, and flexibility in financing vehicles. The NBFC AUM in two-wheeler segment is expected to increase by around 12%- 15% CAGR by FY27, following several slow-downs in the previous years.

Two-Wheeler Financing Loan Outstanding



Source: Companies Financials
Note: (*) From FY23 onwards data from Shriram Finance is included
P indicates Projected

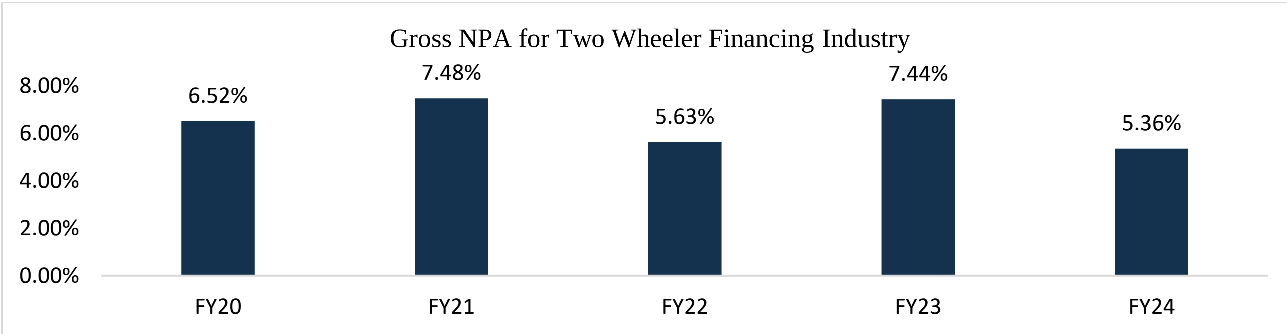
In general, increased competition in the 2W finance industry reflects NBFCs' growing participation. Competitive intensity will increase in the coming years as companies seek to capitalize on opportunities in the high-growth potential 2W industry.

Promisingly, technology is making financial products more accessible to a wider public. The introduction of blockchain, machine learning, and artificial intelligence into financial software has simplified operations, increased consumer accessibility, and reduced operating costs for banks. The trend of integrating various technologies is gaining traction and is expected to continue over the next 4-5 years.

Asset Quality

Asset quality is anticipated to improve slightly as macroeconomic activity remains strong. Stress levels for NBFCs, which peaked during the pandemic, have since reverted to pre-pandemic levels. The asset quality for two-wheelers is likely to remain within a range due to the borrower segments' characteristics.

Asset Quality



Source – Company Reports

Note: Company financials of Top 6 companies are taken – Bajaj Finance Ltd., TVS Credit, Mahindra Finance, Muthoot capital, Shriram Transport Finance, Hero Fin Corp.

In recent years, the Gross NPA for the Two Wheeler Financing industry has varied. After reaching 7.44% in FY23, the Gross NPA dropped to 5.36% in FY24, showing an improvement in managing bad loans. This decrease indicates that the industry has made progress in reducing defaults and improving collections. However, the NPA levels were higher in FY22 and FY21, at 5.63% and 7.48%, respectively. The drop in FY24 is a positive sign, suggesting the industry is recovering from the Covid-19 effect and becoming more stable.

Two- Wheeler Financing Outlook for next 3 years

CareEdge Research expects the two-wheeler domestic demand to improve in the near term. This growth would be supported by new model launches, better crop realizations, good harvesting season, and increasing demand for premium products, particularly in the 125cc+ segments.

India's non-banking financial companies (NBFC) sector continues to play an important role in driving credit growth for the country's underserved groups. NBFCs account for about 65%- 68% of all two-wheeler loans in India.

Two-wheeler manufacturers expect an influx of first-time consumers and an increase in rural demand to drive growth in the near term, supported by pipeline of new product launches. Many businesses are seeing an encouraging uptick in first-time purchasers. Demand would be supported by personal consumption, a recovery in consumer sentiment, and high disposable income.

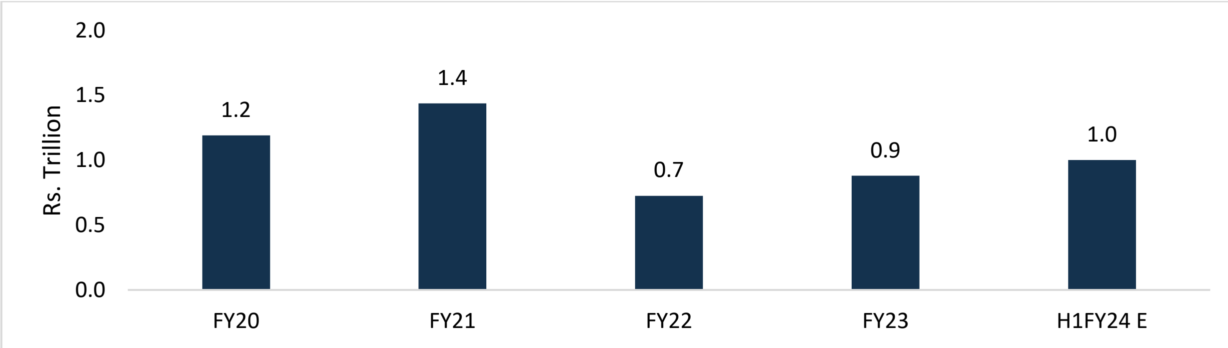
Further, increasing penetration of NBFCs are likely to fuel the growth of lending business in coming years. The assets under management (AUM) for two-wheeler financing of non-banking financial companies (NBFCs) are expected to rise at a CAGR of 12-15% from FY24 to FY27, reaching an approximate AUM between Rs. 460.54 and Rs. 498.55 billion.

Overview on Construction Finance Portfolio of NBFCs

Construction finance is funding provided for various stages of planning, designing, and executing construction projects. These funds are used by borrowers to cover costs of land acquisition, permits obtaining expense, purchasing raw materials, hiring labor, and managing other project-related costs. Construction finance plays a pivotal role in the development of India’s infrastructure and real-estate projects. India is an emerging economy and demand for robust infrastructure is increasing, leading to significant surge in construction activities.

A variety of entities ranging from banks, NBFCs to other financial institutions that provide construction finance by offering financial products tailored to the specific requirements of the construction projects, this includes term-loans, working capital loans and project finance.

Aggregate Construction Finance Portfolio of HFCs and NBFCs



Source: CareEdge Estimates

The construction finance portfolio of HFCs and NBFCs saw significant decline in FY22. This decline was majorly on account of decline in infrastructure activity, migration of labour following the Covid-19 pandemic. However, construction activity started to pick up slowly and this led to increase in need for funding of such projects. As of H1FY24, NBFCs and HFCs are estimated to have contributed Rs. 1 Trillion credit towards construction finance, indicating 13.8% growth as of Sep'23 over Mar'23.

Furthermore, the Government of India has taken initiatives to facilitate the growth of the construction sector by implementing policies that encourage foreign investment, streamline approval processes, and promote sustainable development practices. The emergence of innovative financial instruments, like Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs), has also contributed to diversifying the financing options available for construction projects. The significant need for improved infrastructure is aiding ramp-up of construction activity in India thereby creating continuous opportunities for financial institutions to provide funding for construction projects.

Summary of loan outstanding for NBFCs (Segments)

Product Category	Market Size (FY24) (in Rs. Trillion)	Projected Market Size (FY27) (in Rs. Trillion)	Segment	Market Size (FY24) (in Rs. Trillion)
Systemic Credit	217.47	~ 300	NBFC	40.30
			SCB	148.61
			EC, CP & CD	28.56
MSME	11.37	~20	NBFC	1.06
			SCB	10.30
Auto Financing	3.63	~5	Commercial Vehicle	2.10
			Passenger Vehicle	1.16
			Two-Wheeler	0.37

Source: RBI, Company financials, CareEdge Estimates

Peer Profiling

Company Name	Description	Product & Service	Presence in States

MAS Financial Service Limited	MAS Financial Services Ltd. has come a long way since starting its operations in the year 1995 and receiving its NBFC license from RBI in the year 1998. They have been steadily establishing their identity throughout their journey,	• Micro Enterprise Loans (MEL)
		• Salaried Personal Loans (SPL)
		• Two-Wheeler Loans
		• Small & Medium Enterprises Loans (SME)
		  ○ Machinery Loans
		  ○ Industrial Shed Loans
			• Gujarat
			• Maharashtra
			• Rajasthan
			• Madhya Pradesh
			• Tamil Nadu
			• Karnataka
			• Chhattisgarh
			• New Delhi

	expanding on their horizons in terms of their office locations as well as offerings.	◦ Working Capital Loans ◦ Loan Against Property ◦ Business Loans Surrogate Program • Commercial Vehicles Loans • Used Car Loans • Tractor Loans • Partnership with NBFC-MFI, HFCs and MFIs • Housing Loans	
Five Star Business Finance Limited	Five-Star Business Finance Limited (FSBFL) is a Chennai-headquartered NBFC. Over the last two decades, Five Star have been working as a specialized financial services company in addressing the needs of this segment. They are a registered Non-Banking Finance Company with the Reserve Bank of India (RBI).	• Business Loans • Mortgage Loans	• Tamil Nadu • Andhra Pradesh • Telangana • Karnataka • Madhya Pradesh • Maharashtra • Chhattisgarh • Uttar Pradesh • Rajasthan
Small Business FinCredit Finance Limited (SBFC)	SBFC Finance Limited is registered with the Reserve Bank of India (RBI) as a systematically important non-deposit taking nonbanking financial company. The company commenced its operations in September 2017 after acquiring the secured retail portfolio from Karvy Financial Service Ltd along with its branch infrastructure and staff.	• Secured MSME • Loan Against Gold	• Uttar Pradesh • Haryana • Madhya Pradesh • Maharashtra • Karnataka • Bihar • Uttarakhand • Gujarat • Andhra Pradesh • Telangana • Tamil Nadu • Assam • Delhi • Rajasthan • West Bengal • Punjab
U Gro Capital	UGRO Capital Limited is a Data Tech Lending platform that uses its strong distribution reach and Data-tech methodology to solve the small business credit gap in India.	• Secured Business Loans • Business Loans • Machinery and Equipment Financing • Retailer Financing • Green Financing • Gro X • Pragati (Special loans for Women) • Industry Specific Products	• Chandigarh • Chhattisgarh • Delhi • Gujarat • Uttar Pradesh • Karnataka • Madhya Pradesh • Maharashtra • Punjab • Rajasthan • Tamil Nadu • Telangana

			• West Bengal • Andhra Pradesh • Haryana
Consolidated Securities Limited (CSL)	CSL Finance Limited (formerly known as Consolidated Securities Limited) was incorporated on 28th December 1992. They are a Non-Banking Finance Company registered with the Reserve Bank of India and listed on both the Stock Exchanges.	• Wholesale Loans • Retail Loans • Emergency Credit Line Guarantee Scheme (ECLGS)	• Delhi (NCR) • Gujarat • Haryana • Punjab • Rajasthan • Uttar Pradesh • Uttarakhand
AKME Fintrade (India)	Akme Fintrade (India) Limited is an Udaipur based diversified Non-Banking Finance Company (NBFC) registered with the Reserve Bank of India (RBI). Incorporated in 1996, the Company is engaged in providing specialized retail financing services to the lower income and middle-income groups of the society. Since over two decades, the Company primarily caters to the financially underserved masses spread across urban, semi-urban, and rural areas in the formal and informal sectors.	• Micro Enterprise Loans • SME Loans • Two-Wheeler Loans • Used Car Loans • Commercial Vehicle Loans	• Rajasthan • Maharashtra • Madhya Pradesh • Gujarat
Moneybox Finance Limited	MFL is a non-deposit taking, base layer non-banking financial company (NBFC-BL) registered with the Reserve Bank of India (RBI) and listed on the Bombay Stock Exchange. It is promoted by Moneyboxx Capital Pvt Ltd and provides small-ticket business loans to micro and small enterprises. MFL commenced commercial operations in February 2019.	• Moneyboxx Vyapaar Loans (Secured) • Moneyboxx Vyapaar Loans (Secured) • Saral Mortgage Loans • Sikka – Buy Digital Gold	• Rajasthan • Madhya Pradesh • Haryana • Punjab • Uttar Pradesh • Chhattisgarh • Bihar • Gujarat

Peer Benchmarking

Financial Performance for FY24:-

Comparison of its KPIs with Industry Peers	Unit	Laxmi India Finance Limited	MAS Financial services Limited	Five Star Business Finance Limited	SBFC Finance Limited	U GRO Capital Limited	CSL Finance Limited	AKME Fintrade (India) Limited	Moneyboxx Finance Limited
Number of Branches	Count	135	189	520	183	150	29	12	100
Number of Employees	Count	1144	3692	9327	3758	1678	421	125	1802
AUM	Million	9,613.69	101256.00	96410.00	68219.00	90470.00	10300.00	4037.20	7300.00
AUM Growth	%	39.98%	25.12%	39.42%	38.02%	48.77%	37.52%	13.99%	115.98%
Disbursements	Million	5254.28	NA	48810.00	NA	102170.00	10520.00	970.50	6650.00
Disbursement Growth	%	53.06%	NA	43.94%	NA	41.90%	38.60%	23.88%	95.01%
Average ticket size on Disbursement	Million	0.48	NA	0.34	0.97	1.30	1.20	NA	0.30
AUM per branch	Million	71.21	535.75	185.40	372.78	603.13	355.17	336.43	73.00
AUM per employee	Million	8.40	27.43	10.34	18.15	53.92	24.47	32.30	4.05
Net worth	Million	2012.15	17690.00	51961.50	27782.55	14380.00	4729.00	2232.40	1688.50
CRAR	%	21.81	24.05	50.50	40.52	21.00	51.00	49.86	28.28
Average cost of Borrowing	Million	12.06	10.03	8.81	9.04	11.22	9.38	14.79	12.27
Total Income	Million	1750.18	12245.70	21950.00	10199.20	10816.81	1666.00	735.00	1280.00
Net interest income	Million	813.65	3811.20	16480.89	5676.22	2650.20	1107.61	413.75	648.00
PAT after OCI	Million	226.21	2635.00	8341.48	2350.12	1138.50	632.93	185.28	89.65
Yiel on average gross loan	%	20.87%	15.52%	25.64%	17.91%	15.33%	18.83%	18.92%	29.35%
Spread	%	8.81%	5.49%	14.60%	7.70%	4.10%	9.45%	4.13%	17.07%
Net Interest Margin	%	9.23%	4.54%	16.16%	8.86%	5.01%	12.56%	10.01%	12.96%
Impairment to total average asset	%	0.21%	1.07%	0.54%	0.73%	2.20%	0.58%	1.38%	1.42%
Return on Assets	%	2.57%	3.14%	8.18%	3.67%	2.15%	7.18%	4.48%	1.79%
RONW	%	12.80%	16.09%	17.50%	10.43%	9.40%	15.15%	8.66%	7.31%
GNPA	%	0.73%	2.25%	1.38%	2.40%	2.00%	0.44%	3.63%	1.54%
NPA	%	0.33%	1.51%	0.63%	1.36%	1.10%	0.25%	1.74%	1.04%
Disbursement per branch per month	Million	3.24	NA	7.82	NA	56.76	30.23	6.74	5.54
Disbursement per employee per month	Million	0.38	NA	0.44	NA	5.07	2.08	0.65	0.31
PAT per Employee	Million	0.20	0.71	0.89	0.63	0.68	1.50	1.48	0.05
PAT per Branch	Million	1.68	13.94	16.04	12.84	7.59	0.06	0.05	0.01
Net Assets Value (NAV)	Million	101.30	107.87	177.68	25.87	154.95	208.42	52.31	55.38

Financial Performance for FY23:-

Comparison of its KPIs with Industry Peers	Unit	Laxmi India Finance Limited	MAS Financial services Limited	Five Star Business Finance Limited	SBFC Finance Limited	U GRO Capital Limited	CSL Finance Limited	AKME Fintrade (India) Limited	Moneybox x Finance Limited
Number of Branches	Count	119	149	373	152	98	26	9	61
Number of Employees	Count	906	1154	7347	28219	1261	257	114	735
AUM	Million	6,867.67	80926.00	69150.00	49428.00	60810.00	7490.00	3541.61	3380.00
AUM Growth	%	29.19%	29.55%	36.47%	54.85%	104.75%	44.32%	0.81%	179.34%
Disbursements	Million	3432.91	NA	33910.00	NA	72000.00	7590.00	783.40	3410.00
Disbursement Growth	%	45.09%	NA	93.11%	NA	27.39%	54.58%	300.92%	203.60%
Average ticket size on Disbursement	Million	0.57	NA	0.30	0.99	1.80	1.10	NA	0.30
AUM per branch	Million	57.71	543.13	185.39	325.18	620.51	288.08	393.51	55.41
AUM per employee	Million	7.58	70.13	9.41	1.75	48.22	29.14	31.07	4.60
Net worth	Million	1523.27	15057.00	43395.30	17272.68	9840.00	3624.00	2047.10	764.00
CRAR	%	23.09	25.25	67.17	31.90	20.00	50.00	51.19	30.96
Average cost of Borrowing	Million	12.24	9.85	7.74	8.24	11.64	8.81	13.74	12.67
Total Income	Million	1306.68	9398.50	15290.00	7403.61	6837.63	1175.00	697.50	504.40
Net interest income	Million	619.65	3225.10	12325.33	3777.00	1896.39	813.53	351.02	271.91
PAT after OCI	Million	160.28	1815.10	6012.86	1498.77	399.27	456.28	148.39	-66.93
Yiel on average gross loan	%	21.34%	15.24%	25.14%	17.69%	15.44%	17.63%	18.33%	27.02%
Spread	%	9.10%	5.39%	14.10%	7.50%	3.79%	8.81%	4.60%	14.35%
Net Interest Margin	%	9.27%	4.69%	16.38%	7.36%	5.30%	12.41%	9.18%	11.53%
Impairment to total average asset	%	0.24%	0.77%	0.27%	0.62%	1.59%	0.59%	0.94%	1.44%
Return on Assets	%	2.40%	2.64%	7.99%	2.92%	1.12%	6.96%	3.88%	-2.84%
RONW	%	11.51%	12.75%	14.94%	9.94%	4.10%	13.34%	8.66%	-12.07%
GNPA	%	0.58%	2.15%	1.36%	2.60%	1.60%	0.61%	4.70%	0.59%
NPA	%	0.32%	1.52%	0.69%	1.58%	0.90%	0.35%	3.54%	0.30%
Disbursement per branch per month	Million	2.40	NA	7.58	NA	61.22	24.33	7.25	4.66
Disbursement per employee per month	Million	0.32	NA	0.38	NA	4.76	2.46	0.57	0.39
PAT per Employee	Million	0.18	1.57	0.82	0.05	0.32	1.78	1.30	-0.09
PAT per Branch	Million	1.35	12.18	16.12	9.86	4.07	0.06	0.04	-0.02
Net Assets Value (NAV)	Million	76.69	275.46	148.94	19.26	139.46	174.85	64.63	32.64

Financial Performance for FY22 :-

Comparison of its KPIs with Industry Peers	Unit	Laxmi India Finance Limited	MAS Financial services Limited	Five Star Business Finance Limited	SBFC Finance Limited	U GRO Capital Limited	CSL Finance Limited	AKME Fintrade (India) Limited	Moneybox x Finance Limited
Number of Branches	Count	93	125	300	135	90	22	9	30
Number of Employees	Count	605	946	5675	2048	1111	200	160	313
AUM	Million	5,316.02	62468.00	50670.00	31920.00	29700.00	5190.00	3513.20	1210.00
AUM Growth	%	15.04%	16.28%	13.99%	41.24%	125.51%	NA	-16.55%	92.06%
Disbursements	Million	2366.00	NA	17560.00	NA	56520.00	4910.00	195.40	1123.20
Disbursement Growth	%	48.06%	NA	41.04%	NA	124.82%	14.19%	-63.67%	104.22%
Average ticket size on Disbursement	Million	0.51	NA	0.27	0.95	1.60	1.30	NA	0.30
AUM per branch	Million	57.16	499.74	168.90	236.44	330.00	235.91	390.36	40.33
AUM per employee	Million	8.79	66.03	8.93	15.59	26.73	25.95	21.96	3.87
Net worth	Million	1261.87	13406.00	37103.50	12871.67	9660.00	3217.00	1378.48	345.14
CRAR	%	23.41	26.35	75.20	26.20	34.00	64.00	35.06	30.59
Average cost of Borrowing	Million	12.46	9.00	9.97	7.45	7.49	7.29	12.75	10.53
Total Income	Million	982.45	6570.80	12560.00	5307.02	3134.16	746.00	675.00	233.10
Net interest income	Million	452.49	4870.30	9031.66	2525.30	1347.64	569.50	299.43	117.36
PAT after OCI	Million	145.719	1499.80	4513.10	647.99	147.96	335.00	43.28	-36.56
Yiel on average gross loan	%	18.06%	19.30%	25.45%	18.59%	14.58%	16.32%	17.17%	24.62%
Spread	%	5.60%	10.30%	13.50%	7.20%	7.09%	9.03%	4.42%	14.08%
Net Interest Margin	%	8.46%	8.67%	14.88%	5.59%	5.85%	12.95%	7.22%	10.99%
Impairment to total average asset	%	0.11%	0.61%	0.75%	0.80%	1.28%	0.84%	2.56%	1.25%
Return on Assets	%	2.72%	2.67%	7.44%	1.44%	0.64%	7.62%	1.04%	-3.42%
RONW	%	12.94%	11.19%	14.97%	5.20%	1.54%	11.55%	3.22%	-12.46%
GNPA	%	2.84%	2.28%	1.05%	2.90%	1.90%	1.73%	4.90%	0.62%
NPA	%	1.91%	1.70%	0.68%	1.41%	1.40%	0.96%	4.05%	0.31%
Disbursement per branch per month	Million	2.12	NA	4.88	NA	52.33	18.60	1.81	3.12
Disbursement per employee per month	Million	0.33	NA	0.26	NA	4.24	2.05	0.10	0.30
PAT per Employee	Million	0.24	1.59	0.80	0.32	0.13	1.67	0.27	-0.12
PAT per Branch	Million	1.57	12.00	15.04	4.80	1.64	0.06	0.01	-0.03
Net Assets Value (NAV)	Million	79.41	239.37	127.35	15.42	136.99	155.07	63.19	15.98

NA: Data not Available

Definitions for KPIs

1. Number of branches represents aggregate number of branches as of the last day of relevant period/ year.
2. Number of employees represents aggregate number of employees as of the last day of relevant period/ year.
3. AUM is the aggregate of (i) Loan Assets (Loans), which is aggregate amount of loan receivable from customer and includes future principal outstanding and overdue principal outstanding and (ii) Assigned Assets & business correspondence assets (Off Book), which represents aggregate amount of future principal outstanding and overdue principal outstanding for off book loan assets as at the last day of the relevant fiscal year/cut off date.
4. AUM growth represents the growth percentage in AUM as of the last day of the relevant period/ year over AUM as of the last day of the previous period/ year.
5. Disbursements is the aggregate of all loan amounts extended to customers in the relevant period/ year
6. Disbursement growth represents the percentage growth in disbursement for the relevant period/ year over disbursement for the previous peri od/ year.
7. AUM per branch represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.
8. AUM per employee represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our employees as of the last day of relevant period/ year.
9. "Net worth, which is a Non-GAAP measure, means the aggregate value of the Equity Share capital and Other equity, after deducting the prepaid expenses as at the end of relevant period/ year.
10. CRAR is computed by dividing our Tier I and Tier II capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.
11. Average cost of borrowing is Adjusted finance cost divided by average Total borrowings. Average Total Borrowings is the simple average of our total Borrowings outstanding as at the end of the previous year and the last day of the relevant year.
12. Total Income represents the Total Income for the relevant period/ year.
13. Net interest income represents the difference between interest income and finance costs for the period/ year. Interest income represents the sum of interest income on financial assets measured at amortized cost, interest on deposits with Bank and income on investment, for the relevant period/ year.
14. Profit for period/ year represents the profit after OCI for relevant period/ year.
15. Yield on average gross loans is Interest income on financial assets measured at amortised cost divided by average gross loans.
16. Spread is the difference between yield on average gross loans and average cost of borrowing.
17. Net Interest Margin represents the difference between interest income and finance costs for the period/ year to the average total assets for the period/ year.
18. Impairment on financial instruments to average total assets represents impairment on loans, bad debts written off (net of recoveries) for the relevant period/ year to the average total assets for the relevant period/ year.
19. Return on Average Total assets (RoTA) represent profit for the period/ year divided by average of total assets as at the end of the relevant period/ year and our total assets as at the end of the previous year.
20. Return on Average Net Worth (RoNW) is calculated as the profit for the period/ year as a percentage of Average Total Net Worth for such period/ year.
21. Gross non-performing assets ratio is Gross non-performing assets divided by Gross Loans outstanding as of the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as of the end of the relevant period/year.
22. Net NPAs to net advances (Net NPA Ratio) represents our Net Non-performing assets to our Gross Loans reduced by impairment loss allowance on Gross Non-performing assets as of the end of the relevant period/ year. Net NPA represents Gross non-performing assets reduced by provisions for NPAs (excluding provisions on standard assets) as at the end of relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year.
23. Disbursement per branch per month represents Disbursement as of the last day of the relevant period/ year divided by the aggregate number of our branches divided by number of months as of the relevant period/ year
24. Disbursement per employee per month represents Disbursement as of the last day of the relevant period/ year divided by the aggregate number of our employee divided by number of months as of the relevant period/ year
25. PAT per employee represents PAT as of the last day of the relevant period/ year divided by the aggregate number of our employee as of the last day of relevant period/ year.

26. PAT per branch represents PAT as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.
27. Net asset value per share (NAV) is computed as the Net Worth as of the last day of the relevant period divided by the outstanding number of equity shares as of the last day of the relevant period.

About the company

Laxmi India Finance Limited (LIFL), earlier know as Laxmi India Finance Private Limited, headquartered in Jaipur, Rajasthan, is a non-deposit taking non-banking financial company (NBFC) providing financial solutions, particularly to underserved customers. Established in 1996, the Company now has presence in Rajasthan, Gujarat, Madhya Pradesh and Chhattisgarh. With a total of 139 branches as on September 30, 2024, the Company plans to further expand its branch network, enhancing its reach and service delivery. They have a diverse range of product portfolio which includes MSME loans, Vehicle loans, Construction loans and other loans (personal and business).

As of June 30, 2024, the Company's assets under management (AUM) reached ₹10,355.35 million, with the MSME and vehicle loan sectors contributing 75.49% and 17.46%, respectively, highlighting the dominance of MSME financing within their portfolio. Moreover, the Company has shown substantial customer growth, with a total of 26,065 customers as of June 30, 2024. This includes 15,732 active MSME customers and 6,146 active vehicle loan customers, reflecting a 78.92% increase from 14,568 customers in March 2022.

Over the years, the Company has consistently expanded their branch network by strengthening their presence in existing markets, exploring new regions, and enhancing their penetration in high-potential areas. Their branch network has grown progressively from 93 branches as of March 31, 2022, to 119 branches by March 31, 2023, and further increased to 135 branches by June 30, 2024.

- Laxmi Finance stands out among its peers with the lowest operating expense per branch, showcasing its exceptional cost efficiency. Laxmi Finance’s operating expense per branch is also the best at Rs. 4.4 Million amongst its peers, reflecting its operational efficiency and effective cost control.

- Laxmi Finance performs best in key areas such as asset quality, credit cost, and operational efficiency compared to its peers in FY 2024. With a GNPA of 0.73%, NNPA of 0.33% and credit cost of 0.21%, it leads the peer group, demonstrating strong risk management and a healthy loan book.

- Laxmi Finance has the widest reach in Rajasthan in terms of having highest number of branches amongst its peers for the period ending FY24.

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 24 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 35, 316 and 429, 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.

The industry-related information contained in this section is derived from the industry report titled "Research report on NBFC Industry" dated December 2024 which is exclusively prepared for the purposes of the Offer and issued by CARE Analytics and Advisory Private Limited (CareEdge Research) (the "CARE Report"). We commissioned and paid for the CARE Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, like the CARE Report. CARE is an independent agency and is not a related party of our Company, Directors, Key Managerial Personnel, Senior Management, Selling Shareholders or the Book Running Lead Manager.

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, 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, hence a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating our operating performance.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Statements included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Statements" beginning on page 316. Our Financial Year ends on March 31 of each year, so all references to a particular FY, Fiscal, Financial or Financial Year are to the 12 months ended March 31 of that year. Unless the context otherwise requires, in this section, references to "we", "us", "our", "Laxmi Finance," "our Company" or "the Company", refers to Laxmi India Finance Limited.

Overview

We are a non-deposit taking non-banking financial company focused on serving the financial needs of underserved customers in India's lending market. As on September 30, 2024, our operational network spans across 139 branches in rural, semi-urban and urban areas in the states of Rajasthan, Gujarat, Madhya Pradesh and Chhattisgarh. Laxmi Finance has the widest reach in Rajasthan in terms of being the company with highest number of branches amongst its peers for the period ending FY24 *(Source: CARE Report)*. Our product portfolio includes MSME loans, vehicle loans, construction loans and other lending products catering to the diverse financial needs of our customers. Our MSME lending fuels economic growth and promotes financial inclusion by supporting small businesses and entrepreneurs, with over 80% of our MSME loans qualifying as Priority Sector Lending under RBI guidelines.

Building on a legacy that began in early 1990s with Deepak Finance & Leasing Company (a proprietorship concern founded by our Promoter's father) (DFL), our Promoter acquired the shares and control of our Company in 2010. Subsequently, in 2011, our Company consolidated the business by acquiring and integrating the business and operations of DFL, leveraging the expertise and strengths of both entities. As of June 30, 2024, our assets under management (AUM) stood at ₹10,355.35 million with our MSME and vehicle loan verticals contributing 75.49% and 17.46%, respectively.

As on June 30, 2024, our customer base comprises 26,065 customers, including 15,732 active MSME customers and 6,146 active vehicle loan customers, demonstrating a growth of 78.92% from 14,568 customers as on March 31, 2022.

We have been systematically expanding our branch network over the years by focusing on deepening our reach in the existing markets, entering new geographies, and increasing penetration in potential regions. Our branch network has grown steadily from 93 branches as of March 31, 2022 to 119 as of March 31, 2023 and further to 135 as of June 30, 2024. Our AUM increased from ₹5,316.02 million as of March 31, 2022 to ₹10,355.35 million as of June 30, 2024, representing a CAGR of 34.49%. Our MSME AUM grew at a CAGR of 30.73% between March 31, 2022 and June 30, 2024 and our vehicle financing AUM grew at a CAGR of 78.55%. The following table provides a break-up of our AUM and customer base by business vertical:

(₹ in million)

Particulars	June 2024			Fiscal 2024			Fiscal 2023			Fiscal 2022		
	No. of Customers	AUM (in ₹)	% of AUM	No. of Customers	AUM (in ₹)	% of AUM	No. of Customers	AUM (in ₹)	% of AUM	No. of Customers	AUM (in ₹)	% of AUM
MSME Loans	15732	7817.33	75.49	14456	7108.45	73.94	10513	5230.25	76.16	8818	4277.91	80.47
Vehicle Loans	6146	1807.56	17.46	5706	1764.43	18.35	3906	949.77	13.83	3914	490.47	9.23
Construction Loans	1911	524.85	5.07	1754	534.68	5.56	1500	517.35	7.53	1181	442.13	8.32
Others:												
(a) Business Loans	437	85.84	0.83	449	97.04	1.01	442	117.11	1.71	315	53.76	1.01
(b) Personal Loans	1839	119.77	1.16	1541	109.09	1.13	490	53.19	0.77	340	51.75	0.97
Total	**26065**	**10355.35**	**100**	**23906**	**9613.69**	**100**	**16851**	**6867.67**	**100**	**14568**	**5316.02**	**100**

Our extensive distribution network which comprises of our on-ground sales teams (supported by a tele-marketing team), direct sales associates and digital channels, enables us to provide last-mile coverage and financial support to underserved customers, bridging the financial inclusion gap in these regions.

We offer a diversified range of lending products to meet the distinct needs of our customers. Our business verticals comprise:

(a) **MSME Finance**. We offer secured loans to MSME customers in the form of loans against property, to support their business operations, expansion and working capital needs.
(b) **Vehicle Finance**. We provide secured loans to our customers for purchasing used commercial vehicles, used personal vehicles, used tractors, two-wheelers, electric two-wheelers and electric three-wheelers.
(c) **Construction Loans**. We offer secured loans to retail customers for purchasing residential property or constructing, renovating or extending their homes.
(d) **Others**. We provide small-ticket unsecured business and personal loans to MSME and retail customers for their working capital requirements and personal use, respectively.

We have leveraged technology across our operations and throughout the customer life cycle, including loan origination, underwriting, collections, post- disbursement monitoring and customer service.

The share of retail credit in total systemic credit has been steadily increasing from 21.6% in FY19 to an expected 30.7% in FY24E. This growth reflects the rising demand for consumer loans, including home loans, personal loans, and auto loans, driven by factors such as increased income levels, higher consumer spending, and greater access to financing. *(Source: CARE Report)*. This favorable market environment, combined with our technology-driven approach, positions us well to capitalize on the growing demand for retail and MSME credit.

We have witnessed consistent improvement in our balance sheet position in the last three Fiscals, and our net worth as of March 31, 2022, March 31, 2023, March 31, 2024 and June 30, 2024 was ₹1,261.87 million, ₹1,523.27 million, ₹2,012.15 million and ₹2,079.18 million, respectively. In Fiscal 2022, 2023 and 2024 and for the period ended June 30, 2024, our revenue from operations were ₹975.94 million, ₹1295.29 million, ₹1731.37 million and ₹508.36 million, respectively.

We have diversified sources of funding and have access to funds from 43 lenders, including 7 public sector banks, 10 private banks, 5 small finance banks, 21 non-banking financial companies and financial institutions as of June 30, 2024. We raise debt through several instruments such as term loans from public sector banks and private banks, non-convertible debentures (NCDs), working capital demand loans and overdrafts against fixed deposits.

As a tech-driven NBFC, we have integrated technology throughout our operations to boost efficiency and customer experience. Our digital ecosystem covers onboarding, underwriting, loan fulfilment, collections, and servicing. This integration allows us to efficiently manage our distribution and collections network, delivering a customized customer experience through a digitally enabled journey. We have digitized the loan origin and disbursal process using our loan origination software (LOS) and loan management system (LMS), resulting in faster disbursal times and enhanced fraud protection. Additionally, our customer relationship management (CRM) software enhances customer engagement and retention. To enhance customer onboarding, our sales team utilizes a mobile application, enabling instant information capture at customer locations, real-time query resolution, guided loan application process and reduced paperwork. This mobility accelerates onboarding, allowing for quicker approvals and a seamless experience for clients. Our IT infrastructure facilitates swift disbursal ensuring timely access to capital to our customers.

We cater to a diverse customer base across various demographics, income levels, occupations, geographic regions, and credit histories. Our customer base includes 38.19% of first-time borrowers, demonstrating our focus on financial inclusion and providing opportunities for underserved population. Our customer acquisition model supports this broad reach through a multi-channel distribution network consisting of a strategic mix of our on-ground sales team for direct sourcing, our network of direct sales associates and referrals generated through our in-house developed Laxmi Mitra app. Leveraging our significant operational experience, we have set up stringent credit quality checks and customised operating procedures that exist at each stage for risk management.

We have comprehensive systems to optimize our lending operations, covering underwriting and collection processes. Our credit underwriting process leverages information technology for document verification such as Know Your Customer (KYC) checks. We also utilize CIBIL scores to ensure a thorough evaluation of creditworthiness. By leveraging automation, we reduce processing time and costs associated with traditional underwriting methods. This enhancement enables faster loan approvals and improved customer satisfaction, while increasing operational efficiency. Our system-driven approach allows for more accurate risk assessments, enabling informed lending decisions.

We have a centralised, technology-enabled collections infrastructure that spans all our business verticals. As on September 30, 2024, a dedicated collections team of 255 personnel tracks repayment schedules, payments, and loan defaults, ensures timely collections, and reviews customer accounts. All loan repayment statuses and overdue payments are tracked and recorded directly on our collections app on a real time basis. Our collection efficiency for the period Fiscals 2022, 2023, 2024 and for the three months period ended June 30, 2024 stood at 103.87%, 98.92%, 96.69% and 96.06%, during Fiscals, respectively, representing the ratio of collected amounts to total current dues for the relevant period.

Our credit rating has improved to 'A- with a stable outlook' by Acuite Ratings as of the date of this Draft Red Herring Prospectus from 'BBB+' by Acuite Ratings during Fiscal 2022. Our average cost of borrowing has reduced from 12.46% as of March 31, 2022 to 11.49% for the period ended June 30, 2024 which is driven by credit rating upgrades and expanded PSU partnerships.

Our management team is led by our Promoter, Deepak Baid who has over 20 years' experience in the financial services sector. We have an experienced and dedicated management team, and we rely on their experience and commitment to help us drive the growth of our business and maintain the continuity of our organisational culture. Our management team is supported by qualified and independent directors, which provides us with robust corporate governance oversight. Our KMPs and SMPs have extensive experience in the banking or related industry such as finance, commercial operations, strategy, audit, business development, human resources, compliance and public relations.

Key Performance Indicators

The table below sets forth the details of the key performance indicators ("KPIs") that our Company considers have a bearing for arriving at the basis for Offer Price. These KPIs have been used historically by our Company to understand and analyse business performance, which in result, help us in analysing the growth of various vertical segments. The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational key financial and operational metrics, to make an assessment of our Company's performance in various business verticals and make an informed decision.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 15, 2024 and the Audit Committee has confirmed that the KPIs pertaining to our Company that have been disclosed to investors at any point of time during the three years period prior to the date of this Draft Red Herring Prospectus have been disclosed in this section and have been subject to verification and certification by M/s. UCC & Associates LLP, Chartered Accountants, bearing firm registration number [●], pursuant to certificate dated December 15, 2024, which has been included as part of the "*Material Contracts and Documents for Inspection*" on page 554.

The table below sets forth certain key operational and financial metrics for the periods indicated:

(₹ in million, except percentages and per share data)

Particulars	June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Number of Branches (1)	135	135	119	93
Number of Employees (2)	1213	1144	906	605
AUM (3)	10355.35	9613.69	6867.67	5316.02
AUM Growth (4)	30.86%*	39.98%	29.19%	15.04%
Disbursements (5)	1535.10	5254.28	3432.91	2366
Disbursement Growth (%) (6)	16.86%*	53.04%	45.10%	48.06%
Average ticket size on Disbursement (7)	0.55	0.48	0.57	0.51
Average LTV (%) ON AUM Secured (8)	48.62%	48.85%	47.49%	46.52%
Product Wise AUM (9)	10355.35	9613.69	6867.67	5316.02
MSME Loans	7817.33	7108.45	5230.25	4277.91
Construction loan	524.85	534.68	517.35	442.13
Vehicle Loans	1807.56	1764.43	949.77	490.47
Other Loans	205.60	206.13	170.30	105.51
Product Wise Disbursement (10)	-	-	-	-
MSME Loans	1,174.83	3,496.52	2,387.55	1,828.55
Construction loan	69.13	167.60	188.72	158.58
Vehicle Loans	262.79	1,463.36	728.75	330.40
Other Loans	28.35	126.80	127.88	48.48
AUM per branch (11)	76.71	71.21	57.71	57.16
AUM per employee (12)	8.54	8.40	7.58	8.79
Net Worth (13)	2,079.18	2,012.15	1,523.27	1,261.87
CRAR (%) (14)	20.82%	21.81%	23.09%	23.41%
Average Cost of borrowings (15)	11.49%*	12.06%	12.24%	12.46%
Total Income (in ₹ million) (16)	512.55	1750.18	1306.68	982.45
Net Interest Income (17)	238.81	813.65	619.65	452.49
Profit for the period/year (PAT) (18)	66.16	226.21	160.28	145.72
Yield on average Gross Loans (%) (19)	21.74%	20.87%	21.34%	18.06%
Spread (%) (20)	10.25%	8.81%	9.10%	5.60%
Interest Margin (%) (21)	9.03%	9.23%	9.27%	8.46%

Impairment on financial instruments / Average Total Assets (22)	0.55%	0.21%	0.24%	0.11%
Return on average Total Assets (RoTA)* (%) (23)	2.50%	2.57%	2.40%	2.72%
Return on Average Net worth (RoNW) (%)* (24)	12.94%	12.80%	11.51%	12.94%
Gross Non-Performing Assets Ratio(%) (25)	1.06%	0.73%	0.58%	2.84%
Net NPAs to net advances (Net NPA Ratio) (%) (26)	0.63%	0.33%	0.32%	1.91%
Provision Coverage Ratio on Gross Non-Performing Assets (%) (27)	40.60%	54.41%	45.60%	33.33%
Disbursement per branch per month (28)	3.79*	3.24	2.40	2.12
Disbursement per employee per month (29)	0.42*	0.38	0.32	0.33
PAT per Employee (30)	0.22*	0.20	0.18	0.24
PAT per Branch (31)	1.96*	1.68	1.35	1.57

(*) Annualized

Notes:

(1) *Number of branches represents aggregate number of branches as of the last day of relevant period/ year.*

(2) *Number of employees represents aggregate number of employees as of the last day of relevant period/ year.*

(3) *AUM is the aggregate of (i) Loan Assets (Loans), which is aggregate amount of loan receivable from customer and includes future principal outstanding and overdue principal outstanding and (ii) Assigned Assets & business correspondence assets (Off Book), which represents aggregate amount of future principal outstanding and overdue principal outstanding for off book loan assets as at the last day of the relevant fiscal year/cut off date.*

(4) *AUM growth represents the growth percentage in AUM as of the last day of the relevant period/ year over AUM as of the last day of the previous period/ year.*

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

(6) *Disbursement growth represents the percentage growth in disbursement for the relevant period/ year over disbursement for the previous peri od/ year.*

(7) *Average ticket size on disbursement represents the aggregate of all loan amounts extended to our customers in the relevant period/ year divided by number of loan accounts extended in the relevant period/ year.*

(8) *Average LTV is Property/ asset value mortgaged for AUM outstanding as of the last day of relevant period/ year.*

(9) *Product wise AUM represents AUM split between loan products (Vehicle, MSME, Construction and Others) of the company outstanding as of last day of the relevant period/ year.*

(10) *Product wise Disbursement represents Disbursement split between loan products (Vehicle, MSME, Construction and Others) of the company in the relevant period/ year.*

(11) *AUM per branch represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.*

(12) *AUM per employee represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our employees as of the last day of relevant period/ year.*

(13) *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, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation,.*

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

(15) *Average cost of borrowing is Adjusted finance cost divided by average Total borrowings. Average Total Borrowings is the simple average of our total Borrowings outstanding as at the end of the previous year and the last day of the relevant year. Total borrowing represents the aggregate of debt securities, borrowing (other than debts securities) and subordinated liabilities. Adjusted finance cost represents the finance costs reduced by interest on lease liability for the relevant period/ year.*

(16) *Total Income represents the Total Income for the relevant period/ year.*

(17) *Net interest income represents the difference between interest income and finance costs for the period/ year. Interest income represents the sum of interest income on financial assets measured at amortized cost, interest on deposits with Bank and income on investment, for the relevant period/ year.*

(18) *Profit for period/ year represents the profit after OCI for relevant period/ year.*

(19) *Yield on average gross loans is Interest income on financial assets measured at amortised cost divided by average gross loans.*

[20] *Spread is the difference between yield on average gross loans and average cost of borrowing.*
[21] *Net Interest Margin represents the difference between interest income and finance costs for the period/ year to the average total assets for the period/ year.*
[22] *Impairment on financial instruments to average total assets represents impairment on loans, bad debts written off (net of recoveries) for the relevant period/ year to the average total assets for the relevant period/ year.*
[23] *Return on Average Total assets (RoTA) represent profit for the period/ year divided by average of total assets as at the end of the relevant period/ year and our total assets as at the end of the previous year.*
[24] *Return on Average Net Worth (RoNW) is calculated as the profit for the period/ year as a percentage of Average Total Net Worth for such period/ year.*
[25] *Gross non-performing assets ratio is Gross non-performing assets divided by Gross Loans outstanding as of the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as of the end of the relevant period/year.*
[26] *Net NPAs to net advances (Net NPA Ratio) represents our Net Non-performing assets to our Gross Loans reduced by impairment loss allowance on Gross Non-performing assets as of the end of the relevant period/ year. Net NPA represents Gross non-performing assets reduced by provisions for NPAs (excluding provisions on standard assets) as at the end of relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year*
[27] *Provision Coverage Ratio on Gross non-performing assets (%) is calculated as provisions for NPAs (excluding provisions on standard assets) divided by Gross Non-Performing Assets as at the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year.*
[28] *Disbursement per branch per month represents Disbursement as of the last day of the relevant period/ year divided by the aggregate number of our branches divided by number of months as of the relevant period/ year*
[29] *Disbursement per employee per month represents Disbursement as of the last day of the relevant period/ year divided by the aggregate number of our employee divided by number of months as of the relevant period/ year*
[30] *PAT per employee represents PAT as of the last day of the relevant period/ year divided by the aggregate number of our employee as of the last day of relevant period/ year.*
[31] *PAT per branch represents PAT as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.*

Our Strengths

1. Focus on MSME financing

Over the last three Fiscals 2024, 2023 and 2022 and the period ended June 30, 2024, the revenues generated from MSME financing constituted 75.37%, 83.64%, 84.98% and 86.64%,, respectively. Our MSME financing vertical represented 75.49%, 73.94%, 76.16% and 80.47%, of our overall AUM for the three months ended June 30, 2024, Fiscals 2024, 2023 and 2022, respectively. We cater to diverse business requirements and provide support to entrepreneurs. The MSME loans sanctioned by us typically vary in the range of ₹0.05 million to ₹2.5 million and are secured by mortgage of residential or commercial property. The relatively smaller ticket size of financing which is secured by tangible assets facilitates mitigation default risk. As on June 30, 2024, we had 15,732 MSME customers, and our secured MSME loans have an average LTV ratio of 43.60%.

As per the CARE Report, the MSME sector is underpenetrated by NBFCs and there is a huge unmet credit demand in the sector, primarily due to lack of documentation and credit history required to access to financing from formal banking channels. There is also a significant gap between the original credit requirement and the actual credit exposure of formal channels to MSMEs, which provides a huge opportunity in MSME lending.

MSME customers are becoming an increasingly attractive customer base with the shift towards the formalisation and digitisation of MSMEs, which generates additional data points for lenders and improves the efficacy of credit assessments.

As per the Udyam portal, more than 3.9 crore MSMEs are registered under Udyam portal, of which around 98% enterprises are micro category and around 1.5% of the enterprises fall under small category and the remaining are medium enterprises *(Source: CARE Report)*. As of June 30, 2024, our total credit exposure stood at ₹10,355.35 million, with MSME loans comprising 75.49%. As on June 30, 2024, 19,907 of the Company’s customers are micro enterprises with an AUM of ₹8650.04 million.

The growth trajectory of NBFCs focused on MSME lending, especially those targeting small-ticket sizes, has been remarkable, with a reported CAGR of 31.2% for FY21 to FY23, even amid the challenging years of the COVID-19 pandemic. This growth can be attributed to various factors, including their focus on an underserved market segment, government support, regulatory reforms, and advancements in the ecosystem such as Udyam registration. Additionally, their adeptness in utilising technology-driven data collection and underwriting processes has enhanced their ability to reach out to underserved MSMEs. CareEdge Research expects NBFC MSME AUM to grow at a CAGR of approx. 22% to 24% and cross Rs. 6 trillion by end of FY27 *(Source: CARE Report)*.

Combined with rapid processing of loan applications and deep domain expertise in financial services, we are well-positioned to capitalize on the vast opportunities in India's growing MSME market. As the MSME sector continues to grow, we remain committed to addressing the evolving needs of our customers. Our strategic focus on MSME financing, coupled with investments in digital technologies and process enhancements, further solidify our market position.

2. *Access to diversified sources of capital and effective cost of funds*

Our well-diversified funding profile underpins our liquidity management system, credit rating and brand equity.. We have historically secured, and seek to continue to secure, cost effective funding through a variety of sources, including public sector banks, private sector banks, small finance banks, other non-banking financial institutions, together with NCDs and direct assignment of loans. The following table sets forth the different types of lenders as of the dates indicated:

Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Public sector banks	7	7	7	3
Private banks	10	10	7	5
Small finance banks	5	5	5	4
NBFCs and Financial institutions	21	21	22	28

We have established strong relationships with our lenders which has enabled us to maintain an average tenure of 4+ years with our top 5 lenders, secure repeat funding from 80% of lenders, and increase credit limits by 7.20% YoY with our top 5 lenders. The following table sets forth the break-up of our liability profile with our top 5 lenders and top 10 lenders, as of the dates indicated:

Particulars	June 30, 2024		March 31, 2024		March 31,2023		March 31,2022	
	(₹ in million)	Percentage of total borrowings	(₹ in million)	Percentage of total borrowings	(₹ in million)	Percentage of total borrowings	(₹ in million)	Percentage of total borrowings
Top 5 Lenders	3,605.80	39.80%	3,099.87	40.43%	2,229.18	36.22%	1,465.59	35.63%
Top 10 Lenders	5,666.27	62.54%	4,774.20	62.27%	3,218.68	52.30%	2,320.09	56.40%

Further, our Promoters hold 87.78% of the issued, subscribed and paid-up pre-Offer Equity Share capital (on a fully diluted basis) of our Company as of the date of this Draft Red Herring Prospectus and have been regularly providing capital infusion, consistently demonstrating their commitment to our growth.

Our improved credit rating and liquidity position empower us to negotiate favorable terms with lenders. We have successfully secured competitive interest rates that have led to a consistent decline in borrowing costs. Our average costs have trended downward being 12.46%, 12.24%, 12.06% and 11.49% in Fiscals 2022, 2023 and 2024, and in the period ended June 2024 respectively. We managed to reduce the average cost of borrowing by 0.22% during Fiscal 2023 despite an increase in repo rate by the RBI, demonstrating our ability to secure cost-effective funding. The reduction in our average cost of borrowing reflects enhanced creditworthiness and growth prospects for our Company. A lower cost of funding enables us to competitively price our loan products and helps us drive business growth. To optimize costs, we have diversified our funding sources by utilizing term loans, working capital facilities, proceeds from securitized loans, NCDs to ensure that our debt capital requirements are met at optimal costs. Additionally, we leverage our loan portfolio to enter into direct assignment transactions with financial institutions and asset reconstruction companies. Such transactions also allow us to efficiently utilize our capital as assigned portfolios do not require any risk weightage on our balance sheet.

The table below sets forth our different funding sources with respect to our outstanding principal and their respective contribution as a percentage of our total borrowings as at the dates indicated below:

Particulars	June 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	(₹ in million)	Percentage of total borrowings	(₹ in million)	Percentage of total borrowings	(₹ in million)	Percentage of total borrowings	(₹ in million)	Percentage of total borrowings
Secured term loans	8540.06	94.26	7361.06	96.01	5894.47	95.77	3733.16	90.75
Secured loans repayable on demand:								
(a) Cash credit	-	-	25.48	0.33	-	-	29.96	0.73
(b) Overdraft facilities	-	-	50.03	0.66	19.80	0.32	-	-
Secured non-convertible debentures	347.04	3.83	50.02	0.65	231.74	3.77	287.89	7.00
Co-Lending arrangements	5.15	0.06	5.42	0.07	8.86	0.14	8.18	0.20
Subordinated liabilities	79.36	0.88	79.36	1.04	-	-	-	-
Unsecured loans	88.36	0.97	95.40	1.24	0.00	0.00	54.36	1.32
Total Borrowings	**9059.98**	**100.00**	**7666.77**	**100.00**	**6154.87**	**100.00**	**4113.55**	**100.00**

We maintain a conservative Asset Liability Management (ALM) policy recognizing our operating metrics. To optimize ALM and ensure additional liquidity, we regularly engage in direct assignments. Our capital adequacy ratio of 20.82% of risk-weighted assets as June 30, 2024 which is well above the requirement of 15.00% of the aggregate risk-weighted assets prescribed by the RBI. These factors provide us with a competitive advantage when borrowing funds for our operations. In addition, our ability to continue to secure cost effective funding from banks during, among others, the NBFC crisis in 2018 and the COVID-19 pandemic, is a reflection of our resilient business model. Our ability to secure cost effective funding will allow us to improve our margins without increasing the cost of securing a loan for our customers.

3. Comprehensive credit assessment, underwriting and risk management framework

We have a credit assessment and risk management framework to identify, monitor and manage risks inherent in our operations. Credit management is crucial to our business given our focus on underserved financial segment. As a lender, our lending decisions are contingent on our evaluation of the ability of the individual and the business to service the loan, and the basis for such assessment is a combination of credit history and present cash flows.

Our Company's risk management committee has developed comprehensive risk management policies, addressing credit risk, market risk, liquidity risks and operational risks. We have implemented stringent credit quality checks and customized operating procedures that exist at each stage for comprehensive risk management. We focus on the profile of the borrower, and as of June 30, 2024, 53.16% of our secured customers have a CIBIL score above 650 at the time of origination, while 38.19% of our customers are new to the formal secured lending ecosystem. We serve customers in rural, semi-urban and urban markets, often lacking formal proof of income. Further, we focus on collateral-backed lending and as of June 30, 2024, 98.01% of our loan portfolio was secured. As of June 30, 2024, our secured MSME loans have an average Loan-to-Value (LTV) ratio of 43.60% while our secured vehicle loans have an average LTV ratio of 72.60%.

Our evaluation involves a multi-level assessment for each loan application. Our sourcing and operations teams conduct preliminary assessments, which are then independently evaluated by our credit team. We utilize digital assessments, credit bureau scores, reference checks, valuation reports, and financial statement reviews to determine loan eligibility. Our secured loan credit risk assessment framework evaluates borrowers based on ability to pay, willingness to pay, and collateral. We assess income profiles through tax returns, financial statements, and on-site visits, repayment track records and credit scores (wherever available). Collateral is verified through legal searches, independent valuations, and physical inspections. Our loan origination platform ("**LOS**") enables real-time data integration, automated background checks, and swift credit approval and disbursement. As of June 30, 2024, our write-off of loans remains negligible, demonstrating our effective loan recovery and monitoring processes. The details of loans written off by the Company as at the dates indicated are as follows:

(₹ in million, unless specified)

Particulars	**As on June 30, 2024**	**As on March 31, 2024**	**As on March 31, 2023**	**As on March 31, 2022**
Written off loans	8.31	24.58	13.79	21.83
Bad debts recovered	(3.83)	(14.27)	(16.33)	(11.05)
Net written off amount after considering bad debts recovered	4.48	10.31	(2.54)	10.78
AUM	10,355.35	9,613.69	6,867.67	5,316.02
Percentage of written off loans to AUM (%)	0.08	0.26	0.20	0.41

While we measure eligibility based on declared income, we invest time in understanding the formal and informal income sources of customers as well as that of their family members, savings capacity and repayment track record with their formal and informal borrowings. We have a dedicated credit team at our branches, who are deployed with knowledge of local markets. We visit a customer's residence and place of business, gather detailed information about the customer from the neighborhood, locality and their customers and suppliers and conduct a cash flow assessment of their income to enable us to make informed decisions. In addition, we physically inspect the collateral provided for our loans and capture details in our information technology systems through geo-tagging and photographs. Further, we seek to eliminate key person risks in our loans by insuring our borrowers. In addition, our loan portfolio has a spouse or parent as a co-borrower to ensure that multiple parties are invested in the loan's success. Additionally, we mandate the inclusion of a women co-borrower, acknowledging the positive impact this has on loan repayment rates. An external guarantor, beyond the collateral provided, provides further assurance.

We have digitized our LOS which is capable of on-boarding and disbursing loans, and can be accessed remotely. The LOS automates and manages the complete loan processing outflow of all products. For our credit underwriting, all deviations and approvals in the sanctioning and disbursement process are built into the loan management software that we use, to eliminate human margins of error. We also periodically review our standards of procedures and continuously strengthen our audit coverage to ensure that all material transactions and business initiatives are thoroughly reviewed, with the goal of ensuring that asset quality is not compromised because of growth.

Laxmi Finance performs best in key areas such as asset quality, credit cost, and operational efficiency compared to its peers in FY 2024. With a GNPA of 0.73%, NNPA of 0.33% and credit cost of 0.21%, it leads the peer group, demonstrating strong risk management and a healthy loan book *(Source: CARE Report).*

The table below sets forth our certain days past due (DPD) to Gross Loans, our Gross NPA to Gross Loans and Net NPA to Gross Loans as of the dates indicated:

Metric	As on June 30, 2024		As on March 31, 2024		As on March 31, 2023		As on March 31, 2022	
	Total Gross Loans* (₹ in million)	% of Total Gross Loans*	Total Gross Loans* (₹ in million)	% of Total Gross Loans*	Total Gross Loans* (₹ in million)	% of Total Gross Loans*	Total Gross Loans* (₹ in million)	% of Total Gross Loans*
30+ DPD	505.09	5.56	401.93	4.90	203.15	3.55	282.20	6.24
60+ DPD	299.92	3.30	241.91	2.95	118.61	2.07	209.33	4.63
Gross NPA (i.e., 90+ DPD)	96.53	1.06	59.71	0.73	33.28	0.58	128.61	2.84
Net NPA	57.34	0.63	27.22	0.33	18.10	0.32	85.74	1.90

**Gross loans represents the aggregate amount of loan receivables from customers, including future principal, overdue principal, overdue interest and interest accrued but not due before considering impairment allowances, as of the last day of the relevant Fiscal.*

4. ***Deeper regional penetration in semi-urban and rural areas supported by a mix of direct and indirect sourcing channels***

We have a growing sales network that caters to customers primarily in the rural and semi-urban areas of India. Between March 2020 and March 2024, total credit in rural areas grew significantly from ₹7.26 trillion to ₹12.52 trillion, achieving a robust year-on-year growth rate of 17.5% in March 2024 *(Source: CARE Report*). In semi-urban areas, credit surged from ₹12.38 trillion to ₹22.57 trillion, reflecting an impressive growth rate of 22.3% *(Source: CARE Report*). As per the CARE Report, the rural and semi-urban credit market in India is significantly under-penetrated, presenting a substantial opportunity for NBFCs to capitalize on this whitespace. Currently, scheduled commercial banks primarily follow traditional lending patterns, leaving mid-sized and lower-rated companies underserved. This gap creates an opening for NBFCs to introduce more innovative and flexible financing solutions. By tapping into the rising demand for credit, NBFCs can enhance access to capital, particularly in rural and semi-urban areas.

The following table sets forth the details of branches across different types of regions as at the dates indicated:

Area	June 30, 2024		March 31, 2024		March 31, 2023		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
Urban	32	23.70	32	23.70	28	23.53	23	24.73
Semi-Urban	74	54.82	74	54.82	66	55.46	49	52.69
Rura	29	21.48	29	21.48	25	21.01	21	22.58
Total	**135**	**100.00**	**135**	**100.00**	**119**	**100.00**	**93**	**100.00**

To tap into this growing market, we employ a multi-channel approach for sourcing customers through (a) direct channel, i.e., through our on-ground sales teams that report into our branches, (b) direct sales associates (DSAs), and (c) digital channels.

The following table sets forth the break-up of our aggregate disbursements by sourcing channel, for the periods/ years indicated:

Particulars	June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022

	Disbursements (in ₹ million)	% of Total Disbursement	Disbursements (in ₹ million)	% of Total Disbursement	Disbursements (in ₹ million)	% of Total Disbursement	Disbursements (in ₹ million)	% of Total Disbursement
Direct channel	1,388.46	90.44	4,226.77	80.44	3,073.28	89.52	2,102.73	88.87
DSAs	118.18	7.70	938.00	17.85	318.88	9.29	221.13	9.35
Digital channels	28.52	1.86	89.50	1.70	40.75	1.19	42.15	1.78

As of September 30, 2024, we have 1252 employees and out of these employees, 615 and 255 employees are part of our sales team and collection team, respectively. Of the above sales team employees, 528 and 87 employees focus on MSME financing and vehicle financing, respectively. In addition, we have a tele-calling team that assists our on-ground sales teams in sourcing customers as of September 30, 2024. This team operates from Jaipur, Rajasthan.

As of September 30, 2024, we have partnered with 175 DSAs. The following table sets forth the contribution by our top 10 DSAs towards the total DSA disbursement during the periods indicated:

Particulars	June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Contribution by top 10 DSAs (%)	3.11%	5.05%	5.01%	8.76%

Our digital strategy complements our offline efforts and employs a multi-channel approach to reach and engage our target audience. We leverage social media platforms such as WhatsApp, Facebook, Instagram, Twitter, LinkedIn and YouTube for brand awareness, product information, and customer interaction. Additionally, bulk SMS and IVR systems facilitate targeted messaging and pre-recorded calls, keeping customers informed and interested.

5. Our Hub and Branch model streamlines operations, reduces costs, and increases customer accessibility, driving business growth and market expansion

Our Company operates on a hub and branch business model, strategically designed to enhance efficiency, reduce costs, and expand our reach. This model serves as the backbone of our operations, enabling us to optimize resources, improve customer service, and tap into underserved markets. At the core of our structure are hub (disbursement) branches, which serve as hubs for files can be checked and disbursement advice raised. Each hub facilitates disbursement of surrounding branches. This increase efficiency with time and reduce operational cost to serve branch customers. These hub branches are equipped with key decision-makers, including credit managers, business development managers, operations teams, and collections teams. Strategically located in rural and semi-urban areas, these branches focus on sourcing new loans and providing doorstep services to customers. By doing so, we expand our presence in underserved markets, increase accessibility, and enhance customer convenience.

Centralized decision-making and resource allocation increase efficiency, while shared resources and reduced overhead costs minimize expenses. Our wider geographical presence through these branches increases customer reach and enables better credit assessment and monitoring. Moreover, this structure facilitates scalability, enabling easy expansion into new markets. By leveraging the hub and branch model, we achieve deeper market penetration, improved customer satisfaction, and a competitive edge with relatively low costs.

6. Experienced management with good corporate governance practices

Our Board, Promoters and Senior Management is composed of experienced professional, industry veterans and management professionals. Our Board consists of six directors, of which three are independent directors. We believe that our independent Board has provided us with diverse perspectives for us to continue to grow our Company. Our Senior Management team consists of qualified, seasoned professionals with an experience across a variety of sectors. For further details relating to our Board and Senior Management, please refer to "*Our Management*" on page 269. Our Senior Management team includes experts at various functions and professionals with ground level knowledge of the microfinance industry, who are supported by a capable and motivated pool of employees. Together, they have demonstrated an ability to manage and grow our operations. Our mid-level management personnel also have in-depth industry knowledge and expertise. Further, we have instituted several training and mentorship programs for our nagement employees. We have successfully recruited and retained employees from a variety of backgrounds, including credit evaluation, risk management, technology and marketing.

Our legacy in the financial services industry dates back to early 1990s, when our Promoter, Mr. Deepak Baid's father, Mr. Tej Karan Baid, established Deepak Finance and Leasing Company (DFL), a proprietorship firm focused on vehicle financing. This marked the beginning of our journey in the industry. In April 2011, Deepak Baid merged DFL's operations into our Company, positioning us for growth and expansion. In Fiscal 2011, we operated four branches with a portfolio of ₹320 million. We have since expanded our operations to rural, semi-rural, and urban areas across Rajasthan, Gujarat, Madhya Pradesh, and Chhattisgarh. As on September 30, 2024, we have 139 branches offering a diverse range of products, including MSME loans, commercial vehicle loans, tractor loans, construction loans, business loans, personal loans, electric vehicle loans, and two-wheeler loans.

Our Promoters hold 87.78% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company (on a fully diluted basis) as of the date of this Draft Red Herring Prospectus, and have supported our business growth by regularly providing capital infusion in prior periods. After the Offer, our Promoters will hold [●]% of the issued, subscribed and paid-up equity share capital of our Company. Our Promoters currently hold and will continue to hold a substantial shareholding in our Company after the Offer.

Our Strategies

1. ***Expansion of our geographical footprint to deepen our penetration in our target customer segment***

We operate 135 branches across 65 districts in 4 states in India, as of June 30, 2024. During the quarter ended September 30, 2024, we expanded our reach by opening 4 additional branches. As per the CARE Report, the credit growth of NBFCs is projected to grow at a CAGR of 12%-15% between Fiscal 2024 and Fiscal 2027. These growth projections are largely driven by increased demand for MSME and retail loans such as home loans, vehicle loans, loans against property, etc.

While our operations have historically been concentrated in North-western India, we intend to acquire new customers and selectively expand our operations to locations where we expect that customers are underserved, have lower penetration, and where there could be an opportunity for us to service an increased customer base.

Further, our customer origination and servicing efforts strategically focus on building long-term relationships with our customers and address specific requirements in a particular region. We select new geographies for expansion based on detailed studies and analysis which include field surveys, industry reports comparison including potential for growth, delinquency pattern and concentration of competitors. We generally launch operations in new territories in a phased manner starting with limited branches to understand the market and then seek to expand, based on market response.

We are constantly evaluating additional locations and expect to continue to add branches to grow our network in the near term. As of June 30, 2024, we had reached an average district level penetration of 42.10% in the states in which we operate, calculated on the basis of location of our branches. District level penetration is the number of districts that we operate in as a percentage of the total number of districts in a given state. Accordingly, there is scope to continue to grow our business further in these states, through increased penetration at the district level. Additionally, we will consider strategic acquisitions on an opportunistic basis to drive inorganic growth, expand into new geographies, or enhance our existing branch network.

2. ***Leveraging our existing branch and customer network of customers to drive growth in other verticals***

We recognize the potential for cross-selling opportunities between our business verticals. By targeting our existing customer base, we can enhance customer relationships through diversified product offerings, increased revenue, improved customer retention rates, and reduced customer acquisition costs. This strategic approach enables us to leverage our existing customer relationships, build trust, and deliver financial solutions.

We intend to maximize our existing branch network's potential to expand our customer base and increase our gross loan portfolio. As of June 30, 2024, our gross loan portfolio per branch stood at ₹67.31 million. We aim to increase our gross loan portfolio per branch through cross-selling additional loan products to our existing customers, acquisition of new customers through existing branches and the increasing loan ticket sizes to low-risk, existing customers.

By targeting the same customer base, we can spread risk across multiple asset classes, improving our overall risk profile. Additionally, our operational infrastructure, processes, and personnel can be leveraged across both segments, driving efficiencies and reducing costs. This integrated approach enables us to provide seamless financing solutions, meeting the diverse needs of our customers.

Our cross-sell strategy is built on the foundation of relationship-based selling. By leveraging our existing relationships with customers, we promote other finance products, highlighting benefits and value-added services. Cross-selling opportunities also help strengthen our relationship with our customers and enable higher customer retention. We believe that this strategy serves as an effective mitigation mechanism from potential interest rate volatility and would contribute to our profitability. Further, we expect to derive benefits from economies of scale as there is limited incremental sourcing cost for existing customers, and they are eligible to borrow higher loan amounts from us since they have progressed to higher loan cycles and they have been our customers for a number of months or years. Our experienced sales team works closely with customers to understand their business requirements, providing financing solutions that meet their specific needs.

Data-driven insights play a critical role in our cross-sell strategy. We will utilize advanced analytics to track customer behavior, industry trends, and market demands, identifying opportunities to cross-sell finance products. This data-driven approach enables us to refine our strategies, measure effectiveness, and make informed decisions. By leveraging data analytics, we can optimize our cross-selling initiatives, driving revenue growth and improving customer engagement.

Our cross-sell initiatives are expected to drive financial benefits in terms of increase in revenues, and reduction in customer acquisition costs.

3. Continuing to enhance information technology with a focus on customer service, operational efficiency and cost optimization

We will continue to invest in our technology to increase operational efficiencies as well as ensure customer credit quality. Our information technology infrastructure will not only enable us to reap the benefits of digitalizing business processes but will also become a key source of incremental business for us as we continue to utilise the underwriting capabilities via digital assessments, credit bureau checks and review of financial statements. As we continue to expand our geographic reach and scale of operations, we intend to further develop and invest in our technology to support our growth, improve the quality of our services and achieve superior turnaround time in our operations. We endeavour to use technology and automation across our business processes, including, among others, sourcing, underwriting, disbursement and collection.

Our customer service is an integral part of our value proposition to our customers. We intend to leverage information your-customer procedures and appraisal to post sales service stage. Our current technology allows us to undertake integrated credit bureau data check, stage wise review of the disbursement process and real-time process integrating all branch information. We have implemented mobility-based loan origination systems with GPS tagging.

To improve risk management by reducing risks associated with cash transactions, we are accepting various digital mode of payments which includes net banking, UPIs, mobile wallets, etc. Going forward, we intend to continue expanding and grow our digital collections infrastructure to increase the number of our customers that transact digitally with us, in order to reduce our customer acquisition costs, as well as minimize the operational risks associated with cash collections.

We will continue using our analytics capabilities such as tracking of lead generation rates, sales funnel optimization, analysis of drop-off points, etc. We intend to leverage these simple analytics tools which can help business for making data driven decisions and drive revenue growth. We intend to continue investing and augmenting our analytics capabilities in order to better service the needs of our customers.

4. Diversify our borrowing profile and optimize our borrowing costs.

We intend to optimize borrowing costs, reduce operating expenses, and expand business while maintaining financial stability and sustainability. To achieve this, we seek to reduce our dependence on relatively expensive term loans from banks and financial institutions to lower our cost of funds. Our improved credit rating and liquidity position empower us to negotiate favorable terms with lenders.

We have successfully secured competitive interest rates that have led to a consistent decline in borrowing costs. Our average costs have trended downward being 12.46% ,12.24%, 12.06% and 11.49% in Fiscals 2022, 2023 and 2024 and for the period ended June 2024, respectively. We managed to reduce the average cost of borrowing by 0.22% during Fiscal 2023 despite an increase in repo rate by the RBI, demonstrating our ability to secure cost-effective funding. The reduction in our average cost of borrowing reflects enhanced creditworthiness and growth prospects for our Company.

A lower cost of funding enables us to competitively price our loan products and helps us drive business growth. To optimize costs, we have diversified our funding sources by utilizing term loans, working capital facilities, proceeds from securitized loans, NCDs to ensure that our debt capital requirements are met at optimal costs. Our redeemable NCDs comprised 7.00%, 3.77%, 0.65% and 3.83% in Fiscals 2022, 2023 and 2024 and for the period ended June 2024, respectively. Additionally, we leverage our loan portfolio to enter into direct assignment transactions with financial institutions and asset reconstruction companies. Such transactions also allow us to efficiently utilize our capital as assigned portfolios do not require any risk weightage on our balance sheet.

We intend to continue focusing on our asset and liability management to ensure that we continue to have a positive asset-liability position. This strategic approach will enable us to further improve our credit ratings and further reduce the cost of our borrowings, thereby supporting sustainable growth and financial stability.

Description of our Business and Operations

We are a non-deposit taking non-banking financial company focused on serving the financial needs of underserved customers in India's lending market. Laxmi India Finance Limited performs best in key areas such as asset quality, credit cost, and operational efficiency compared to its peers in FY 2024 *(Source: CARE Report)*. With a GNPA of 0.73%, NNPA of 0.33%, and credit cost of 0.21%, it leads the peer group, demonstrating strong risk management and a healthy loan book *(Source: CARE Report)*. Laxmi India Finance Limited's operating expense per branch is also the best at Rs. 4.4 million, reflecting its operational efficiency and effective cost control *(Source: CARE Report)*. As on June 30, 2024, our gross loan portfolio amounted to ₹9086.41 million.

Our Offerings

Our loan products are structured to accommodate varying customer needs, ensuring that individuals and businesses can access credit to meet their mobility and operational requirements. As on the date of this Draft Red Herring Prospectus, we provide the following products to our customers:

1. MSME Finance

We provide secured loans against property to MSMEs seeking to mortgage their residential or commercial property in exchange for a loan. These loans provide them with working capital without having to liquidate their fixed assets. Loan amounts range from ₹0.05 million to ₹2.5 million at fixed interest rates ranging from 18% to 28% per annum, with an LTV ratio of up to 65% of the property's value and a loan tenure of up to 84 months.

As on June 30, 2024, we had an active customer base of 15732 MSME consumers and the following table sets forth the state-wise bifurcation of our MSME customers as at the dates indicated:

Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31,2022
Rajasthan	10900	10439	8984	8131
Gujarat	1039	959	584	407
Madhya Pradesh	3730	3017	945	280

Chhattisgarh	63	41	-	-
Total	15732	14456	10513	8818

The following table sets forth certain details of our MSME financing product in the periods indicated:

Particulars	For three months ended on June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
AUM	7817.33	7108.45	5230.25	4277.91
Disbursements (₹ in million)	1,174.83	3,496.52	2,387.55	1,828.55
Average ticket size (₹ in million)	0.61	0.60	0.60	0.59
Average tenure (in months)	67.18	67.99	71.52	77.76
Average yield (in %)	21.80	21.75	21.46	21.42
LTV Ratio	43.60	43.67	43.76	43.87

The following table sets forth the increases in disbursements to our repeat customers of our MSME financing vertical, i.e., customers with unique customer IDs who have availed more than one loan from us in the periods indicated as a percentage of disbursements in the MSME vertical:

(₹ in million)

Particulars	For three months ended on June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(₹)	(%)	(₹)	(%)	(₹)	(%)	(₹)	(%)
Disbursements to repeat customers	121.68	7.93	432.90	8.24	319.67	9.31	355.07	15.01

The following table sets forth the break-up of disbursement contributed by our MSME financing vertical based on type of collateral for the periods/ years indicated:

Particulars	For three months ended on June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Disbursement (₹ in million)	% of Disbursement	Disbursement (₹ in million)	% of Disbursement	Disbursement (₹ in million)	% of Disbursement	Disbursement (₹ in million)	% of Disbursement
Residential Property	1524.86	99.33	5226.99	99.48	3410.29	99.34	2357.33	99.63
Commercial Property	10.30	0.67	27.29	0.52	22.62	0.66	8.67	0.37

2. *Vehicle Finance*

Our vehicle finance portfolio offers a range of secured loan options, with the vehicle serving as the security, to cater to our customers' needs for credit for personal and commercial purposes. We provide financing solutions for the following various vehicle types:

(a) Commercial Vehicles: We offer commercial vehicle loans with a ticket size of up to ₹1.5 million for purchasing used commercial vehicles, enabling businesses to expand their fleet and meet operational demands.

(b) Two-Wheelers: Our two-wheeler loan options offer financing for purchasing used two- vehicles with a ticket size of up to ₹0.15 million.

(c) Tractors: We offer tractor loans with a ticket size of up to ₹0.7 million.

(d) Electric Vehicles: In line with the growing demand for eco-friendly transportation, we offer financing solutions for electric three-wheelers, with loan amounts with a ticket size of up to ₹0.4 million. We also provide financing solutions for electric two-wheelers, with loan amounts up to ₹0.08 million.

The following table sets forth certain metrics for our vehicle financing products in the periods indicated:

Particulars	June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Commercial Vehicles				
AUM (₹ in million)	1715.04	1671.85	908.33	454.58
Disbursements (₹ in million)	244.33	1386.02	699.79	304.55
Average ticket size (₹ in million)	0.44	0.44	0.36	0.25
Average tenure (in months)	38.56	38.47	36.22	33.17
Average yield (in %)	20.77	20.70	20.84	21.25
LTV Ratio	72.40	71.79	71.07	72.56
Two-Wheelers				
AUM (₹ in million)	0.61	0.75	1.13	5.11
Disbursements (₹ in million)	-	0.93	0.62	2.86
Average ticket size (₹ in million)	0.06	0.06	0.05	0.05
Average tenure (in months)	24.60	24.54	22.53	22.09
Average yield (in %)	23.88	23.83	23.32	23.36
LTV Ratio	81.46	81.01	79.55	78.59
Tractors				
AUM (₹ in million)	64.29	63.10	40.31	30.78
Disbursements (₹ in million)	10.37	46.51	28.35	22.98
Average ticket size (₹ in million)	0.27	0.27	0.24	0.23
Average tenure (in months)	35.02	34.45	32.59	30.78
Average yield (in %)	20.70	20.60	21.36	21.69
LTV Ratio	76.93	75.82	74.05	76.56
Electric Vehicles				
AUM (₹ in million)	27.62	28.73	-	-
Disbursements (₹ in million)	8.19	29.89	-	-
Average ticket size (₹ in million)	0.12	0.13	-	-
Average tenure (in months)	18.86	18.92	-	-
Average yield (in %)	26.83	25.43	-	-
LTV Ratio	74.87	75.50	-	-

3. *Construction Loans*

We provide secured loans to retail customers against their residential property, commercial property, or land to construct their homes, or to renovate or extend their homes. Loan amounts range from ₹0.05 million to ₹2.50 million at fixed interest rates ranging from 18% to 28% per annum, with an LTV ratio of up to 65% of the property's value and a loan tenure of up to 84 months.

The following table sets forth certain details of our construction loans in the periods indicated:

Particulars	June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
AUM (₹ in million)	524.85	534.68	517.35	442.13
Disbursements (₹ in million)	69.13	167.60	188.72	158.58
Average ticket size (₹ in million)	0.38	0.38	0.41	0.44
Average tenure (in months)	69.27	70.36	72.83	78.74
Average yield (in %)	22.82	22.72	22.49	22.36

LTV Ratio	40.75	41.25	41.72	42.87

4. *Others*

(a) Business loans. We provide small-ticket unsecured business loans. These loans provide additional working capital for their urgent business needs. Loan amounts range from ₹0.05 million to ₹0.4 million at interest rates ranging from 14% to 28% per annum and a loan tenure ranging from 12 months to 48 months.

The following table sets forth certain details of our unsecured business loans in the periods indicated:

Particulars	June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
AUM (₹ in million)	85.84	97.04	117.11	53.76
Disbursements (₹ in million)	1.53	29.67	78.77	22.65
Average ticket size (₹ in million)	0.34	0.34	0.32	0.24
Average tenure (in months)	41.05	41.06	42.41	48.39
Average yield (in %)	17.95	17.90	17.87	23.26

(b) Personal loans. We provide small-ticket unsecured personal loans to retail customers, for their urgent personal needs. Loan amounts range from ₹0.05 million to ₹0.4 million at interest rates ranging from 23% to 28% per annum and a loan tenure ranging from 12 months to 36 months.

The following table sets forth certain details of our unsecured personal loans in the periods indicated:

Particulars	June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
AUM (₹ in million)	119.77	109.09	53.19	51.75
Disbursements (₹ in million)	26.83	97.12	49.12	25.83
Average ticket size (₹ in million)	0.10	0.10	0.17	0.21
Average tenure (in months)	28.12	28.67	35.17	38.63
Average yield (in %)	19.55	19.82	22.30	23.26

Our Customers

We provide financing to a diversified pool of MSME and retail customers across various demographics, income levels, livelihoods, geographic regions, and credit histories. Our MSME customers include self-employed professionals, small businesses, and manufacturers seeking funds for expansion, asset purchase, and working capital. We extend secured loans ranging from ₹0.05 million to ₹2.50 million to our MSME customers. Our retail customers in the other business verticals customers comprise salaried and self-employed customers. We extend secured and unsecured loans ranging from ₹0.05 million to ₹2.50 million to our retail customers. The amount of loans extended to each customer depends on the loan type, customer eligibility, ticket size and our assessment of customer risk. Through years of experience, we have developed a deep understanding of the sectors in which our target customers operate which enables us to design effective loan solutions, drive business growth, and manage risks.

We had an active customer base comprising the following, as at the dates indicated:

Vertical	As on June 30, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
MSME Loans	15732	14456	10513	8818
Vehicle Loans	6146	5706	3906	3914
Construction Loans	1911	1754	1500	1181
Others:				
(a) Business Loans	437	449	442	315
(b) Personal Loans	1839	1541	490	340

Total	26065	23906	16851	14568

Our Distribution Network

Our branch network is central to our distribution network. As on June 30, 2024, we had 135 branches covering rural, semi urban and urban areas across 4 states of India. The following table sets forth the geographical spread of our branches as at the dates indicated:

State	June 30, 2024		March 31, 2024		March 31, 2023		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
Rajasthan	89	65.93	89	65.93	90	75.63	75	80.65
Madhya Pradesh	24	17.78	24	17.78	14	11.76	8	8.60
Gujarat	18	13.33	18	13.33	15	12.61	10	10.75
Chhattisgarh	4	2.96	4	2.96	-	-	-	-
Total	**135**	**100**	**135**	**100**	**119**	**100**	**93**	**100**

The following table sets forth details of our AUM for the above states, as at the dates indicated:

(*in ₹ million, unless specified otherwise*)

State	June 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	AUM	% of AUM	AUM	% of AUM	AUM	% of AUM	AUM	% of AUM
Rajasthan	8402.26	81.14	7872.92	81.89	6084.02	88.59	4968.81	93.47
Madhya Pradesh	1176.95	11.37	1000.53	10.41	342.62	4.99	97.94	1.84
Gujarat	757.16	7.31	727.09	7.56	441.02	6.42	249.27	4.69
Chhattisgarh	18.98	0.18	13.15	0.14	0.00	0.00	0.00	0.00
Total	**10355.35**	**100.00**	**9613.69**	**100.00**	**6867.67**	**100.00**	**5316.02**	**100.00**

The following table sets forth the details of branches across rural, semi urban and urban areas in the above states as at the dates indicated:

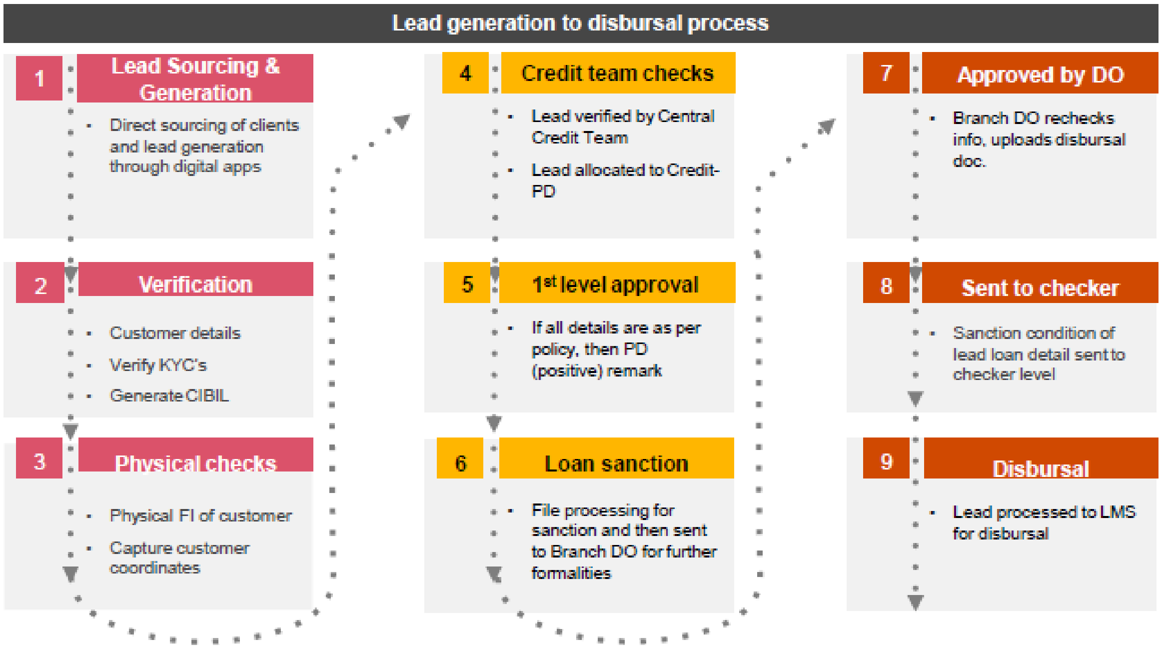
(*₹ in million, unless specified otherwise*)

Area	June 30, 2024			March 31, 2024			March 31, 2023			March 31, 2022		
	AUM	Number of branches	% of total branches	AUM	Number of branches	% of total branches	AUM	Number of branches	% of total branches	AUM	Number of branches	% of total branches
Urban	3505.36	32	23.70	3221.15	32	23.70	2581.79	28	23.53	2055.14	23	24.73
Semi-Urban	5347.62	74	54.82	5020.71	74	54.82	3302.39	66	55.46	2439.76	49	52.69
Rural	1502.37	29	21.48	1371.82	29	21.48	983.48	25	21.01	821.10	21	22.58
Total	**10355.35**	**135**	**100**	**9613.69**	**135**	**100**	**6867.66**	**119**	**100**	**5316.02**	**93**	**100**

We have built our distribution network with an emphasis on under-served rural and semi-urban markets with growth potential. We endeavour that our branches are located in close proximity to our customers' homes.

As of June 30, 2024, we had 568 branch managers, credit managers, assistant branch managers and relationship officers, who comprised 46.83% of our total workforce. As of June 30, 2024, each of our relationship officers on average managed 7 customers per month. Administrative support staff and management personnel at our area, division and regional offices provide support to our branches. The business development managers and relationship officers play a pivotal role in client acquisition, building relationships, assessing creditworthiness, and providing ongoing support.

The end-to-end process from customer acquisition to disbursal of loans can be depicted as under:



Our distribution network comprises our on-ground sales teams (supported by a tele-marketing team), DSAs and digital channels. The following table sets forth the details of customers that have sourced through our direct channel, DSAs and digital channels, in absolute terms and as a percentage of disbursements:

Particulars	June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Number	%	Number	%	Number	%	Number	%
Direct channel	3,853	89.83	9,656	81.16	6,951	90.27	4,147	89.09
DSAs	339	7.90	2,032	17.08	689	8.95	422	9.07
Digital channels	97	2.26	210	1.77	60	0.78	86	1.85

Direct Channel

We sourced 89.83% of our disbursements directly through our on-ground sales teams as on June 30, 2024 which comprised 615 personnel. The entire sales journey is managed by our on-ground sales team which is involved in every step of a customer's loan lifecycle. The team sources loans directly or through our network of direct sales associates (DSAs) who generate leads and pass on the contacts to our on-ground team. Our on-ground team addresses customer queries and assists with the loan collection process. Additionally, our tele-marketing executives handle business development for certain loans and address post-disbursement customer inquiries. We pioneered Laxmi on Wheels, an initiative that enables us to reach potential customers on-the-go through targeted in-vehicle information dissemination.

DSAs

As on June 30, 2024, we have partnered with 175 DSAs to expand our reach. We verify credentials of all our DSAs before entering into a non-exclusive agreement with them. The DSAs work under the guidance and supervision of our sales team who monitor their performance on the basis of key indicators such as product knowledge, loans sourced by them, turnaround time, instances of fraud, delinquencies or customer complaints. DSAs identify prospective customers, submit loan application documents and pass on the applications to our on-ground teams to undertake the credit appraisal process and conduct of loan fulfilment processes directly with the customer. We remunerate DSAs through a performance-based commission structure, linked to disbursement of loans sourced by them.

Digital Channels

Our digital strategy employs a multi-channel approach to reach and engage our target audience. Social media platforms, including WhatsApp, Facebook, Instagram, Twitter, and LinkedIn, enable us to build brand awareness, share product information, and interact with customers. Meanwhile, YouTube showcases our products and expertise through compelling video content. Additionally, bulk SMS and IVR systems facilitate targeted messaging and pre-recorded calls, keeping customers informed and interested.

Underwriting and Collections

We have developed comprehensive systems covering our underwriting and collections process.

Underwriting

Our credit underwriting process is designed to evaluate loan applications thoroughly, determine disbursement amounts, and calculate Loan-to-Value (LTV) ratios. We lend to income-generating activities, assessing whether the borrower's income exceeds the loan's collateral value, evaluate customer intent through credit bureau checks and reference checks, and ensure assets pledged as collateral act as a safeguard against default.

Our evaluation involves a multi-level assessment for each loan application. Our sourcing and operations teams conduct preliminary assessments, which are then independently evaluated by our credit team. We utilize digital assessments, credit bureau scores, reference checks, valuation reports, and financial statement reviews to determine loan eligibility.

We utilize geo-tagging feature to track field executives' movements, ensuring timely and secure data collection. We have integrated databases, including Aadhar, CIBIL, and PAN, to facilitate speedy underwriting and informed decision-making. To further strengthen our valuation process, we collaborate with reputable external valuers which provide expert automobile valuation services and enables seamless valuation assessments.

We conduct assessments of borrowers' daily earning capacity and historical track record. Our evaluation includes checks on the borrower's family and ecosystem, field investigation, analysis of credit appraisal memorandum (CAM) prepared by our credit team, neighbourhood reference checks and verification of original documents, such as property papers, vehicle documents, KYC, RTO checks, and credit history checks of guarantors' profiles. This assessment enables us to evaluate the intent and ability of the customer to repay the loan, despite the lack of traditional documentary proof of income.

Our credit infrastructure consists of experienced personnel covering multiple branches and a dedicated credit team of 47 personnel as on September 30, 2024. Our assessment process involves a thorough evaluation of the borrower's profile at both the branch and head office levels. For MSME and LAP loans, our credit team prepare CAM after conducting evaluations of the business and property. Our team verifies property documents and analyses the chain of documents to assess the borrower's creditworthiness. For vehicle loans, our sales team prepares initial appraisal memo following on-ground physical assessments of the vehicle along with verification of vehicle document. Post which, the credit team prepares CAM, does thorough customer analysis and checks valuation report followed by tele-verification and cash flow analysis. This multi-level assessment enables us to make informed lending decisions, balancing risk management with customer needs.

For For further details relating to our underwriting processes, please refer to "*Our Strengths – Comprehensive credit assessment, underwriting and risk management framework*" on page 200 and 208 .

Collections

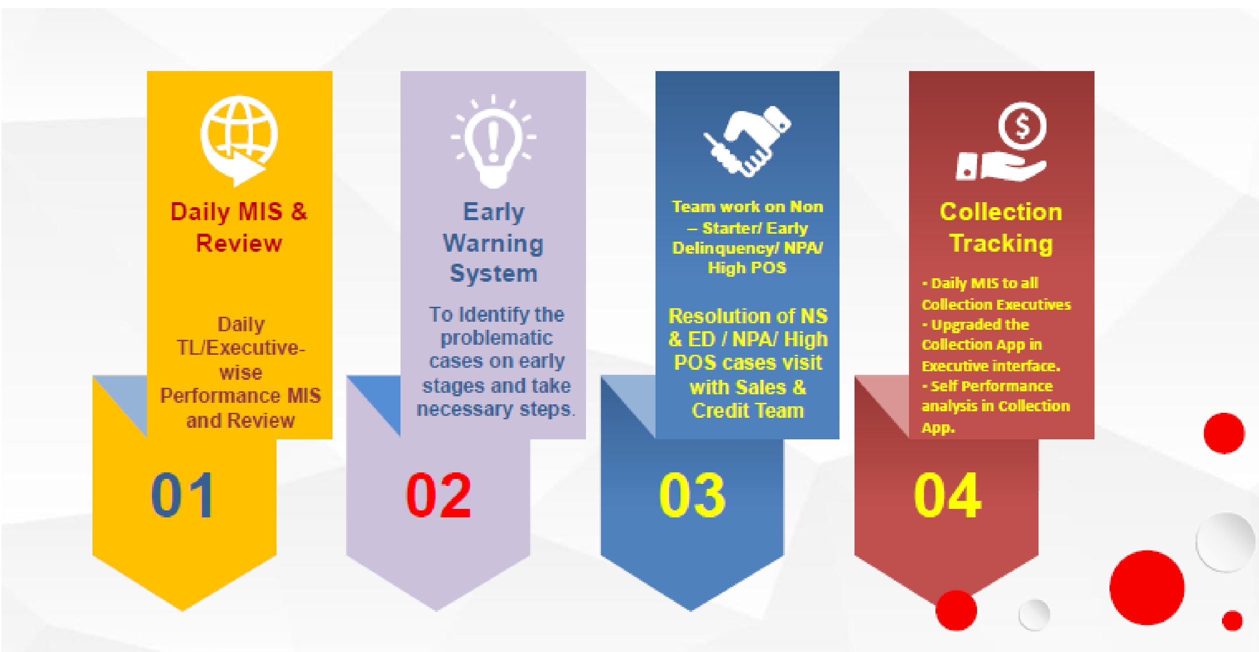
We have a dedicated and experienced collection team consisting of 255 personnel as of September 30, 2024 servicing all our verticals. Our collection team collaborates with our sales team and legal team to ensure that our collections process is well-structured. Our collections are facilitated through multiple convenient modes, including cash, post-dated cheques (PDCs), unified payments interface (UPI), electronic national automated clearing house (e-NACH), which enable efficient and hassle-free payment processing.

Our collection process is streamlined through our collections application, which generates real-time collection receipts using a mobile-operated thermal printer. Collection executives simply input the loan account number, and the application fetches the customer's data, producing a printed receipt instantly. Furthermore, we have introduced auto-payment arrangements through the Electronic National Automated Clearing House (eNACH**)** in the year 2021. Our digital collections are largely made through eNACH which has reduced our processing time. This automated process minimizes manual intervention, ensures higher accuracy and reduced costs. By leveraging technology, we have optimized our collection efficiency, providing a seamless experience for our customers while enhancing operational productivity.

We ensure timely reminders for our customers via SMS, personalized calls before the EMI due date, promoting seamless loan repayment, ensuring customers stay on track with their repayment schedules. We also provide an online payment gateway for customers to make timely payments and auto debit facility, which automatically deducts the EMI amount from the customer's bank account on the due date.

Additionally, we send text messages, serving as a secondary reminder to further minimize the risk of missed payments. Our collections process is designed to efficiently recover overdue payments while maintaining positive customer relationships which is triggered when a customer's payment is overdue. In the event of default by a customer, we initiate enforcement proceedings against the customer for non-payment of scheduled repayments. For non-performing EMIs, our collections team collaborates with our legal team to execute a structured legal process. In the initial stage, we utilize awareness calling via IVR/SMS to notify customers of overdue payments, followed by personalized tele calls and field visits to facilitate collection. As accounts become more delinquent, we issue demand notices to emphasize the urgency of payment. For accounts exceeding 90 DPD, we initiate enforcement proceedings including under the Negotiable Instruments Act and SARFAESI

Our collections strategy can be depicted as under:



Risk Management

We maintain a holistic risk culture throughout our organisation to stay prepared to manage risks. Our risk management culture is embedded across our organisation ensuring leadership from senior management, involvement of our staff at all levels, a culture of learning from experience and a framework for accountability for past risks and clear communication on potential risks.

Our risk management framework is designed to ensure independence, objectivity, and effective oversight. The Board of Directors is responsible for establishing and overseeing the risk management framework. The Board has established a risk management committee which supervises risk management, develops and monitors policies, identifies exposures, reviews process adequacy, and ensures regulatory compliance. The risk management committee delegates execution strategies to the asset liability management committee (ALCO), which convenes regularly to ensure compliance with our risk management structure. We also have asset liability management strategies in place to ensure that we do not have any cumulative asset / liability mismatches. The ALCO devises the risk management strategy and sets the overall policies and procedures. The ALCO comprises of senior management of the Company and reviews liquidity risk management strategies to align with changes to the external environments, including regulatory changes, business conditions and market developments. ALCO meetings are held once in a quarter or more frequently as required from time to time. The minutes of ALCO meetings are placed before the Risk Management Committee and the board of directors.

We have also appointed internal auditors to conduct internal audit and furnish the internal audit report to the Board every quarter. We have also established risk management policies that enable us to identify and analyse the risks faced by us, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The risks and non-compliances are appropriately escalated to the relevant committees and business verticals to ensure that the risks and non-compliances are considered while taking business decisions. Our risk management policies and systems are reviewed regularly to reflect changes in market conditions and our activities.

The following table sets forth our liabilities and assets as of June 30, 2024:

Particulars	**As on June 30, 2024 *(₹ in million)***
Liabilities	
Total Borrowings(1)	9059.98
Other Liabilities(2)	2249.89
Assets	
Cash and Bank Equivalents(3)	1764.02
Loans	9025.52
Other Assets(4)	520.34

(1) *Total Borrowings, which is a Non-GAAP measure, is the aggregate of debt securities, borrowing (other than debts securities) and subordinated liabilities as at end of the relevant period.*
(2) Other liabilities include trade payable, other financial liabilities,total non financial liabilities and total equity.
(3) Cash and Bank equivalents includes cash and cash equivalents and bank balance other than cash and cash equivalents.
(4) Other Assets includes other receivables, investments, other financial assets and total non-financial assets.

We are exposed to following types of risks in our businesses:

Strategic Risk

Strategic risk is risk to earnings and capital arising from lack of responsiveness to changes in the business environment and/or adverse business decisions, besides adoption of wrong strategies and choices. To mitigate this risk, management adopts a proactive approach, regularly discussing business strategies with senior officials to stay informed about market developments. Critical strategic matters are referred to the Board, comprising members with diversified experience, for collective deliberation. We continuously monitor market conditions, customer needs, and competitor activity, and maintain flexible decision-making to adapt strategies as needed. Additionally, we conduct regular strategy reviews, market research, and performance benchmarking to ensure responsiveness and drive sustainable growth, thereby minimizing strategic risk and ensuring our organization remains competitive and resilient.

Credit Risk

Credit risk is inherent to our lending business and arises from the failure of a borrower to honour their financial or contractual obligations to us. To minimize this risk, we employ robust credit assessment and monitoring processes, conduct thorough due diligence, and maintain a diversified loan portfolio. We also establish provisions for potential losses and continuously review our credit policies.

Portfolio Concentration Risk

Concentration risk arises when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in same geographical area or industry sector so that collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Company maintains a diversified exposure in advances across various sectors and geographies and manages the risk for each product by its region and its sub segments.

Interest Rate Risk

Changes in interest rates can impact our borrowing and lending activities. Rising interest rates can increase our borrowing costs, while decreasing rates can reduce our lending income. We manage this risk through strategic asset-liability management, maintaining a balanced maturity profile, and hedging activities. Our board of directors is responsible for management of our interest rate risk and sets the overall policy and risk limits. To manage this risk, the Company prices loan products strategically, considering interest rate fluctuations. Interest rate sensitivity is measured using the GAP methodology, which categorizes assets and liabilities into repricing "buckets" using book values. GAP is equal to rate sensitive assets (RSA) minus rate sensitive liabilities (RSL). The analysis allows the Company to determine the effect in the Company's income due to a change in interest rates. A positive GAP exists when there is more RSA than RSL, and a negative GAP exists when there is more RSL than RSA. The Company strives to achieve a balance between reducing risk to earnings from adverse movements in interest rates, and enhancing net interest income through correct anticipation of the direction and extent on interest rate changes. The following table sets forth the interest rate profile of our interest-bearing financial instruments as of the dates indicated:

(₹ in million)

Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Fixed-rate instruments				
Financial assets	11,138.86	9,696.39	7,653.41	5,497.69
Financial liabilities	1,729.36	1,448.96	1,856.85	2,420.42
Variable rate instruments				
Financial assets	-	-	-	-
Financial liabilities	7,412.38	6,303.62	4,342.40	1,867.07

Market Risk

We are exposed to market risk, which arises from choices we make on markets, fluctuations in market conditions, such as interest rates, foreign exchange rates, and commodity prices. These changes can impact our investment portfolio, affecting the value of our assets and liabilities. To mitigate this risk, we maintain a diversified investment portfolio, carry out a regular competitive analysis of our peers in the industry and continuously monitor market trends.

Liquidity Risk

Liquidity risk can impact our ability to meet financial obligations as they fall due. To manage liquidity risk, our Company employs several key policies. These include regular Asset-Liability Management Committee (ALCO) meetings to identify short-term liquidity gaps, updating lender exposure profiles, and borrowing primarily on a floating rate basis to minimize interest rate risks. We maintain defined leverage levels (up to 4x) and target capital adequacy ratios above 15% through timely equity infusion. Additionally, our ALCO reviews structured liquidity management statements and ensures mismatch remains within the tolerance limits, and monitors short-term liquidity profiles through ratios and projections, ensuring compliance with our Asset Liability Management Policy. Further, our treasury team actively manages our liquidity position, ensuring we can meet our short-term obligations.

Operational Risk

Operational risk arises from inadequate or failed internal processes, systems, and people, or from external events. It includes legal risk but excludes strategic and reputational risk. Legal risk includes, but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements. Operational risk is inherent in all financial products, services, activities, processes, and systems. We mitigate this risk through internal controls, regular audits, and staff training. Our operational risk management framework identifies, assesses, and monitors potential risks, ensuring business continuity.

Cash Management Risk

Effective cash management is critical to our Company's financial stability. We manage cash management risk by maintaining optimal cash balances, investing excess funds prudently, and monitoring our cash flows. Our treasury team ensures timely settlements and minimizes the risk of fraud.

Collateral Risk

Collateral risk arises from the potential depreciation or degradation of collateral value. We mitigate this risk through thorough collateral valuation, regular monitoring, and maintaining adequate margins. Our loan-to-value ratios are managed to ensure sufficient collateral coverage.

Reputation Risk

Reputational risk is related to adverse perception of the image or the Company, on the part of customers, counterparties, shareholders, investors and regulators. It refers to the potential adverse effects, which can arise from the Company's reputation getting tarnished due to factors such as unethical practices, regulatory actions, customer dissatisfaction and complaints leading to negative publicity. Reputation risk can significantly impact our long-term success. We manage this risk by maintaining high standards of corporate governance, transparency, and customer service. All employees are trained and instructed to follow fair practices as per prescribed guidelines in all their dealings with the customers. The Company has a defined grievance redressal mechanism in place which is communicated to all customers. We follow a transparent delinquency management process. Further, we maintain stringent selection criteria for vendors, employees, and associates, and conduct market reference checks to ensure integrity. Our compliance team ensures adherence to regulatory requirements, and our communication strategy promotes a positive brand image.

Regulatory and Compliance Risk

We are exposed to regulatory and compliance risks due to our presence in a regulated industry. Non-compliance with RBI regulations, statutory requirements, and lender covenants can result in stringent actions, penalties, and reputational damage. To mitigate these risks, we conduct regular internal and external compliance audits to ensure adherence to regulatory and statutory requirements. Additionally, our internal auditor performs quarterly compliance function audits. These measures enable us to identify and address potential compliance issues proactively, minimizing the risk of non-compliance and its associated consequences.

Information Technology Risk

Information technology risk arises from potential system failures, cyber-attacks, or data breaches. This risk relates to the loss of confidentiality, integrity, or availability of information, data, or system which might cause reputation, financial and/ or regulatory impact to our Company. We manage this risk through a defined information security risk management framework, adopting robust IT infrastructure, regular security audits, and employee training. Our IT team implements standard industry-practices, ensuring the confidentiality, integrity, and availability of sensitive data.

Treasury Functions

Our treasury department is responsible for our capital requirements and asset liability management, including managing our liquidity, minimizing the cost of our borrowings, managing interest rate risk, currency risk and investing surplus funds in accordance with the criteria set forth in our investment policy. We also seek to diversify our sources of funding to facilitate flexibility in meeting our funding requirements. We assign loans through direct assignment to asset reconstruction companies and financial institutions, which enables us to transfer risks of our loan portfolio and actively manage our funding and liquidity requirements, capital and asset liability match. The following table sets forth our security cover as of the dates indicated:

Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Security Cover	106.01%	115.55%	100.40%	112.21%

Our treasury team periodically submits their reports to the Asset Liability Management Committee which submits its report to our Board.

Sources of Funding

We have access to diversified sources of funding. Our sources of funds include NCDs, term loans, working capital facilities and overdraft against fixed deposits from financial institutions. As on June 30, 2024, we had access to funds from 43 lenders, including 7 public sector banks, 10 private banks, 5 small finance banks, 21 non-banking financial companies and financial institutions. For the period ended June 2024, and in Fiscals 2024, 2023 and 2022, our average cost of borrowing was 11.49%, 12.06%, 12.24% and 12.46%, respectively. We assign loans through direct assignment to asset reconstruction companies and financial institutions, which enables us to optimise our total cost of borrowings, funding and liquidity requirements, capital management and asset liability management.

The table below sets forth our different funding sources with respect to our outstanding principal and their respective contribution as a percentage of our total borrowings as at the dates indicated below:

Particulars	June 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	(₹ in million)	Percentage of total borrowings	(₹ in million)	Percentage of total borrowings	(₹ in million)	Percentage of total borrowings	(₹ in million)	Percentage of total borrowings
Secured term loans	8540.06	94.26	7361.06	96.01	5894.47	95.77	3733.16	90.75
Secured loans repayable on demand:								
(a) Cash credit	-	-	25.48	0.33	-	-	29.96	0.73
(b) Overdraft facilities	-	-	50.03	0.66	19.80	0.32	-	-
Secured non-convertible debentures	347.04	3.83	50.02	0.65	231.74	3.77	287.89	7.00
Co-Lending arrangements	5.15	0.06	5.42	0.07	8.86	0.14	8.18	0.20
Subordinated liabilities	79.36	0.88	79.36	1.04	-	-	-	-
Unsecured loans	88.36	0.97	95.40	1.24	0.00	0.00	54.36	1.32
Total Borrowings	**9059.98**	**100.00**	**7666.77**	**100.00**	**6154.87**	**100.00**	**4113.55**	**100.00**

The table below provides a break-up of our borrowing mix with respect to our outstanding principal by type of lenders (excluding non-convertible debentures):

Particulars	June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Number of Facilities	Amount (₹ in million)	Number of Facilities	Amount (₹ in million)	Number of Facilities	Amount (₹ in million)	Number of Facilities	Amount (₹ in million)
Public sector banks	11	2071.64	10.00	1918.57	8.00	1537.14	4.00	511.03
Private banks	20	1901.96	19.00	1750.17	19.00	1225.21	9.00	616.73
Small finance banks	14	1037.37	16.00	782.35	16.00	670.53	15.00	595.91
NBFCs and Financial institutions	52	3701.97	48.00	3165.65	45.00	2490.24	59.00	2102.01

The following table sets forth the different types of lenders as of the dates indicated:

Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Public sector banks	2071.64	1918.57	1646.64	688.10
Private banks	1901.96	1750.17	1225.21	616.73
Small finance banks	1037.37	782.35	670.53	595.91
NBFCs and Financial institutions	4049.01	3215.68	2612.48	2212.82
Total	**9059.98**	**7666.77**	**6154.87**	**4113.55**

The following table sets forth the break-up of our liability profile with our existing top 10, top 11-20 and the remaining lenders, as of the dates indicated:

Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Top 10 lenders	62.54%	62.27%	52.30%	56.40%
Top 11- 20 lenders	23.30%	20.08%	25.30%	28.63%
Remaining lenders	14.16%	17.65%	22.40%	14.97%

The following table sets forth the break-up of our borrowings by the type of interest rates as of the dates indicated:

Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Floating rate borrowings	81.81%	82.22%	70.55%	45.39%
Fixed rate borrowings	18.19%	17.78%	29.45%	54.61%

We closely monitor the contractual maturity periods of our assets and liabilities and categorise them based on the number of years in which they mature. We maintain a balanced mix of short-term and long-term assets and liabilities, which minimises the risk of liquidity shortfalls and interest rate fluctuations.

Capital Adequacy

As per the NBFC Scale Based Directions, we have been categorized as a 'NBFC – Middle Layer' and are required to maintain a minimum capital adequacy ratio (CAR), consisting of Tier I- Capital and Tier II- Capital, of not less than 15.00% of our aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items, of which Tier I capital cannot be less than 10.00%.

The following table sets forth our capital risk to asset ratios as of the dates and for the period/ year indicated:

(₹ in million, except percentages and ratios)

Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022

Tier-I Capital[1]	1879.84	1783.73	1352.98	1144.10
Tier-II Capital[2]	75.43	75.21	28.01	14.93
Total Capital Funds	1955.27	1858.94	1380.99	1159.03
Risk Weighted Assets[3]	9393.24	8522.69	5982.12	4950.63
CAR[4] (%)	20.82%	21.81%	23.09%	23.41%
Tier-I Capital[1] (%)	20.01%	20.93%	22.62%	23.11%
Tier-II Capital [2] (%)	0.80%	0.88%	0.47%	0.30%

(5) Tier I- Capital comprises of of paid up equity capital, free reserves ,Securities Premium balance, as reduced by (i) accumulated loss balance if any, (ii) book value of intangible assets and ROU, (iii) net un-realised gains arising on fair valuation of financial instruments (net of effect of taxation) and (iv) Deferred Revenue Expenditure if any.

(6) Tier II- Capital comprises of general provision and loss reserves (12 month expected credit losses) and Subordinate debts, to the extent the aggregate does not exceed Tier 1 capital.

(7) Risk weighted assets represents the weighted sum of our credit exposures based on their risk as prescribed by the RBI guidelines.

(8) CAR is computed by dividing our Tier I and Tier II- Capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.

Credit Ratings

Credit Rating

We have received credit rating of ‘A- with stable outlook’ from Acuite Ratings, details whereof are set forth below:

Instrument	Rating Agency	Grading/Credit Rating	Date on which rating assigned / re-affirmed
Non-Convertible Debentures	Acuite Ratings	A- Stable	August 2, 2024
Bank Loan Rating	Acuite Ratings	A- Stable	August 2, 2024

Details relating to changes in our credit ratings during the Financial Years 2022, 2023 and 2024 and the three months ended June 30, 2024 are set forth below:

Rating Agency	Date of change	Nature of Change	Initial Rating	New Rating	Details of rating
Acuite Rating	March 30, 2022	Upgrade	BBB+ Stable	A - Stable	Term Loan
Acuite Rating	March 30, 2022	Upgrade	BBB+ Stable	A - Stable	Non-Convertible Debentures
Acuite Rating	March 30, 2022	Upgrade	BBB+ Stable	A - Stable	Cash Credit

Marketing

Our marketing philosophy revolves around crafting a compelling brand narrative, forging meaningful relationships, and cultivating community connections. We amplify our reach and engagement by implementing a comprehensive, integrated multi-channel marketing approach targeting a broad customer base. Digital platforms, including social media and our website, converge with traditional media – outdoor displays, newspapers, and radio – to create a cohesive brand presence. Our strategic focus areas include brand building, and lead generation, driving business growth while solidifying our position as a trusted financial partner. By executing this strategy, we aim to enhance brand visibility and credibility, expand our customer base and market share, drive business growth and revenue.

We focus targeting customers belonging to mid to low-income category in rural and semi-urban areas, who needs financial support to fulfil their needs. We use traditional and online methods to connect with people and make them aware them about our offerings. We have implemented several marketing and brand visibility initiatives such as:

- ***Loan on Wheels Activity***: We have deployed two vans displaying our brand logo which drives across the rural and semi urban areas in Rajasthan, Gujarat and Madhya Pradesh to connect with potential customers and discuss our loan products.
- ***Advertisements*****:** We place advertisements and distribute posters and flyers at local markets, community centers during village meetings to engage with potential customers and increase our brand visibility. We also send promotional communication via SMS and WhatsApp to our potential customers to share details of our loan products.
- ***Laxmi Mitra Application*****:** We have an incentive scheme for our customers where they are eligible to earn rewards on successful referrals of new customers to our Company.
- ***Tie-up with Local Agents*****:** We have appointed DSAs on several locations in India to promote our loan services. They represent our brand as trusted intermediaries.
- ***Chay Pe Charcha***: Our personnel visit nearby locations such as tea shops to educate people about our loan products and send them promotional communication to stay connected.
- ***Digital Wall Paints***: Big size digital wall paints are pasted on turning point walls in our service area, so people are made aware about our loan services and referral program.

Intellectual Property

The Company uses the logo “ ” which is registered under Class 36 with the registrar of trademarks in India under the Trade Marks Act, 1999. The domain name https://lifc.co.in/ is registered in our name.

For more information, please refer chapter titled “*Government and other approvals– Intellectual property related approvals*” on page 478 of this Draft Red Herring Prospectus. Also, see *Risk Factor no. 50 – “We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights.*” On page 66 of this Draft Red Herring Prospectus.

Data Protection and Data Privacy

Protecting customer data is our utmost priority. Our IT governance structure ensures compliance with RBI master directions for NBFC, IT Act and other applicable regulations. We maintain multi-layered security controls, regularly conduct internal and external audits and upgrade our data storage and networking related technologies to ensure continued data security. We have various security controls in place to mitigate risks and safeguard ourselves against security breaches and technological lapses. and systems are loaded with advanced cybersecurity measures using application security and endpoint security ensuring the protection of our users’ data and transactions. Our IT framework supports a range of financial products and services cybersecurity measures, e-mail security features, cloud computing, network infrastructure, and disaster recovery plans.

Information Technology

We believe that an appropriate information technology infrastructure is important to support the growth of our business. As a tech-driven NBFC, we prioritize efficiency and customer experience by digitizing the lending journey enabling streamlined processes. We have integrated technology throughout our operations from onboarding, underwriting, loan fulfilment to collections and servicing. Our technology infrastructure is built on scalable and sustainable operating model. We have digitised the loan original and disbursal process using our loan origination software (“**LOS**”) and loan management system (“**LMS**”). We have partnered with a third-party vendor for LOS and loan management software LMS. Our LOS and LMS are cloud-based with data integration and streamlined report generation to reduce manual intervention, turnaround time, operation costs and results in enhanced fraud protection. Our IT infrastructure facilitates swift disbursal ensuring timely access to capital to our customers. Our IT team regularly evaluates emerging technologies to enhance service offerings and meet customers’ needs. By leveraging technology, we improve efficiency, security, and innovation, maintaining our position as a trusted financial partner.

Employees

As of March 31, 2022, March 31, 2023 and March 31, 2024, we had a total of 605, 906 and 1144 total employees, respectively. The following table sets forth the number of on-roll employees by function as on September 30, 2024:

Function / Department	Number of Employees
Collection	255
Compliance	3
Credit	47
Finance & Accounts	37
Human Resource	9
Information Technology	9
Operations	177
Sales	615
Others*	100
Total	**1252**

**Others include, among others, marketing and support teams*

We conduct training programs for our employees on topics such as lending operations, underwriting and due diligence, KYC and anti-money laundering and anti-bribery norms, risk management, information technology and grievance redressal.

In order to motivate our employees, we have an employees stock option scheme for eligible employees. For details of the employees stock option scheme, see "*Capital Structure – Employee Stock Options Scheme of our Company"* on page 110.

Insurance

We maintain insurance policies that are customary for companies operating in our industry. Our principal types of coverage include money insurance policy pertaining to cash in safes and in transit, burglary insurance. These insurance policies are renewed periodically. Our policies are subject to customary exclusions and deductibles. Our insurance policies may not be sufficient to cover our economic loss. For further information, please see "*Risk Factor No. 41 - Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations, cash flows and financial condition.*" on page 62 of this Draft Red Herring Prospectus.

Competition

The NBFC industry in India is highly competitive. We face competition from other NBFCs and scheduled commercial banks on the range of product offerings, interest rates, fees and customer service, as well as for skilled employees. Our primary competitors include SBFC Finance Limited, Akme Fintrade (India) Limited, Ugro Capital Limited, Moneyboxx Finance Limited, Consolidated Securities Limited, Five Star Business Finance Limited and MAS Financial Services Limited. For further details, see "*Industry Overview*" on page 143.

Outsourcing

We outsource some of our operations to various third parties including document storage system application management, IT server management, loan origination and management system, and legal and technical valuation services. See "*Risk Factors – "We rely on our information technology systems for our operations and its reliability and functionality is critical to the success of our business. If our information security measures are compromised, damaged or interrupted by cyber incidents, breaches, or other security problems, our business, reputation and financial condition could be adversely affected* " on page 48.

Corporate Social Responsibility

Our Corporate Social Responsibility ("CSR") Committee is entrusted with the primary responsibility of formulating the CSR initiatives of our Company. For further information relating to the constitution of the CSR Committee and their terms of reference, see "Our Management – Corporate Social Responsibility Committee" on page 284 of this Draft Red Herring Prospectus. Our CSR activities are primarily focused on areas such as education, community welfare and animal care.

The following table sets forth our CSR expenses as per our restated financial information, in absolute terms and as a percentage of revenue from operations, for the periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in millions)	Percentage	Amount (₹ in millions)	Percentage	Amount (₹ in millions)	Percentage
CSR expenses	3.83	0.22%	3.42	0.26%	2.95	0.30%

Our key initiatives include:

(a) Donating books, learning materials, and sports equipment to schools, conducting interactive workshops for students and promoting literacy and education among underprivileged communities.
(b) Supporting local animal shelters with food, medical supplies, and volunteer efforts.
(c) Organizing a successful blood donation camp and supporting health initiatives in underserved communities.
(d) installing over 50 water coolers in public spaces locations such as bus stands, temples, and hospitals.
(e) distributing essential supplies to underprivileged communities, organizing food distribution initiatives and collaborating with NGOs to support vulnerable groups.

Properties

Our registered office is located at 2 DFL, Gopinath Marg, M.I. Road Jaipur, Rajasthan – 302001, India which is owned by us. As of September 30, 2024, we conducted our operations through 139 branches, and the premises of all our branches have been taken on a rental / lease basis, out of which two premises have been taken on rent from our Promoter, Deepak Baid. The period of lease typically ranges from 11 months to 5 years, and the rentals are typically payable on the basis of prevailing market rates depending on the geographical location of the property. Other than (a) the agreements entered into by our Company with our Promoter, Deepak Baid in respect of two of our branches in Rajasthan; and (b) four parcels of land situated in Rajasthan, primarily used for parking yards which have been taken on rental or lease basis from our Promoters, none of the rental / lease agreements have been entered into with related parties.

For further details, see, *"Risk Factor No. 24 - We conduct majority of our operations on rented / leased premises. In case of non-renewal of rent / lease agreements or dispute in relation to use of the premises, our business and results of operations can be adversely affected."* on page 51.

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 below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and are neither designed, nor intended to substitute for professional legal advice.

For details of material regulatory approvals obtained by us, please see the section titled "Government and Other Approvals" on page 476 of this Draft Red Herring Prospectus.

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 such amount 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 an NBFC.

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.

Key regulations applicable to all NBFCs

Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("Scale Based Regulations" / "NBFC-SBR Master Directions")

The RBI had issued the master directions dated October 19, 2023, as amended. The Scale Based Regulations divide NBFCs into four layers based on their size, activity, and perceived risk. The lowest layer is the base layer (NBFC-BL), followed by the middle layer (NBFC-ML), upper layer (NBFC-UL) and top layer (NBFC-TL).

- Base layer – The base layer comprises non-deposit taking NBFCs with assets worth up to ₹10,000 million.
- Middle layer – The middle layer comprises deposit-taking NBFCs irrespective of asset size, non-deposit-taking NBFCs with assets worth ₹10,000 million or more, as well as NBFCs undertaking activities such as housing finance companies, standalone primary dealers, infrastructure debt fund – non-banking financial companies, core investment companies and infrastructure finance companies.
- Upper layer – The upper layer comprises the top ten NBFCs in terms of asset size, irrespective of any other factor and certain other NBFCs specifically identified by the RBI based on parameters set out in the Scale Based Regulations.
- Top layer – The Master Directions require the top layer to remain empty unless, in the opinion of the RBI, there is a substantial increase in the potential systemic risk from specific NBFCs in the upper layer. Such NBFCs will be moved from the upper layer to the top layer.

Our Company is classified as NBFC-ML.

Under the Scale Based Regulations, all regulations applicable to an NBFC-BL are also applicable to an NBFC-ML, unless specified otherwise. Further, from October 1, 2022, all references to NBFC-ND (i.e., non-systemically important non-deposit taking NBFC) shall mean NBFC-BL and all references to NBFC-D (i.e., deposit taking NBFC) and NBFC-ND-SI (systemically important non-deposit taking NBFC) shall mean NBFC-ML or NBFC-UL, as the case may be.

The Scale Based Regulations prescribe the following requirements in relation to NBFC-MLs:

Corporate Governance

Constitution of Committees

All Applicable NBFCs are required to constitute the committees disclosed below:

(a) 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.

(b) 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.

(c) Risk Management Committee: NBFCs are required to constitute a risk management committee for evaluating the overall risks faced by the NBFC including liquidity risk.

(d) 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 who has work experience in a bank or an NBFC.

Fit and proper criteria:

Applicable NBFCs are 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 Master Directions; (b) obtain a declaration and undertaking from directors giving additional information on the directors, in the format prescribed under the Master Directions; (c) obtain a deed of covenant signed by directors, in the format prescribed under the Master Directions; and (d) furnish to the RBI a quarterly statement on change of directors and a certificate from the managing director of the Applicable NBFCs that fit and proper criteria in selection of the directors has been followed. The statement must be submitted to the regional office of the Department of Non-Banking Supervision of the RBI where the Applicable NBFC is registered, within 15 days of the close of the respective quarter. The statement submitted for the quarter ending March 31, is required to be certified by the auditors.

Disclosure and Transparency:

Applicable 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:

- registration/licence/authorisation obtained from other financial sector regulators;
- ratings assigned by credit rating agencies and migration of ratings during the year;
- penalties, if any, levied by any regulator;
- information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries; and
- asset-liability profile, extent of financing of parent company products, non-performing assets and movement of non-performing assets, details of all off-balance sheet exposures, structured products issued by them as also securitization/ assignment transactions and other disclosures, as prescribed under the Scale Based Regulations.

NBFCs are also required to disclose their Capital to Risk Assets Ratio Exposure to real estate sector (direct and indirect) and maturity pattern of assets and liabilities in their balance sheet. Further, NBFCs shall frame their internal guidelines on corporate governance with the approval of the board of directors which shall be published on their respective websites. Applicable NBFCs shall rotate the partners of the chartered accountant firm conducting the audit, every three years so that the same partner shall not conduct audit of such NBFC continuously for more than three years. Further, such 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.

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 in accordance with the timeline prescribed below:

From	**December 1, 2020**	**December 1, 2021**	**December 1, 2022**	**December 1, 2023**	**December 1, 2024**
Minimum Liquidity Coverage Ratio	50%	60%	70%	85%	100%

Asset Classification and Provisioning Norms

All NBFCs are required to adopt the asset classification and provisioning norms as set forth below:

Asset Classification

(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.

(b) "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.

(c) "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.

(d) "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.

(e) "non-performing asset" means (a) an asset for which interest has remained overdue for a period of more than 90 days; (b) a term loan inclusive of unpaid interest, when the instalment is overdue for a period of more than 90 days or on which interest amount remained overdue for a period of more than 90 days; (c) a demand or call loan, which remained overdue for a period of three months or more from the date of demand or call or on which interest amount remained overdue for a period of more than 90 days; (d) a bill which remains overdue for a period of 90 days or more; (e) the interest in respect of a debt or the income on receivables under the head 'other current assets' in the nature of short term loans/advances, which facility remained overdue for a period of more than 90 days; (f) any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of more than 90 days; (g) the lease rental and hire purchase instalment, which has become overdue for a period of more than 90 days; (h) in respect of loans, advances and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower/beneficiary when any of the above credit facilities becomes non-performing asset. Provided that in the case of lease and hire purchase transactions, an NBFC is required to classify each such account on the basis of its record of recovery.

Standard Asset Provisioning

NBFC-MLs are required to make provisions for standard assets of 0.40% of the outstanding, which shall not be reckoned for arriving at the net NPAs. The provision towards standard assets shall not be netted from gross advances but are required to be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet of the NBFCs.

Regulation of Excessive Interest Charged by NBFCs

(i) The board of directors of each NBFC is required to adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest, the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers are required to be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.

(ii) The rates of interest and the approach for gradation of risks are also required to be made available on the website of the NBFCs or published in the relevant newspapers. The information published on 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. The board of directors of Applicable NBFCs are required to layout appropriate internal principles and procedures in determining interest rates and processing and other charges.

Accounting Standards

Accounting Standards and guidance notes issued by the Institute of Chartered Accountants of India are required to be followed by Applicable NBFCs insofar as they are not inconsistent with any of the provisions of the NBFC Scale Based Regulations.

Fair Practices Code

The NBFC-SBR Master Directions 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; penal charges in loan accounts, and disbursement of loans and changes in terms and conditions of loans. The NBFC SBR Master Directions also prescribe general conditions to be observed by Applicable NBFCs in respect of loans. The board of directors of the Applicable NBFCs is required to lay down a grievance redressal mechanism. Such fair practices code should be issued in vernacular language or language understood by borrowers of the Applicable NBFCs. Further, all Applicable NBFCs have the freedom to draft the fair practices code, enhancing the scope of the guidelines without sacrificing the underlying spirit of the guidelines stipulated in the NBFC SBR Master Directions. The fair practice code framed are required to be published on the NBFC's website for the information of various stakeholders. For recovery of loans, NBFCs should not resort to undue harassment. NBFCs shall also ensure that the staff is adequately trained to deal with the customers in an appropriate manner.

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 subsegments under consumer credit, in particular for all unsecured consumer credit exposures. The risk management committee on an ongoing basis is required to monitor and ensure strict adherence to the limits so fixed.

To reduce regulatory concerns of NBFCs making investments in units of Alternate Investment Funds ("**AIFs**"), it has been advised as under:

(i) NBFCs shall not make investments in any scheme of AIFs which have downstream investments either directly or indirectly in their debtor company where debtor company shall mean any company to which NBFCs currently have or previously had loans or investment exposure.
(ii) If NBFCs are already investors in AIF schemes, they shall liquidate their investments in the scheme within 30 days of such downstream investment by the AIFs.
(iii) In case NBFCs are not able to liquidate their investments within the prescribed 30-day time limit, they shall make 100 percent provision on such investments.
(iv) Any investments by an NBFC in the subordinated units of any AIF scheme with a priority distribution model shall be subject to full deduction from capital funds of the NBFC.

Declaration of Dividend

The Scale Based Regulations intend to infuse greater transparency and uniformity in practice of distribution of dividends by setting eligibility criteria and disclosure requirements for NBFCs for distribution of dividends. According to the Scale Based Regulations, NBFCs must comply with four minimum prudential criteria to be considered eligible to declare dividends: (i) prescribed levels of capital adequacy; (ii) prescribed levels of Net NPA; (iii) compliance with provisions of Section 45IC of the RBI Act; and (iv) continuous general compliance with RBI regulations and guidelines concerning NBFCs. The Scale Based Regulations also prescribe to the board of directors of the NBFCs to consider the decision to roll out dividends in light of certain definite factors, such as, (i) supervisory findings of the RBI on divergence in classification and provisioning of NPAs, (ii) qualifications in the auditors report to the financial statements and (iii) long term growth plans of the NBFC. NBFCs, other than NBFC-BL, that declare dividend have to report dividend declared during the financial year in the format prescribed under the Scale Based Regulations.

Instructions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs

The Scale Based Regulations specify the activities that cannot be outsourced and also provide the basis for deciding materiality of outsourcing. It mandates the regulatory and supervisory requirements and risk management practices to be complied with by every NBFC before outsourcing its activities. Further, an NBFC intending to outsource any of the permitted activities under the Scale Based Regulations is required to formulate an outsourcing policy which is to be approved by its board of directors.

Master Circular – Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 dated July 1, 2015 (the "Corporate Governance Directions")

The RBI through the Corporate Governance Directions seeks to consolidate previously issued directions on corporate governance of NBFCs, including NBFC-ND-SIs with an asset size of ₹ 5000 million and all NBFC-Ds. The Corporate Governance Directions provide guidelines on composition of committees of the board of directors, disclosure and transparency requirements to the board of directors and in annual financial statements, fit and proper criteria of the directors, rotation of partners of the statutory auditors audit firm appointed by the NBFC, and framing of internal guidelines on corporate governance.

Master Direction - 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 January 04, 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 cooperative 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 Act, 1967 ("**UAPA**"). 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 have been updated pursuant to the notification dated October 17, 2023 to include following requirements/ amendments to the RBI KYC Directions: (i) where applicable laws and regulations prohibit implementation of the RBI KYC Directions, the regulated entity bring to the notice of the Reserve Bank of India, (ii) the criteria for determination of the beneficial owner for partnership firms has now been lowered to 10% (from the erstwhile threshold of 15%). In addition, it has been clarified that the term 'control' shall also include the right to control the management or policy decision, (iii) management level officer should only be appointed/ nominated by the RE as the 'principal officer' for furnishing information to the RBI in relation to compliance with the RBI KYC Directions, (iv) to manage the growing adoption of the digital payment systems and banking networks, certain supplementary measures have been introduced for regulated entities in connection with customer due diligence process, (v) while the RBI KYC Directions permitted regulated entities to rely on customer due diligence data from third-parties or Central KYC Records Registry, the REs may now only rely on the customer due diligence data obtained 'immediately'. (vi) regulated entities are required adopt a risk-based approach for periodic updation of KYC ensuring that the information or data collected under customer due diligence is kept up-to-date and relevant, particularly where there is high-risk, (vii) regulated entities are required to undertake enhanced due diligence and provide appropriate risk management system in relation to account of politically exposed person, and (viii) every regulated entity which is part of a group will be required to implement group level policies and programmes for ensuring compliance with the Prevention of Money Laundering (Maintenance of Records) Rules, 2005

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 Monitoring of Frauds- Master Directions in NBFCs (Reserve Bank) Directions, 2016. Fraud reports are required to be submitted in all cases of fraud of ₹ 1 lakh and above perpetrated through misrepresentation, breach of trust, manipulation of books of account, fraudulent encashment of FDRs, unauthorised handling of securities charged to the NBFC, misfeasance, embezzlement, misappropriation of funds, conversion of property, cheating, shortages, irregularities, etc. Fraud reports are also required to be submitted in cases where central investigating agencies have initiated criminal proceedings *suo moto* and/or where the RBI has directed that they be reported as frauds. Fraud reports are required to be submitted to the Central Fraud Monitoring Cell of the RBI within three weeks from the date of detection of the fraud in case amount of fraud ₹ 10 million and above. In cases where the amount of fraud is less than ₹ 10 million, reports shall be sent to the regional office of the Department of Supervision of the RBI, under whose jurisdiction the registered office of the related entity falls within three weeks from the date of detection of the fraud. The amounts involved in frauds reported by the entity shall be disclosed in its balance sheet for the year of such reporting. All applicable NBFCs are advised to submit FUA (Fraud Update Return) on as and when basis, instead of quarterly submission of consolidated FMR 3 return. A separate FMR 4 relating to security incidences i.e. theft, burglary, dacoity and robbery may be submitted within 15 days of the end of the quarter to which it relates.

Master Direction – Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016, dated September 29, 2016, as amended.

The direction lists down detailed instructions in relation to submission of returns, including their periodicity, reporting time, due date, purpose, and the requirement of filing such returns by various categories of NBFCs including an NBFC-ML and NBFC – ML.

Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 dated September 29, 2016 ("Auditor's Report Directions")

The Auditor's Report Directions set out disclosures that are to be included in every auditor's report on the accounts of an NBFC such as: (i) compliance with requirement to obtain certificate of registration from the RBI; (ii) the validity of such NBFC's certificate of registration and whether the NBFC is entitled to continue to hold such certificate of registration in terms of its principal business criteria as of March 31 of the applicable year; and (iii) compliance with net owned fund requirements as laid down in the Master Directions.

Additionally, every auditor of a non-banking financial company not accepting public deposits is required include a statement in accounts of the NBFC on following matters: (i) whether the board has passed a resolution for non-acceptance of any public deposits; (ii) whether the NBFC has accepted any public deposits during the relevant period/year; (iii) whether the NBFC has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the NBFC-ND-SI Directions; (iv) in case of NBFC-ND-SI: (a) whether the capital adequacy ratio as disclosed in the return submitted to the RBI by the NBFC, has been correctly arrived at and whether such ratio is in compliance with the minimum Capital to Risk (Weighted) Assets Ratio prescribed by the RBI; (b) whether the NBFC has furnished to the RBI the annual statement of capital funds, risk assets/exposures and risk asset ratio within the stipulated period; and (v) whether the non-banking financial company has been correctly classified as NBFC-MFI as defined in the NBFC-ND-SI Directions.

Master Direction – Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023 dated April 10, 2023 ("IT Outsourcing Directions")

The master direction by the RBI provides guidelines for outsourcing information technology services by financial institutions, including banks, NBFCs, and payment system operators. The directions recognize the extensive usage of information technology and information technology enabled services to support the business models, products and services offered by regulated entities to their customers. The aim of the IT Outsourcing Directions is to ensure that outsourcing arrangements neither diminish REs ability to fulfil its obligations to customers nor impede effective supervision by the RBI. As per the directions, a regulated entity shall take steps to ensure that the service provider employs the same high standard of care in performing the services as would have been employed by the regulated entity itself, had the same activity not been outsourced. The regulated entities need to ask their service providers to develop and establish a robust framework for documenting, maintaining, and testing business continuity plan and disaster recovery plan.

A regulated entity can also outsource any IT activity/IT enabled service within its business group/conglomerate, subject to conditions specified in the directions. Regulated entities intending to outsource any of its IT activities are required put in place a comprehensive Board approved IT outsourcing policy which shall incorporate, inter alia, the roles and responsibilities of the Board, committees of the Board (if any) and Senior Management, IT function, business function as well as oversight and assurance functions in respect of outsourcing of IT services. The IT Outsourcing Directions also require regulated entities to immediately notify the RBI in the event of breach of security and leakage of confidential customer related information. The RBI has the power to impose penalties for violations of the directions. These directions shall come into effect from October 1, 2023.

Master Directions – Information Technology Governance, Risk, Control and Assurance Practices, dated November 7, 2023 ("IT Governance Directions")

The RBI notified the IT Governance Directions to consolidate and update regulations pertaining to the governance of information technology and the risks, assurance practices, control mechanisms and disaster management associated with IT and cyber security. The IT Governance Directions apply to all NBFCs, including all NBFC-BL, NBFC-ML and NBFCTL with effect from April 1, 2024, but excludes NBFC-Core Investment Companies. With the coming into effect of these regulations, the information technology framework directions for the NBFC sector will stand repealed, but only to the extent as applicable to NBFC-TL, NBFC-ML and NBFC-UL.

The key requirements are as follows:

IT Governance

The IT Governance Directions lays down a framework for information technology ("**IT Governance Framework**") that focuses on strategic alignment, risk management, resource management, performance management and disaster recovery management. NBFCs are obligated to set up an IT Governance Framework that specifies the governance structure adhering to the business objectives of the respective NBFC, that specifies the roles of the board of directors and includes adequate oversight mechanisms to mitigate risks associated with cyber and information security. Under the IT Governance Framework, an IT Strategy Committee ("**ITSC**") must be established that shall, inter alia, ensure that the NBFC has an effective IT strategic planning process and the NBFC's IT governance provides for accountability. The risk management policy, which shall include IT related risks and cyber security related risks, shall be reviewed periodically by the risk management committee of the board, in consultation with the ITSC.

IT Infrastructure and Services Management

The IT Governance Directions also mandates NBFCs to have a framework that supports their information systems and infrastructure to ensure operational resilience. In the event there are third parties handling the NBFC's information technology or cyber security, the NBFC is required to put in place appropriate vendor risk assessment processes to, inter alia, mitigate risk and to eliminate and address any conflict of interests.

IT Information and Security Risk Management

Under the IT Governance Directions, NBFCs are mandated to set up a framework that, inter alia, contains internal control and processes to mitigate and manage risks, identifies critical information systems and provides for the fortification of the same and contains procedures and controls to ensure a secure transmission/ storage/ processing of data and information.

Business Continuity Plan and Disaster Recovery Policy

The IT Governance Directions prescribe a business continuity plan and disaster recovery policy in order to reduce the likelihood and impact of disruptive incident and to ensure the continuity of business. Disaster recovery drills in relation to critical information are required to be done at least on a half-yearly basis and for other information systems, as per the risk assessment of the NBFC.

Information System ("IS") Audit

The IT Governance Directions states that the audit committee of the board shall overlook the functioning of the IS Audit. All entities are required to have an IS audit policy that shall describe the mandate, scope and purpose of the audit. The audit committee, under the IT Governance Directions, has to review the critical issues related to IT, information security and cyber security and thereafter, provide guidance to the management regarding the same.

Guidelines on Digital Lending dated September 2, 2022 (the "*Digital Lending Guidelines*")

Pursuant to the Digital Lending Guidelines issued by RBI, outsourcing arrangements entered into by a regulated entity, shall not diminish its obligations and it shall continue to conform to the extant guidelines on outsourcing. A regulated entity is required to ensure that activities including loan servicing, repayment, etc., shall be executed by the borrower directly in the regulated entity's bank account without any pass-through account/ pool account of a third party. Further, a regulated entity is required to ensure that any fees or charges payable to the lending service provider (for carrying out functions like customer acquisition, underwriting support, pricing support, servicing, monitoring, recovery of specific loan or loan portfolio on behalf of a regulated entity) shall be paid directly by the regulated entity and not charged to the borrower. A regulated entity shall provide a key fact statement to the borrower before the execution of the contract in a standardized format for all digital lending products. Additionally, any fees, charges, etc., which are not mentioned in the key fact statement cannot be charged by a regulated entity to the borrower at any stage during the term of the loan. A regulated entity shall also ensure that lending service providers and digital lending apps/ platforms do not store personal information of borrowers except some basic minimal data that may be required to carry out their operation.

Guidelines on Default Loss Guarantee (DLG) in Digital Lending dated June 8, 2023 (the "DLG Guidelines")

The DLG Guidelines, inter alia, set out requirements in relation to default loss guarantee ("DLG") arrangements including the structure of DLF arrangements, eligibility of the DLG provider, disclosure requirements and also sets out an upper limit on the DLG provided. The DLG is required to be invoked within a maximum overdue period of 120 days, unless made good by the borrower before that. Further, the period for which the DLG agreement will remain in force should not be less than the longest tenor of the loan in the underlying loan portfolio.

The regulated entity is responsible for recognising individual loan assets in the portfolio as NPA and consequent provisioning.

The DLG Guidelines also prescribe due diligence requirements of NBFCs prior to entering into or renewal of a DLF arrangement. NBFCs are required to obtain sufficient information to satisfy themselves that the entity extending the DLG would be able to honour it.

Registration of Factors (Reserve Bank) Regulations, 2022

The RBI on January 14, 2022 under section 3 read with section 31A of the Factoring Regulations, 2011 put in place a regulatory framework pertaining to the manner of granting certificate of registration to the companies which propose to do factoring business. Registration of Factors (Reserve Bank) Regulations, 2022 define a Non-Banking Financial Company –Investment and Credit Company (NBFC-ICC) as any company which is a financial institution carrying on as its principal business of asset finance, which is the providing of finance whether by making loans or advances or otherwise for any activity other than its own and the acquisition of securities, and granted a certificate of registration under Section 45IA of the Reserve Bank of India Act, 1934 (2 of 1934) and is not any other category of NBFCs as defined by the Reserve Bank in any of its Master Directions.

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

<u>Specification of due date/repayment date</u>

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.

<u>Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)</u>

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.

<u>NPA classification in case of interest payments</u>

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.

<u>Upgradation of accounts classified as NPAs</u>

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.

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) Cooperative Banks (UCBs), and Non-Banking Finance Companies (NBFCs) (including Housing Finance Companies but excluding non-deposit taking NBFCs with asset size below ₹ 10 billion). Pursuant to these RBI guidelines, there are certain eligibility criteria and procedures to be adhered by the aforementioned entities for appointment/reappointment of Statutory

Central Auditors/Statutory Auditors. Further, NBFCs do not have to take prior approval of RBI for appointment of Statutory Central Auditors/Statutory Auditors, but all NBFCs need to inform the RBI about the appointment or removal of Statutory Central Auditors/Statutory Auditors for each year, within one month of such appointment and/or decision taken in relation of removal, as the case may be.

Prevention of Money Laundering Act, 2002 ("PMLA")

The PMLA was enacted to prevent money laundering and to provide for confiscation of property derived from, or involved, in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA inter alia casts certain obligations on reporting entities (*as defined under the PMLA*) in relation to preservation of records and reporting of transactions.

Loans and Advances – Regulatory Restrictions - NBFCs, dated April 19, 2022, as amended

The RBI introduced certain regulatory restrictions on lending in respect of NBFCs placed in different layers. The circular states that unless sanctioned by the Board of Directors/Committee of Directors, NBFCs shall not grant loans and advances aggregating ₹ 50 million and above to: (a) their directors (including the Chairman/ Managing Director) or relatives of directors, (b) any firm in which any of their directors or their relatives is interested as a partner, manager, employee or guarantor, and (c) any company in which any of their directors, or their relatives is interested as a major shareholder, director, manager, employee or guarantor. The circular also provides guidelines in relation to (i) loans and advances to senior officers of the NBFCs and (ii) loans and advances to the real estate sector. Further, all the NBFC-BLs are required to have a policy approved by board of directors on grant of loans to directors, senior officers, and relatives of directors and to entities where directors or their relatives have major shareholding.

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 recognizes 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 Information Technology Act, 2000 (the "Information Technology Act")

A NBFC is required to collect sensitive personal data such as bank account details, from an individual, as part of the customer due diligence process provided under the KYC Directions, while establishing an account-based relationship. The Information Technology Act provides for legal recognition of transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information. It provides for extraterritorial jurisdiction over any offence or contravention under the Information Technology Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India.

Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("SPDI Rules")

In April 2011, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India ("**DoIT**"), in exercise of its power to formulate rules with respect to reasonable security practices and procedures and sensitive personal data, notified the SPDI Rules in respect of Section 43A of the Information Technology Act, which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. Under the SPDI Rules, sensitive personal data is defined to include personal information relating to passwords, financial information such as bank account or credit card or debit card or other payment instrument details, physical, physiological, and mental health condition, sexual orientation, medical records, biometric information and so on. The SPDI Rules require every such body corporate, or person acting on behalf of a body corporate, to provide a privacy policy for collecting, receiving, possessing, storing, handling, and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The SPDI Rules further require that all such personal data be used solely for the purposes for which it was collected, and any collection or third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law. Pursuant to receiving the President's assent on 11th August, 2023, the DPDT Act, has replaced the existing data protection provision, as contained in Section 43A of the IT Act.

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.

Foreign Exchange Laws

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999, as amended, along with the rules, regulations and notifications made by the RBI thereunder, and the consolidated FDI Policy Circular of 2020 (No. 5(2)/2020) dated October 15, 2020, as amended, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.

As per the sector specific guidelines of the Government of India, up to 100% foreign investment is allowed under the automatic route in certain NBFC activities subject to compliance with guidelines under the Foreign Exchange Management Act, 1999 and applicable rules and regulations in this regard.

Intellectual Property Laws

The Trade Marks Act, 1999 (the "Trademarks Act")

The Trademarks Act governs the statutory protection of trademarks and prohibits any registration of deceptively similar trademarks, among others. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trade mark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration are required to be restored. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010 ("**Trademark Amendment Act**") simultaneous protection of trademarks in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark Amendment Act also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law to international practice.

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.

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 securitization 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 'Laxmi India Finleasecap Private Limited' at New Delhi under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 10, 1996, issued by the Registrar of Companies, Delhi and Haryana. Our Company changed its registered office to the state of West Bengal pursuant to the order dated July 19, 2011 passed by the Hon'ble Company Law Board, Bench at New Delhi. Further, the registered office of our Company was shifted from the state of West Bengal to the state of Rajasthan pursuant to the order dated December 01, 2020 passed by the Regional Director, Eastern Region. Subsequently, the name of our Company was changed to Laxmi India Finance Private Limited to align the name of company with its current business model as the Company is offering product and the word "Finleasecap" does not denote the Company's business model or product versatile and a fresh certificate of incorporation dated March 10, 2023 was issued by the Registrar of Companies, Rajasthan at Jaipur. Thereafter, our Company was converted into a public limited company and the name of our Company was changed to 'Laxmi India Finance Limited' and a fresh certificate of incorporation dated October 08, 2024 was issued by the Registrar of Companies, Rajasthan at Jaipur.

Our Company has been granted a certificate of registration dated March 28, 2001 under former name Laxmi India Finleasecap Private Limited by the RBI to carry on the business of a non-banking financial company without accepting public deposit. Subsequently, the RBI granted a certificate of registration dated April 25, 2018 pursuant to shifting of the registered office of our Company to the state of West Bengal from Delhi. Pursuant to shifting of registered office of our Company to the state of Rajasthan, the RBI had granted a certificate of registration dated March 15, 2021. Consequent to change in name of the Company to Laxmi India Finance Private Limited, the RBI had granted a certificate of registration dated March 31, 2023, to our Company. Pursuant to conversion of our Company from a private limited company into a public limited company, we have applied to RBI for issuance a certificate of registration in our current name. We have been categorized as NBFC-Middle Layer as per the Scale Based Regulations.

Changes in the Registered Office of our Company since incorporation

The details of changes in the registered office of our Company since the date of its incorporation are as follows:

Date of Change	Details of Change	Reason(s) for Change
May 15, 1998	No. 2, Adhyapak Nagar, Najafgarh Rd. Nangoli to 4 M.B. Road, Near Petrol Pump, Main market Khanpur, New Delhi - 110062, Delhi, India	For administrative convenience
July 06, 2000	4 M.B. Road, Near Petrol Pump, Main market Khanpur, New Delhi – 110062, Delhi, India to 38, Devli More, Opp PN Bank, MB Road, Khanpur, New Delhi-110062, Delhi, India	For administrative convenience
July 19, 2011	38, Devli More, Opp PN Bank, MB Road, Khanpur, New Delhi – 110062, Delhi, India to 33 Chitta Ranjan Avenue, 9th Floor, Room no - 908B, Kolkata - 700012, West Bengal, India	Change in control
August 24, 2017	33 Chitta Ranjan Avenue, 9th Floor, Room no-908B, Kolkata- 700012, West Bengal, India to 33 Chitta Ranjan Avenue, 9th Floor, Room No. 908A, Kolkata - 700012, West Bengal, India	For administrative convenience
December 01, 2020	33 Chitta Ranjan Avenue, 9th Floor, Room No. 908A, Kolkata - 700012, West Bengal, India to 2 DFL, Gopinath Marg, MI Road, Jaipur - 302001, Rajasthan, India	For administrative convenience.

The registered office of our Company is currently situated at 2 DFL, Gopinath Marg, MI Road, Jaipur - 302001, Rajasthan, India.

Main objects of our Company

The main objects as contained in our Memorandum of Association are as follows:

1. *To carry on finance and investment business and to purchase, acquire, hold, and dispose off or otherwise deal in shares, debentures, stocks, bonds, obligations and securities issued or guaranteed by any Company constituted or carrying on business in India or elsewhere and debentures, stocks, bonds, obligations and securities issued by any authority whatsoever, and to act as share brokers, sub brokers, factors or otherwise.*

2. *To act as investors, guarantors, underwriters and financiers with the object of financing Industrial/ Commercial enterprises, to lend or deal with the money either with or without interest or securities including in current or deposit account with any bank or banks, other person or persons upon such terms, conditions and manner as may from time to time be determined and to receive money on agents, or loan upon such terms and conditions as the Company may approve, provided the Company shall not do any banking business as defined in the Banking Regulations Act, 1949.*

3. *Subject to the approval of SEBI and other Authorities where required to render financial services and to act as merchant bankers, financial advisor, management consultants, advisors, managers, underwriters, to the issue of shares, debentures, securities to act as registrars, and shares transfer deposit to provide services like portfolio management and equity research analysis. But the Company shall not carry on banking business under the Banking Regulations Act, 1949.*

4. *To carry on and undertake the business of finance and leasing and to finance the operations of all kinds and to finance on purchasing, sale of all kinds of plant and machinery and equipment that the Company may think fit and to assist in financing of all and every kind and description of hire purchase or deferred payment or similar transaction and to subsidise finance or assist in subsidizing or financing the sale and maintenance of any goods, articles or commodities of all and every kind and description upon any terms whatsoever and to finance, of all forms of immovable and movable property including land and building, plant and machinery, equipment, ships, aircrafts, automobile, computers and all consumers, commercial and industrial items and to lease and finance with them in any manner regardless of whether property purchased and leased by new and/or used.*

The main objects 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 in the last ten years

Set out below are the amendments to our MoA in the last 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' Resolution / Effective Date	Details of the amendments
January 04, 2017	Clause V of our Memorandum of Association of our Company was amended to reflect the increase in authorized share capital of the Company from ₹ 50,000,000 divided into 5,000,000 Equity Shares of face value of ₹ 10 each to ₹ 10,00,00,000 divided into 10,000,000 Equity Shares of face value of ₹ 10 each.
May 07, 2018	Clause V of our Memorandum of Association of our Company was amended to reflect the increase in the authorized share capital of the Company from ₹ 100,000,000 divided into 10,000,000 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.

December 01, 2020	Clause II of our Memorandum of Association was altered to reflect the change in registered office address of our Company from "State of West Bengal" to "State of Rajasthan".
December 29, 2021	Clause V of our Memorandum of Association of our Company was amended to reflect the increase in the authorized share capital of the Company from ₹ 150,000,000 divided into 15,000,000 Equity Shares of face value of ₹ 10 each to ₹ 200,000,000 divided into 20,000,000 Equity shares of face value of ₹ 10 each.
September 19, 2022	Clause III of our Memorandum of Association of our Company was amended to reflect the change in the heading of Sub-Clause (B) from "The objects incidental or ancillary to the attainment of main objects" to "Matters which are necessary for furtherance of the objects specified in clause III(A) Heading of Clause III(B) of Memorandum of Association have been altered and deletion of Clause III(C)(1) to III(C)(54) of the Memorandum of Association have been deleted, vide special resolution passed by the members of the Company in their Annual General Meeting held on 19.09.2022.
September 19, 2022	Clause IV of our Memorandum of Association was amended to reflect the change in the heading of the clause from "The liability of the members is limited" to "The Liability of the members is limited and this liability is limited to the amount unpaid, if any, on shares held by them".
January 25, 2023	Clause I of our Memorandum of Association was amended to reflect the change in name of our Company from "Laxmi India Finleasecap Private Limited" to "Laxmi India Finance Private Limited".
February 15, 2024	Clause V of our Memorandum of Association of our Company was amended to reflect the increase in the authorized share capital of the Company from ₹200,000,000 divided into 20,000,000 Equity shares of face value of ₹ 10 each to ₹300,000,000 divided into 30,000,000 Equity shares of face value of ₹ 10 each.
August 09, 2024	Clause I of our Memorandum of Association of our Company was amended to reflect the change in name of our Company from "Laxmi India Finance Private Limited" to "Laxmi India Finance Limited".
November 16, 2024	Clause V of our Memorandum of Association of our Company was amended to reflect the sub-division ofthe authorized share capital of the Company from 30,000,000 Equity shares of face value of ₹ 10 each to 60,000,000 Equity Shares of ₹ 5 each.

Major events and milestones of our Company

The table below sets forth the major events and milestones in the history of our Company:

Calendar Year	Particulars
1996	Incorporation of our Company as Laxmi India Finleasecap Private Limited
2001	Received license to operate as an NBFC from the RBI
2010	Acquisition of control of the Company by the current Promoter
2011	Launched MSME loan product
2017	Crossed the AUM of ₹1000 million
2017	Launched construction loan product
2018	Designated as NBFC – Investment and Credit Company
2019	Opened our first branch in Gujarat
2020	Our customer base crossed 10,000
2020	Opened our first branch in Madhya Pradesh

2021	Designated as a NBFC-ND-SI by the RBI
2022	Crossed 100 branches
2023	Crossed the AUM of ₹5000 million
2024	Crossed the AUM of ₹10000 million
2024	Categorized as NBFC-Middle Layer
2024	Our customer base crossed 25,000

Key awards, accreditations and recognitions

The table below sets forth the details of the key awards, accreditations and recognition received by our Company:

Calendar Year	Awards, accreditations and recognition
2024	Recognized as 'Great Place to Work' in the Mid-Size Organizations by Great Place to Work Institute, India from February 2024 to February 2025
2024	Featured as 'Company of the Year' in Finance Outlook India Magazine, December Edition

Time and cost overruns

There has been no time and cost overrun in the business operations of our Company as on the date of this Draft Red Herring Prospectus.

Defaults or re-scheduling/ restructuring of borrowings with financial institutions/banks

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings from the lenders as on the date of this Draft Red Herring Prospectus.

Significant financial and / or strategic partners

Our Company does not have any significant financial and / or strategic partners as on the date of this Draft Red Herring Prospectus.

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 to the extent applicable, see "Our Business" and "*–Major Events and Milestones of our Company*" on pages 195 and 242, respectively.

Capacity/facility creation, location of branches

For details regarding locations of our branches, see "Our Business" on page 195.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last ten years

Our Company has not made any material acquisitions or divestments of business/ undertakings, and have not undertaken any merger, amalgamation or any revaluation of assets during the ten years preceding the date of this Draft Red Herring Prospectus.

Our Holding Company

Hirak Vinimay Private Limited is our holding company. For details, see "Our Promoters and Promoter Group" on page 293.

Our Subsidiaries, Joint Ventures and Associates

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries, joint ventures or associates.

Shareholders' agreements and other agreements

Except as disclosed below, there are no arrangements or agreements, deeds of assignment, acquisition agreements, shareholders' agreements, inter-se agreements, or any other agreements between our Company, our Promoters and Shareholders, or agreements of like nature or agreements comprising any clauses/covenants which are material to our Company. Further, there are no other clauses/covenants that are adverse or prejudicial to the interest of the minority/public Shareholders of our Company.

Inter-se Agreements entered into by and between our Promoters and certain Shareholders of our Company

(a) Our Promoter, Aneesha Baid has entered into separate inter-se agreements all dated November 15, 2024 with the Shareholders namely, Rachana Goenka, Srinithi Ventures, Trivikram Ventures, KJMC Corporate Advisors (India) Limited, Benani Wealthfront LLP, VPK Global Ventures Fund and Rajesh Bansal, in respect of an aggregate number of 2,65,000 Equity Shares; and ***(b)*** our Promoter, Deepak Hitech Motors Private Limited has entered into separate inter-se agreements all dated November 15, 2024 with the Shareholders namely, Rajiv Gupta, Tarlaben Patel, Rakesh Dalmia, Intellect Fincap Advisors Private Limited, Harit Exports Private Limited, Arun Mittal, Anuj Agarwal, Ashni Mehta, Angira Goenka, Avkash Ganeriwal, Vipul Patel, Vishal Sampat, Shyam Sunder Kothari in respect of an aggregate number of 3,92,000 Equity Shares (such agreements collectively referred to as "**Inter-Se Agreements**", and such Shareholders collectively referred to as "**Shareholders with Other Rights**"). Pursuant to the said Inter-Se Agreements, our Promoters, Aneesha Baid and Deepak Hitech Motors Private Limited Baid have agreed to take all possible measures to ensure that the initial public offering of the Company opens on or before June 30, 2025 (or such other mutually agreed date), failing which the Shareholders with Other Rights shall be entitled to sell their respective portion of the Equity Shares covered under the Inter-Se Agreements to a third party at the fair market value, with such Promoters assisting in facilitating such third party sale.

Other material agreements

There are no subsisting material agreements / arrangements entered into by our Company or clauses / covenants applicable to our Company which are material, and which are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer.

Details of guarantees given to third parties by our Selling Shareholders who are participating in the Offer for Sale

Except as disclosed below, our Selling Shareholders have not provided any guarantees in respect of the loans availed by our Company:

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
Deepak Baid and Aneesha Baid	3-Jun-22	A.K. Capital Finance Limited	100.00	Term Loan	**Primary Security -** Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables. **Personal Guarantee -** Deepak Baid and Aneesha Baid	36 months
Deepak Baid and Aneesha Baid	26-Sep-22	A.K. Capital Finance Limited	100.00	Term Loan	**Primary Security -** Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables. **Personal Guarantee -** Deepak Baid and Aneesha Baid	36 months
Deepak Baid and Aneesha Baid	25-Jun-24	A.K. Capital Finance Limited	250.00	Term Loan	**Primary Security –** First ranking and exclusive charge via a deed of hypothecation over specific asset portfolio of receivables. **Personal Guarantee –** Deepak Baid and Aneesha Baid	36 months
Deepak Baid, Prem Devi Baid, Aneesha Baid, Deepak Hitech Motors Private Limited and Prem Dealers Private Limited	23-Jun-23	Bajaj Finance Limited	100.00	Term Loan	**Primary Security -** Exclusive first charge on the loan portfolio of the borrower by way of hypothecation on the secured loan installments receivables created from the proceeds of the facility **Personal Guarantee -** Deepak Baid, Aneesha Baid and Prem Devi Baid **Corporate Guarantee -** Hirak Vinimay Private Limited, Deepak Hitech Motors Private Limited and Prem Dealers Private Limited	3 Years
Deepak Baid, Prem Devi Baid and Aneesha Baid	29-Oct-21	AU Small Finance Bank	50.00	Term Loan	**Primary Security –** Exclusive hypothecation of present and future loan Receivables (Net of Financial Charges, NPA, other charges etc) to be created upfront through deed of hypothecation/ deed of adherence or any such document required to create charge on requisite assets. **Personal guarantee –** Deepak Baid, Aneesha Baid and Prem devi Baid	36 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
Deepak Baid, Aneesha Baid and Prem devi Baid	30-May-22	AU Small Finance Bank	75.00	Term Loan	**Primary Security –** Exclusive hypothecation of present and future loan Receivables (Net of Financial Charges, NPA, other charges etc) to be created upfront through deed of hypothecation/ deed of adherence or any such document required to create charge on requisite assets. **Personal guarantee –** Deepak Baid, Aneesha Baid and Prem devi Baid	36 months
Deepak Baid and Aneesha Baid	30-May-24	AU Small Finance Bank	400.00	Term Loan	**Primary Security –** Exclusive hypothecation of present and future loan Receivables (Net of Financial Charges, NPA, other charges etc) to be created upfront through deed of hypothecation/ deed of adherence or any such document required to create charge on requisite assets. **Personal guarantee –** Deepak Baid and Aneesha Baid	48 months
Deepak Baid, Aneesha Baid and Prem Devi Baid.	18-Feb-20	Bandhan Bank	250.00	Term Loan	**Primary security –** First exclusive charge on the book debts created out of BBL's loan. **Personal Guarantee -** Deepak Baid, Aneesha Baid and Prem Devi Baid.	60 months
Deepak Baid, Aneesha Baid and Prem Devi Baid.	6-Apr-21	Bandhan Bank	150.00	Term Loan	**Primary security –** First exclusive charge on the book debts created out of BBL's loan. **Personal Guarantee -** Deepak Baid, Aneesha Baid and Prem Devi Baid.	5 years
Deepak Baid and Aneesha Baid	09-July-24	Bank of Maharashtra	200,00	Term Loan	**Primary Security -** Exclusive charge by way of hypothecation of such of the book debt/receivables, which are financed by the company out of the bank financed to the company. **Personal guarantee-** Deepak Baid and Aneesha Baid	5 years
Deepak Baid and Aneesha Baid	1-Dec-23	Canara Bank	300.00	Term Loan	**Primary Security –** Exclusive charge on all present and future eligible book debts and receivables valued at 125% of the loan amount or loan outstanding (excluding assets ineligible for bank financing, assets securitized and those pertaining to group companies) which are standard and not overdue. **Personal Guarantee -** Deepak Baid and Aneesha Baid **Corporate Guarantee -** Hirak Vinimay Private Limited	60 months
Deepak Baid	27-Sep-21	Capital India	20.00	Term Loan	**Primary Security –**	36 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
					Creation of a first ranking exclusive hypothecation by borrower over hypothecated properties with minimum security cover of 1.20 times of the value of all outstanding amounts in relation to the facility. **Personal Guarantee** – Deepak Baid	
Deepak Baid	31-Dec-21	Capital India	20.00	Term Loan	**Primary Security –** Creation of a first ranking exclusive hypothecation by borrower over hypothecated properties. **Personal Guarantee –** Deepak Baid	36 months
Deepak Baid and Aneesha Baid	24-Sep-24	Capital Small Finance Bank Ltd	80.00	Term Loan	**Primary Security-** Hypothecation of book debts to the extent of 110% of exposure created out of CSFB funding (first and exclusive charge). **Personal Guarantee** – Deepak Baid, Aneesha Baid	36 months
Deepak Baid and Aneesha Baid	24-May-22	Capital Small Finance Bank Ltd	85.00	Term Loan	**Primary Security –** Hypothecation of book debts to the extent of 110% of exposure created out of CSFB funding (first and exclusive charge). **Personal Guarantee** – Deepak Baid, Aneesha Baid	36 months
Deepak Baid and Aneesha Baid	2-Feb-23	Capital Small Finance Bank Ltd	50.00	Term Loan	**Primary Security –** Hypothecation of book debts to the extent of 110% of exposure created out of CSFB funding (first and exclusive charge). **Personal Guarantee** – Deepak Baid, Aneesha Baid	36 months
Deepak Baid and Aneesha Baid	18-Dec-23	Capital Small Finance Bank Ltd	80.00	Term Loan	**Primary Security –** Hypothecation of book debts to the extent of 110% of exposure created out of CSFB funding (first and exclusive charge). **Personal Guarantee** – Deepak Baid, Aneesha Baid	42 months
Deepak Baid and Aneesha Baid	14-Mar-22	Cholamandalam Investment and Finance Company	70.00	Term Loan	**Primary Security -** Exclusive first charge on the loan portfolio of the borrower by way of hypothecation of receivable **Personal Guarantee –** Deepak Baid, Aneesha Baid	36 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
Deepak Baid and Aneesha Baid	21-Dec-22	Cholamandalam Investment and Finance Company	50.00	Term Loan	**Primary Security -** Exclusive first charge on the loan portfolio of the borrower by way of hypothecation of receivable **Personal Guarantee –** Deepak Baid, Aneesha Baid	36 months
Deepak Baid and Aneesha Baid	14-Feb-23	CSB Bank	150.00	Term Loan	**Primary Security –** Exclusive first charge on standard assets to always cover 1.20 times of the principal outstanding on the facility during the currency of the facility. **Personal Guarantee-** Deepak Baid, Aneesha Baid. **Corporate Guarantee-** Hirak Vinimay Private Limited	48 months
Deepak Baid, Aneesha Baid	13-Jun-24	CSB Bank	150.00	Term Loan	**Primary Security –** Exclusive charge by way of hypothecation of the specific book debts, created out of CBS Bank's loan. At any point in time, the company shall maintain an asset cover of 1.20 times the loan outstanding with the bank. **Personal Guarantee-** Deepak Baid, Aneesha Baid.	48 months
Deepak Baid and Aneesha Baid	29-Feb-24	DCB Bank	100.00	Term Loan	**Primary Security** – Exclusive charge by way of hypothecation on specific pool of vehicle loan receivables and MSME loan receivables and classified as standard in the books of the company. **Personal guarantor –** Deepak Baid and Aneesha Baid **Corporate guarantor –** Hirak Vinimay pvt ltd.	36 months
Deepak Baid, Aneesha Baid and Prem Devi Baid	29-Dec-21	Dhan Laxmi Bank	50.00	Term Loan	**Primary-** Exclusive charge by way of hypothecation / assignment of specific book debts created out of assets financed by the company out of bank finance or on the un-encumbered book debts which are identified by the company from time to time. **Personal Guarantee-** Deepak Baid, Aneesha Baid and Prem Devi Baid **Corporate Guarantee-**	39 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
					Starpoint Construction Private Limited and Hirak Vinimay Private Limited	
Deepak Baid and Aneesha Baid.	2-Jun-22	Edge Credit Opportunity – Ak capital	100.00	NCD	**Primary Security –** Exclusive Charge via a deed of hypothecation over specific asset portfolio of receivables ("Hypothecated Assets"). **Personal guarantee:** Deepak Baid and Aneesha Baid.	34 months
Deepak Baid and Aneesha Baid.	30-Dec-21	Electronica Finance Limited	40.00	Term Loan	**Primary Security –** Hypothecation of book debts – 110% of loan outstanding of receivables. **Personal Guarantee-** Deepak Baid and Aneesha Baid.	36 months
Deepak Baid, Prem Devi Baid, Aneesha Baid.	2-Nov-21	ESAF Small Finance Bank	100.00	Term Loan	**Primary Security –** Hypothecation of book debts to the extent of 1.11 times of the exposure created out of ESAF's Funding (first and exclusive charge). **Personal guarantee-** Deepak Baid, Prem Devi Baid, Aneesha Baid. **Corporate Guarantee-** Hirak Vinimay Private Limited and Star Point Constructions Private Limited	36 months
Deepak Baid, Prem Devi Baid and Aneesha Baid	16-Dec-22	ESAF Small Finance Bank	150.00	Term Loan	**Primary Security –** Exclusive charge of present & future loan receivables (Net of NPA/Overdue receivables, Financial Charges, Other charges, etc.) **Personal Guarantee-** Deepak Baid, Prem Devi Baid and Aneesha Baid **Corporate Guarantee-** Hirak Vinimay Private Limited and Star Point Constructions Private Limited	36 months
Deepak Baid, Prem Devi Baid and Aneesha Baid	15-Jun-22	ESAF Small Finance Bank	250.00	Term Loan	**Primary Security -** First and Exclusive charge by way of hypothecation on present & future loan receivables **Personal guarantee:** Deepak Baid, Aneesha Baid and Prem Devi Baid.	36 months
Deepak Baid, Aneesha Baid.	29-Jun-22	Federal Bank	125.00	Term Loan	**Primary Security-** Exclusive Charge on the specific receivables of priority sector category funded from the loan availed from the bank. **Personal Guarantee-**	36 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
					Deepak Baid and Aneesha Baid	
Deepak Baid, Aneesha Baid.	3-Nov-23	Federal Bank	200.00	Term Loan	**Primary Security-** Exclusive Charge on the specific receivables of priority sector category funded from the loan availed from the bank. **Personal Guarantee** – Deepak Baid and Aneesha Baid	36 months
Deepak Baid, Aneesha Baid.	21-09-24	Federal Bank	250.00	Term Loan	**Primary Security-** Exclusive charge on the specific receivables (DPD< 60 days) of priority sector category funded from the loan availed from the bank with an asset cover of 1.25x. **Personal Guarantee-** Deepak Baid and Aneesha Baid	36 months
Deepak Baid	25-Feb-22	Hinduja Leyland Finance Ltd	100.00	Term Loan	**Primary Security –** Exclusive charge by the way of hypothecation over identified receivables that meets the eligibility criteria such that the security cover is met. **Personal Guarantee-** Deepak Baid	36 months
Deepak Baid	21-Sep-22	Hinduja Leyland Finance Ltd	150.00	Term Loan	**Primary Security –** First and Exclusive charge by way of hypothecation over identified receivables that meets the eligibility criteria that is set out such that the security cover is met. **Personal Guarantee-** Deepak Baid	36 months
Deepak Baid	25-Sep-23	Hinduja Leyland Finance Ltd	150.00	Term Loan	**Primary Security –** Exclusive charge by the way of hypothecation over identified receivables that meets the eligibility criteria such that the security cover is met. **Personal Guarantee-** Deepak Baid	36 months
Deepak Baid	15-Mar-24	Hinduja Leyland Finance Ltd	220.00	Term Loan	**Primary Security –** First and Exclusive charge by way of hypothecation over identified receivables that meets the eligibility criteria that is set out such that the security cover is met. **Personal Guarantee-** Deepak Baid	36 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
Deepak Baid, Prem Devi Baid and Aneesha Baid	15-Mar-23	IDBI Bank	150.00	Term Loan	**Primary Security –** First and exclusive charge by way of hypothecation of receivables as specified in the deed of hypothecation (including principal, interest, additional penal interest, service fee and any other charges that may have been received by the borrower on the underlying pool) **Personal Guarantee –** Deepak Baid, Aneesha Baid and Prem Devi Baid.	60 months
Deepak Baid, Aneesha Baid.	28-Jun-22	IDFC FIRST Bank Ltd.	250.00	Term Loan	**Primary Security –** First Exclusive charge of present and future book debts and receivables. **Personal Guarantee –** Deepak Baid and Aneesha Baid.	60 months
Deepak Baid, Aneesha Baid.	27-Sep-23	IDFC FIRST Bank Ltd.	350	Term Loan	**Primary Security –** First Exclusive charge of present and future book debts and receivables with a security cover of 1.10x. All book debts an receivables shall not be more than 60 DPD. **Personal Guarantee** – Deepak Baid, Aneesha Baid	60 months
Deepak Baid.	20-Jun-24	IDFC FIRST Bank Ltd.	500.00	Term Loan	**Primary Security –** First exclusive charge over loan receivables and book debts of the borrower so as to provide a security (principal amount) cover of 1.10x times loan. **Personal guarantee-** Deepak Baid	60 months
Deepak Baid, Prem Devi Baid and Aneesha Baid	1-Oct-20	IKF Finance Limited	50.00	Term Loan	**Primary Security –** First and exclusive charge by way of hypothecation over the Portfolio and any other asset, property or right that the borrower acquires using the proceeds of the Facility and such other assets of the borrower such that the security is met. **Personal Guarantee:** Deepak Baid, Prem Devi Baid and Aneesha Baid	59 months
Deepak Baid, Prem Devi Baid and Aneesha Baid	1-Oct-20	IKF Finance Limited	15.00	Term Loan	**Primary Security –** First and exclusive charge by way of hypothecation over the Portfolio and any other asset, property or right that the borrower acquires using the proceeds of the Facility and such other assets of the borrower such that the security is met. **Personal Guarantee-** Deepak Baid, Prem Devi Baid and Aneesha Baid	59 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
Deepak Baid, Prem Devi Baid and Aneesha Baid	26-Aug-21	IKF Finance Limited	50.00	Term Loan	**Primary Security –** First and exclusive charge by way of hypothecation over the Portfolio and any other asset, property or right that the borrower acquires using the proceeds of the Facility and such other assets of the borrower such that the security is met. **Personal guarantee:** Deepak Baid, Prem Devi Baid and Aneesha Baid	48 months
Deepak Baid and Aneesha Baid	21-Mar-22	IKF Finance Limited	60.00	Term Loan	**Primary Security –** First and exclusive charge by way of hypothecation over the Portfolio and any other asset, property or right that the borrower acquires using the proceeds of the Facility and such other assets of the borrower such that the security is met. **Personal Guarantee:** Deepak Baid and Aneesha Baid	4 years
Deepak Baid and Aneesha Baid	30-Jan-23	Indian Bank	200.00	Term Loan	**Primary Security –** Exclusive charge (hypothecation) on all present and future eligible book debts and receivables of standard assets which should not include SMA (excluding assets ineligible for bank financing, assets securitized and those pertaining to group companies) **Personal Guarantee-** Deepak Baid and Aneesha Baid **Corporate Guarantee-** Starpoint Construction Private Limited, since merged with Hirak Vinimay Private Limited	5 years
Deepak Baid and Ms. Aneesha Baid.	27 SEP 24	Indian Overseas Bank	300.00	Term Loan	**Primary Security –** Exclusive hypothecation charge on loan receivables having aggregate book value (principal outstanding) equivalent to 125 % of the loan amount outstanding, eligible for classification under Priority sector lending-MSME. **Personal Guarantees –** Deepak Baid and Ms. Aneesha Baid.	60 months
Deepak Baid and Ms. Aneesha Baid	30-Dec-22	Indian Overseas Bank	150.00	Term Loan	**Primary Security –** Exclusive hypothecation charge on loan receivables having aggregate book value (principal outstanding). **Personal Guarantees –** Deepak Baid and Ms. Aneesha Baid.	60 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
Deepak Baid, Prem Devi Baid and Aneesha Baid	19 July 24	Kotak Mahindra Bank	300.00	Term Loan	**Primary Security –** First and exclusive charge on the standard receivables Crores created out of KMBL's finance with 115% cover in the form of receivables (minimum 70% to be secured MSME Loans /LAP & balance 30% secured CE/CV) (out of Term Loan II of INR 30 Crore). **Personal Guarantee-** Deepak Baid, Prem Devi Baid and Aneesha Baid	36 months
Deepak Baid, Prem Devi Baid and Aneesha Baid.	14-Mar-23	Kotak Mahindra Bank	150.00	Term Loan	**Primary Security –** First and Exclusive charge on the standard receivables created out of KMBL's finance with 115% cover in the form of receivables. **Personal Guarantee-** Deepak Baid, Prem Devi Baid and Aneesha Baid	36 months
Deepak Baid, Prem Devi Baid and Aneesha Baid.	1-Nov-21	Maanaveeya Development Finance Ltd	150.00	Term Loan	**Primary security-** first rank & an exclusive charge on the book debts of the borrower in favour of maanaveeya on the portfolio of grade a loans that borrower has extended to its customers. **Personal Guarantees-** Deepak Baid, Prem Devi Baid and Aneesha Baid.	36 months
Deepak Baid, Prem Devi Baid and Aneesha Baid.	21-Mar-23	Maanaveeya Development Finance Ltd	100.00	Term Loan	**Primary Security –** First rank & an exclusive charge on the book debts of the BORROWER in favour of Maanaveeya on the portfolio of Grade A loans that Borrower has extended to its customers. **Personal Guarantees-** Deepak Baid, Prem Devi Baid and Aneesha Baid.	36 months
Deepak Baid, Prem Devi Baid and Aneesha Baid.	4-Jul-23	Maanaveeya Development Finance Ltd	80.00	Tier-II	**Personal Guarantee** – Deepak Baid, Aneesha Baid, Prem Devi Baid	-
Deepak Baid and Aneesha Baid	26-Oct-22	Manappuram Finance Limited	200.00	Term Loan	**Primary Security –** First and exclusive charge over the loan assets of the borrower. **Personal Guarantee-** Deepak Baid and Aneesha Baid	48 months
Deepak Baid and Aneesha Baid	18-Oct-23	Manappuram Finance Limited	100.00	Term Loan	**Primary Security –** First and exclusive charge over the loan assets of the borrower. **Personal Guarantee-** Deepak Baid and Aneesha Baid	48 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
Deepak Baid and Aneesha Baid	6-Nov-23	Manappuram Finance Limited	100.00	Term Loan	**Primary Security –** First and exclusive charge over the loan assets of the borrower**.** **Personal Guarantee-** Deepak Baid and Aneesha Baid	48 months
Deepak Baid	29-Jun-23	MAS Financial Services Ltd	50.00	Term Loan	**Primary Security –** The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **Personal Guarantee** – Deepak Baid	48 months
Deepak Baid	29-Jun-23	MAS Financial Services Ltd	50.00	Term Loan	**Primary Security –** The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **Personal Guarantee** – Deepak Baid	48 months
Deepak Baid	29-Jun-23	MAS Financial Services Ltd	50.00	Term Loan	**Primary Security** – The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of	48 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
					Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **Personal Guarantee** – Deepak Baid	
Deepak Baid	8-Sep-23	MAS Financial Services Ltd	37.50	Term Loan	**Primary Security** – The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **Personal Guarantee** – Deepak Baid	48 months
Deepak Baid	8-Sep-23	MAS Financial Services Ltd	37.50	Term Loan	**Primary Security** – The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **Personal Guarantee** – Deepak Baid	48 months
Deepak Baid	8-Sep-23	MAS Financial Services Ltd	37.50	Term Loan	**Primary Security** – The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of	48 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
					Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **Personal Guarantee** – Deepak Baid	
Deepak Baid	8-Sep-23	MAS Financial Services Ltd	37.50	Term Loan	**Primary Security** – The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **Personal Guarantee** – Deepak Baid	48 months
Deepak Baid	20-Oct-23	MAS Financial Services Ltd	37.50	Term Loan	**Primary Security** – The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **Personal Guarantee** – Deepak Baid	48 months
Deepak Baid	20-Oct-23	MAS Financial Services Ltd	37.50	Term Loan	**Primary Security** – The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of	48 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
					Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **Personal Guarantee** – Deepak Baid	
Deepak Baid	20-Oct-23	MAS Financial Services Ltd	37.50	Term Loan	**Primary Security** – The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **Personal Guarantee** – Deepak Baid	48 months
Deepak Baid	20-Oct-23	MAS Financial Services Ltd	37.50	Term Loan	**Primary Security** – The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **Personal Guarantee** – Deepak Baid	48 months
Deepak Baid	29-Jan-24	MAS Financial Services Ltd	37.50	Term Loan	**Primary Security** – The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of	48 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
					Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **Personal Guarantee** – Deepak Baid	
Deepak Baid	29-Jan-24	MAS Financial Services Ltd	37.50	Term Loan	**Primary Security** – The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **Personal Guarantee** – Deepak Baid	48 months
Deepak Baid	29-Jan-24	MAS Financial Services Ltd	37.50	Term Loan	**Primary Security** – The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **ersonal Guarantee** – Deepak Baid	48 months
Deepak Baid	29-Jan-24	MAS Financial Services Ltd	37.50	Term Loan	**Primary Security** – The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of	48 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
					Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **Personal Guarantee** – Deepak Baid	
Deepak Baid	29-Apr-24	MAS Financial Services Ltd	50.00	Term Loan	**Primary Security** – The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **Personal Guarantee** – Deepak Baid	48 months
Deepak Baid	29-Apr-24	MAS Financial Services Ltd	50.00	Term Loan	**Primary Security** – The Facility will be secured by a first ranking exclusive charge by way of hypothecation over [the receivables under the facilities originated pursuant to the Portfolio and any other assets, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/ receivables of the Borrower as may be acceptable to the Lender] OR [certain identified book debts/ loan receivables of the Borrower as set out in the Deed of Hypothecation] (collectively referred to as the "Hypothecated Assets") on or prior to each Security Creation Date. **Personal Guarantee** –Deepak Baid	48 months
Deepak Baid	31-Jul-24	Mercedes Benz Financial Services India Private Limited	4.5	Term Loan	**Primary Security –** Hypothecation of car purchased **Personal Guarantee** –Deepak Baid	60 months
Deepak Baid	11-Mar-22	Muthoot Capital Service Ltd	100.00	Term Loan	**Primary Security –** Hypothecation of Book Debts created from on lending of secured loans **Personal Guarantee -** Deepak Baid	36 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
Deepak Baid	26-Sep-24	Protium Finance	200.00		**Primary Security –**First ranking exclusive continuing charge by way of hypothecation of book debts in favour of the lender maintaining security cover of 1.11 times of principal outstanding during the loan tenure. **Personal Guarantee –Deepak** Baid	36 months
Deepak Baid, Prem Devi Baid and Aneesha Baid	29-Jun-22	Nabkisan Finance Ltd.	100.00	Term Loan	**Primary Security -** Exclusive charge on the loan receivables by way of Hypothecation with minimum asset coverage of 110% of the principal amount outstanding at any point of time during the term facility. **Personal Guarantee** – Deepak Baid, Prem Devi Baid and Aneesha Baid	36 months
Deepak Baid and Ms. Aneesha Baid	26-Jul-22	Nabsamruddhi Finance Ltd.	150.00	Term Loan	**Primary Security -** Exclusive charge by way of hypothecation of specific standard secured receivables. **Personal Guarantee -** Deepak Baid and Ms. Aneesha Baid	36 months
Deepak Baid, Prem Devi Baid and Aneesha Baid	31-Mar-23	Northern Arc capital	300.00	Term Loan	**Primary Security** – The Borrower shall secure the Facility by way of a first and exclusive charge over the Portfolio, unencumbered Receivables and other assets of the Borrower in accordance with the Agreement of Hypothecation such that the Security Cover is met. The Borrower shall ensure that the Security Cover is maintained at all times after the Portfolio Origination Period (or each Portfolio Origination Period if there are more than one) so long as any amounts are outstanding under the Facility Documents. Security Cover shall be met only with Performing Loans and for this purpose the Borrower shall replace any assets constituting the Hypothecated Property that does not qualify as Performing Loans with Performing Loans that meets the Portfolio Origination Criteria with a prior written intimation to the Lender. **Personal Guarantee** – Deepak Baid, Aneesha Baid, Prem Devi Baid	36 months
Deepak Baid, Prem Devi Baid and Aneesha Baid	29-Jul-23	Northern Arc capital	198.00	Term Loan	**Primary Security –** The Borrower shall secure the Facility by way of a first and exclusive charge over the Portfolio, unencumbered Receivables and other assets of the Borrower in accordance with the Agreement of Hypothecation such that the Security Cover is met. The Borrower shall ensure that the Security Cover is maintained at all times after the Portfolio Origination	42 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
					Period (or each Portfolio Origination Period if there are more than one) so long as any amounts are outstanding under the Facility Documents. Security Cover shall be met only with Performing Loans and for this purpose the Borrower shall replace any assets constituting the Hypothecated Property that does not qualify as Performing Loans with Performing Loans that meets the Portfolio Origination Criteria with a prior written intimation to the Lender. **Personal Guarantee** – Deepak Baid, Aneesha Baid, Prem Devi Baid	
Deepak Baid, Prem Devi Baid and Aneesha Baid	30-Dec-23	Northern Arc capital	100.00	Term Loan	Primary Security – The Borrower shall secure the Facility by way of a first and exclusive charge on all of the unencumbered Receivables of the Borrower that are originated from the proceeds of the Facility including any other asset, property or right that the Borrower acquires pursuant to its use of the proceeds of the Facility and such other assets of the Borrower which qualify as Eligible Loans such that the Security Cover is met. **Personal Guarantee** – Deepak Baid, Aneesha Baid, Prem Devi Baid	36 months
Deepak Baid, Prem Devi Baid and Aneesha Baid	30-Dec-23	Northern Arc capital	100.00	Term Loan-Unsecured	**Personal Guarantee** – Deepak Baid, Aneesha Baid, Prem Devi Baid	36 months
Deepak Baid, Prem Devi Baid and Aneesha Baid	30-Apr-24	Northern Arc capital	180.00	Term Loan	**Primary Security** – The Borrower shall secure the Facility by way of a first and exclusive charge on all of the unencumbered Receivables of the Borrower that are originated from the proceeds of the Facility including any other asset, property or right that the Borrower acquires pursuant to its use of the proceeds of the Facility and such other assets of the Borrower which qualify as Eligible Loans such that the Security Cover is met. **Personal Guarantee-** Deepak Baid, Prem Devi Baid and Aneesha Baid	36 months
Deepak Baid, Prem Devi Baid and Aneesha Baid	17-May-24	Northern Arc capital	50.00	Term Loan	**Primary Security –** The Borrower shall secure the Facility by way of a first and exclusive charge on all of the unencumbered Receivables of the Borrower that are originated from the proceeds of the Facility including any other asset, property or right that the Borrower acquires pursuant to its use of the	36 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
					proceeds of the Facility and such other assets of the Borrower which qualify as Eligible Loans such that the Security Cover is met. **Personal Guarantee** – Deepak Baid, Aneesha Baid, Prem Devi Baid	
Deepak Baid, Aneesha Baid, Prem Devi Baid	28-Jun-24	Northern Arc capital - NCD	300.00	NCD	**Primary Security –** The Borrower shall secure the Facility by way of a first and exclusive charge on all of the unencumbered Receivables of the Borrower that are originated from the proceeds of the Facility including any other asset, property or right that the Borrower acquires pursuant to its use of the proceeds of the Facility and such other assets of the Borrower which qualify as Eligible Loans such that the Security Cover is met. **Personal Guarantee** – Deepak Baid, Aneesha Baid, Prem Devi Baid	36 months
Deepak Baid, Aneesha Baid and Prem Devi Baid	29-Mar-22	Shriram Transport Finance Ltd	100.00	Term Loan	**Primary Security-** Hypothecation by way of first and exclusive charges on of specific receivables/pool of assets **Personal Guarantee-** Deepak Baid, Aneesha Baid and Prem Devi Baid	36 months
Deepak Baid, Deepak Hitech Motors Pvt Ltd and Aneesha Baid	24-Nov-22	Small Industrial Development Bank of India	160.00	Term Loan	**Primary Security -** Hypothecation on specified book debts and receivables of the secured loans provided by the borrower to MSE beneficiaries which are standard assets in the books of the borrower as per extant RBI guidelines. **Personal Guarantee-** Deepak Baid and Aneesha Baid. **Corporate Guarantee-** Hirak Vinimay Private limited, Starpoint Construction Private Limited and Deepak Hitech Motors Pvt Ltd	36 months
Deepak Baid, Deepak Hitech Motors Pvt Ltd and Aneesha Baid.	24-Nov-22	Small Industrial Development Bank of India	40.00	Term Loan	**Primary Security -** Hypothecation on specified book debts and receivables of the secured loans provided by the borrower to MSE beneficiaries which are standard assets in the books of the borrower as per extant RBI guidelines. **Personal Guarantee-** Deepak Baid and Aneesha Baid. **Corporate Guarantee-**	36 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
					Hirak Vinimay Private limited, Starpoint Construction Private Limited and Deepak Hitech Motors Pvt Ltd	
Deepak Baid and Aneesha Baid.	14-May-24	Small Industrial Development Bank of India	150.00	Term Loan	**Primary Security-** a) Exclusive charge by way of hypothecation on identified book debts and receivables of the secured loans provided by the Borrower to MSE beneficiaries (i.e., QA), in the Books of the Borrower, which are Standard assets as per extant RBI guidelines. **Personal Guarantees:** Deepak Baid and Aneesha Baid	36 months
Deepak Baid and Aneesha Baid.	14-May-24	Small Industrial Development Bank of India	150.00	Term Loan	**Primary Security-** a) Exclusive charge by way of hypothecation on identified book debts and receivables of the secured loans provided by the Borrower to MSE beneficiaries (i.e., QA), in the Books of the Borrower, which are Standard assets as per extant RBI guidelines. **Personal Guarantees:** Deepak Baid and Aneesha Baid	36 months
Deepak Baid and Aneesha Baid.	10-Nov-23	SBM BANK	100.00	Term Loan	**Primary Security-** Exclusive charge on receivables pertaining to the standard asset portfolio of the borrower. **Personal Guarantee-** Deepak Baid and Aneesha Baid.	36 months
Deepak Baid, Aneesha Baid and Prem Devi Baid	18-Dec-20	State Bank of India	250.00	Term Loan	**Primary Security:** Exclusive hypothecation charge on all present and future eligible book debts and receivables. **Collateral Security:** Immovable Property 1. Residential flat no. 401, 4th floor, Kings Park, plt no. 501 and 502, Gali no. 5, Rajapark, Jaipur. Admeasuring 868.50 sq. ft. in name of Laxmi India Finlease Cap Pvt Ltd. 2. Residential plot no. 169C, Himmat Nagar, Near Saras diary Puliya, Gopalpura, Tonk Road, Jaipur, admeasuring 671.29 sq yards in the name of Laxmi India Finleasecap Pvt. Ltd. 3. Residential flat no. 402 and store room B-1, kings park, plt no. 501 and 502, Gali no. 5, Rajapark, Jaipur. Admeasuring 1951 sq. ft. in name of Laxmi India Finlease Cap Pvt Ltd. 4. Residential plot no. 399, gali no. 3, Rajapark, Jaipur, Admeasuring 492.50 sq. yards in name of Dream- land Buildmart Pvt.	64 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
					5. Fixed Deposit with Value of 0.71 Crore or acceptable mutual fund upto the extent of 117.65% of said value of Rs. 0.71Crore in name of the Company. **Personal Guarantee:** Deepak Baid, Aneesha Baid and Prem Devi Baid. **Corporate Guarantee:** Starpoint Construction Pvt. Ltd, Deamland Buildmart Pvt Ltd and	
Deepak Baid, Aneesha Baid and Prem Devi Baid	8-Feb-22	State Bank of India	250.00	Term Loan	**Primary Security:** Exclusive hypothecation charge on all present and future eligible book debts and receivables. **Collateral Security: Immovable Property** 1. Residential flat no. 401, 4th floor, Kings Park, plt no. 501 and 502, Gali no. 5, Rajapark, Jaipur. Admeasuring 868.50 sq. ft. in name of Laxmi India Finlease Cap Pvt Ltd. 2. Residential plot no. 169C, Himmat Nagar, Near Saras diary Puliya, Gopalpura, Tonk Road, Jaipur, admeasuring 671.29 sq yards in the name of Laxmi India Finleasecap Pvt. Ltd. 3. Residential flat no. 402 and store room B-1, kings park, plt no. 501 and 502, Gali no. 5, Rajapark, Jaipur. Admeasuring 1951 sq. ft. in name of Laxmi India Finlease Cap Pvt Ltd. 4. Residential plot no. 399, gali no. 3, Rajapark, Jaipur, Admeasuring 492.50 sq. yards in name of Dream- land Buildmart Pvt. 5. Fixed Deposit with Value of 0.71 Crore or acceptable mutual fund upto the extent of 117.65% of said value of Rs. 0.71Crore in name of Company. 6. Fixed deposit with value of 3.75 Crore or acceptable mutual fund upto the extent of 117.65% of said value of Rs. 3.75crore in the name of Company **Personal Guarantee** – Deepak Baid, Aneesha Baid, Prem Devi Baid **Corporate Guarantee**- Starpoint Construction Pvt. Ltd**.**	64 months
Deepak Baid, Aneesha Baid and Prem Devi Baid	13-Jan-23	State Bank of India	750.00	Term Loan	Primary Security: Exclusive hypothecation charge on all present and future eligible book debts and receivables. Collateral Security: Immovable Property	64 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
					1. Residential flat no. 401, 4th floor, Kings Park, plt no. 501 and 502, Gali no. 5, Rajapark, Jaipur. Admeasuring 868.50 sq. ft. in name of Laxmi India Finlease Cap Pvt Ltd. 2. Residential plot no. 169C, Himmat Nagar, Near Saras diary Puliya, Gopalpura, Tonk Road, Jaipur, admeasuring 671.29 sq yards in the name of Laxmi India Finleasecap Pvt. Ltd. 3. Residential flat no. 402 and store room B-1, kings park, plt no. 501 and 502, Gali no. 5, Rajapark, Jaipur. Admeasuring 1951 sq. ft. in name of Laxmi India Finlease Cap Pvt Ltd. 4. Residential plot no. 399, gali no. 3, Rajapark, Jaipur, Admeasuring 492.50 sq. yards in name of Dream- land Buildmart Pvt. Ltd. 5. Fixed Deposit with Value of 0.71 Crore or acceptable mutual fund upto the extent of 117.65% of said value of Rs. 0.71Crore in name of Company 6. Fixed deposit with value of 3.75 Crore or acceptable mutual fund upto the extent of 117.65% of said value of Rs. 3.75crore in the name of Company 7. EM over residential Building: Plot no 2B (North part), Krishna Nagar, Gopalpura, Jaipur, Area: 279.86 Sqyd Registered in the name of Company 8 Fixed Deposit with value of 4.55 Crore or acceptable mutual fund upto the extent of 117.65% of the said value of Rs. 4.55 Crore in the name of Company **Personal Guarantee** – Deepak Baid, Aneesha Baid, Prem Devi Baid & Dreamland Builmart Pvt Ltd, Starpoint Construction Pvt. Ltd	
Deepak Baid.	27-Sep-22	STCI Finance Limited	150.00	Term Loan	**Primary Security-** Hypothecation of specific book debts/receivables **Personal Guarantee-** Deepak Baid.	60 months
Deepak Baid.	27-Sep-23	STCI Finance Limited	100.00	Term Loan	**Primary Security-** Hypothecation of specific book debts/receivables **Personal Guarantee-** Deepak Baid.	60 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
Deepak Baid, Aneesha Baid and Prem Devi Baid	20-Apr-22	Suryoday Small Finance Bank	75.00	Term Loan	**Primary Security-** First ranking exclusive and continuing charge by way of hypothecation of identified book debts of the borrower ("Principal amount") **Personal Guarantee-** Deepak Baid, Aneesha Baid and Prem Devi Baid	36 months
Deepak Baid, Aneesha Baid and Prem Devi Baid	26-Jun-23	Suryoday Small Finance Bank	100.00	Term Loan	**Primary Security-** First ranking exclusive and continuing charge by way of hypothecation of identified book debts of the borrower ("Principal amount") **Personal Guarantee-** Deepak Baid, Aneesha Baid and Prem Devi Baid	36 months
Deepak Baid and Aneesha Baid	14-Mar-24	Sundaram Finance Limited	100.00	Term Loan	**Primary Security-** Receivables relating to loans- Standard Assets. **Personal Guarantee-** Deepak Baid and Aneesha Baid	36 months
Deepak Baid and Aneesha Baid.	29-Aug-22	UCO Bank	150.00	Term Loan	**Primary Security-** The facility will be secured by exclusive first charge by means of hypothecation of books debts/receivables. **Personal guarantee:** Deepak Baid and Aneesha Baid.	63 months
Deepak Baid, Deepak Hitech Motors Pvt Ltd and Aneesha Baid	11-Jul-23	Union Bank of India	250.00	Term Loan	**Primary Security-** Exclusive charge by way of Hypothecation of standard loan receivables/book debts of the company to bank. **Personal Guarantee:** Deepak Baid and Aneesha Baid **Corporate Guarantee:** Hirak Vinimay Pvt. Ltd. And Deepak Hitech Motors Pvt Ltd.	60 months
Deepak Baid and Aneesha Baid	27-Jun-24	Union Bank of India	250.00	Term Loan	**Primary Security-** Exclusive charge by way of Hypothecation of standard loan receivables/book debts of the company to our Bank. **Personal Guarantee:** Deepak Baid and Aneesha Baid	60 months
Deepak Baid and Aneesha Baid.	30-Sep-21	TATA Capital Limited	75.00	Term Loan	**Primary Security-** Exclusive charge by way of hypothecation over the loan assets/book debts of the borrower. **Personal guarantee-** Deepak Baid and Aneesha Baid.	36 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
Deepak Baid and Aneesha Baid	20-Jul-22	TATA Capital Limited	143.70	Term Loan	**Primary Security-** Exclusive charge by way of hypothecation over the loan assets/book debts of the borrower. **Personal guarantee-** Deepak Baid and Aneesha Baid	36 months
Deepak Baid, Aneesha Baid and Prem Devi Baid	28-Jul-21	Utkarsh Small Finance Bank	55.00	Term Loan	**Primary Security –** First and exclusive charge on book debts/loan assets of the company. **Personal Guarantee-** Deepak Baid, Aneesha Baid and Prem Devi Baid	48 months
Deepak Baid and Aneesha Baid.	29-Mar-22	Utkarsh Small Finance Bank	75.00	Term Loan	**Primary Security-** First and exclusive charge on book debts/loan assets of the company. **Personal Guarantee-** Deepak Baid and Aneesha Baid	48 months
Deepak Baid and Aneesha Baid.	21-Feb-24	Utkarsh Small Finance Bank	235.00	Term Loan	**Primary Security-** First and exclusive charge on Book Debts/Loan assets of the Company. **Personal Guarantee-** Deepak Baid and Aneesha Baid.	48 months
Deepak Baid, Prem Devi Baid and Aneesha Baid	6-Apr-22	Vivriti Capital Private Limited	50.00	Term Loan	**Primary Security -** Exclusive charge by way of hypothecation on the borrowers certain identified receivables from assets created by the borrower from the facility availed from the lender **Personal Guarantee-** Deepak Baid, Prem Devi Baid and Aneesha Baid	36 months
Deepak Baid and Aneesha Baid	22-Oct-24	Poonawalla Fincorp Limited	150.00	Term Loan	**Primary Security-** First and Exclusive charge by way of hypothecation over the standard loan receivables as acceptable to the lender. **Personal Guarantee-** Deepak Baid and Aneesha Baid	36 months
Deepak Baid and Aneesha Baid	18-Nov-24	SBM Bank India Limited	150.00	Term Loan	**Primary Security-** Exclusive charge on receivables pertaining to the standard asset portfolio of the borrower eligible for bank finance subject to a minimum cover of 1.20x times at all times. **Personal Guarantee-** Deepak Baid and Aneesha Baid	36 months

Name of Selling Shareholder	Loan Sanction Date	Name of Lender / Debenture Holder of our Company	Sanctioned Amount (₹ in Million)	Facility type	Details of Security	Tenure of Loan
Deepak Baid	28-Nov-24	JANA Small Finance Bank Limited	500.00	Term Loan	**Primary Security-** Exclusive and first ranking (floating) charge by way of hypothecation over the receivables under each loan extended by the Borrower from the proceeds of the Facility ("Portfolio") and any other asset, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/receivables of the Borrower as may be acceptable to the Lender on or prior to each security creation date. **Personal Guarantee –** Deepak Baid	37 months

Additionally, Deepak Baid and Prem Devi Baid has issued a guarantee in favor of Agile Finserv Private Limited as security in connection with the facilities aggregating to ₹250 million availed by our Corporate Promoter, Deepak Hitech Motors Private Limited, under the sanction letter dated March 29, 2024, for a term of 24 months.

Except for the obligations of counter- indemnity to be provided by a borrower (i.e., our Company in the capacity of a principal debtor) to a guarantor, in the event of default of the loans in favour of which the foregoing guarantees have been provided and upon subsequent invocation of the guarantee by a lender, there are no obligations on our Company with respect to the guarantees listed above.

Agreements with Key Managerial Personnel, Senior Management Personnel, Directors, Promoters, or any other employee

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel, Senior Management Personnel, Directors, Promoters, or any other employees of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

OUR MANAGEMENT

In terms of the Companies Act, our Company is required to have not less than three Directors and not more than fifteen Directors. As on the date of this Draft Red Herring Prospectus, our Board has six Directors comprising our Managing Director, 2 (two) Whole-Time Directors and 3 (three) Non-Executive Independent Directors. 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.

Board of Directors

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

S. No	Name, Designation, Address, Occupation, Period of Directorship, Term, Date of Birth and DIN	Other Directorships
1	**Deepak Baid** **Designation**: Managing Director **Address**: B-114 A, Dayanand Marg, Near Water Tank, Tilak Nagar, Jawahar Nagar, Jaipur, Rajasthan – 302004, India. **Occupation**: Business **Period of Directorship**: Director since February 04, 2011 **Term**: 5 years with effect from September 28, 2023 **Date of Birth**: November 08, 1980 **DIN**: 03373264 **Age**: 44 years	**Indian Companies** ▪ Dreamland Buildmart Private Limited ▪ Deepak Hitech Motors Private Limited ▪ Hirak Vinimay Private Limited ▪ Jain International Trade Organization - Jaipur **Foreign Companies** ▪ Nil
2	**Prem Devi Baid** **Designation***:* Whole Time Director **Address**: B-114 A, Tej Kunj, Dayanand Marg, Tilak Nagar, Jawahar Nagar, Jaipur, Rajasthan – 302004, India. **Occupation**: Business **Period of Directorship**: Director since February 04, 2011	**Indian Companies** ▪ Dreamland Buildmart Private Limited ▪ Deepak Hitech Motors Private Limited ▪ Prem Dealers Private Limited **Foreign Companies** ▪ Nil

S. No	Name, Designation, Address, Occupation, Period of Directorship, Term, Date of Birth and DIN	Other Directorships
	Term: 5 years with effect from August 06, 2022 **Date of Birth**: February 02, 1950 **DIN**: 00774922 **Age**: 74 years	
3	**Aneesha Baid** **Designation***:* Whole Time Director **Address**: B-114 A, Dayanand Marg, Near Water Tank, Tilak Nagar, Jawahar Nagar, Jaipur, Rajasthan – 302004, India. **Occupation**: Business **Period of Directorship**: Director since December 31, 2016 **Term**: 5 years with effect from August 06, 2022 **Date of Birth**: October 10, 1981 **DIN**: 07117678 **Age**: 43 years	**Indian Companies** ▪ Hirak Vinimay Private Limited ▪ Prem Dealers Private Limited **Foreign Companies** ▪ Nil
4	**Anil Patwardhan** **Designation**: Non-Executive Independent Director **Address**: Dr. Bhatwadekar Building, 215, Rajaram Mohan Roy Road, Girgaon, Mumbai, Maharashtra – 400004, India **Occupation**: Professional **Period of Directorship**: Director since December 23, 2021. **Term**: 3 years with effect from December 23, 2021. **Date of Birth**: November 02, 1954	**Indian Companies** ▪ Nil **Foreign Companies** ▪ Nil

S. No	Name, Designation, Address, Occupation, Period of Directorship, Term, Date of Birth and DIN	Other Directorships
	DIN: 09441268 **Age**: 70 years	
5	**Surendra Mehta** *Designation*: Non-Executive Independent Director *Address*: B-32, Prabhu Marg, Tilak Nagar, Jawahar Nagar, Jaipur, Rajasthan – 302004, India. *Occupation*: Business *Period of Directorship*: Director since December 31, 2016 *Term*: 5 years with effect from December 31, 2021 *Date of Birth*: January 12, 1946 *DIN*: 00298751 **Age**: 78 years	**Indian Companies** ▪ Sushma Mercantiles Private Limited **Foreign Companies** ▪ NIL
6	**Brijmohan Sharma** **Designation***:* Additional Non-Executive Independent Director **Address***:* Rani Bazar, Near Brahm Charya Ashram, Bikaner, Rajasthan – 334001, India. **Occupation***:* Business **Period of Directorship***:* Director since September 28, 2024 **Term***:* Up to the date of the AGM to be held for FY 24-25 **Date of Birth***:* June 23, 1963 **DIN***:* 09646943 **Age***:* 61 years	**Indian Companies**: ▪ T T LIMITED **Foreign Companies:** ▪ NIL

Brief Biographies of Directors

Deepak Baid is the Managing Director of our Company. He holds a bachelor's degree in commerce from the University of Rajasthan. He has been associated with our Company since February 4, 2011. He has over 20 years of experience in the finance industry.

Prem Devi Baid is the Whole Time Director of our Company. She has completed secondary school examination. She has been associated with our Company since February 4, 2011. She has over 13 years of experience with the Company, with a key focus on overseeing its Corporate Social Responsibility (CSR) initiatives.

Aneesha Baid is the Whole Time Director of our Company. She holds a bachelor's degree in commerce from the University of Bangalore. She has been associated with our Company since December 31, 2016. With over 9 years of experience, she is involved in human resource management of the Company. She was also previously associated as a director with Trilochana Dealtrade Private Limited..

Anil Patwardhan is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in commerce and master's degree of Commerce from Mumbai University. He has been associated with our Company since December 23, 2021. He has over 40 years of experience in the banking and finance sectors. He has previously been associated with Brickwork Ratings India Private Limited as a Senior Director in ratings.

Surendra Mehta is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in arts from Rajasthan University. He has been associated with our Company since December 31, 2016. He is currently also associated with Sushma Mercantiles Private Limited. He has 40 years of experience in finance and business management.

Brijmohan Sharma is an Additional Non-Executive Independent Director of our Company. He holds a master's degree in business administration from University of Rajasthan and a bachelor's degree in commerce from Guru Nanak Dev University. He has been associated with our Company since September 28, 2024. He is also registered with Indian Institute of Bankers. He has 40 years of experience in the banking and financial services sector. He has previously been associated with Canara Bank as an executive director and Punjab National Bank as a chief general manager. He is currently also associated with T T Limited.

Relationships between our Directors and Key Managerial Personnel and Senior Management

Except as disclosed below, none of our Directors, Key Managerial Personnel and Senior Management Personnel are related to each other:

1. Deepak Baid is the son of Prem Devi Baid
2. Aneesha Baid is the daughter-in law of Prem Devi Baid

Confirmations

None of our Directors is or was the 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, trusts or companies in which they are interested 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, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Arrangement or understanding with major Shareholders, customers, suppliers, or others pursuant to which our Directors were selected as a Director or Senior Management Personnel

None of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Terms of appointment of our Managing Director and Whole-Time Directors

Deepak Baid, Managing Director

Deepak Baid is the Managing Director of our Company. He was re-appointed as the Managing Director of our Company for a term of 5 years with effect from September 28, 2023, pursuant to a Board resolution dated May 6, 2023.

The details of remuneration of Deepak Baid, as approved by our Board and the Shareholders, in their meetings held on November 28, 2024 and November 29, 2024, respectively, are as stated below:

S. No.	Particulars	Amount per annum (in ₹ million)
1.	Fixed Remuneration	Up to ₹30.00 million, as may be approved by the Board from time to time on the recommendation of the Nomination and Remuneration Committee
2.	Performance linked Variable Pay	Not exceeding 200% of the total fixed remuneration in a financial year subject to achievement of business and profitability targets as may be stipulated by the Nomination and Remuneration Committee and Board of Directors of the Company .
3.	Perquisites	(i) **Club Fees**: Fees of club subject to the maximum of two clubs will be allowed. Admission and life membership fees shall not be allowed. (ii) **Leave Travel Concession**: Leave Travel Concession (LTC) is available once a year for the employee, his spouse, and children, covering both domestic and international travel. It includes travel expenses as well as hotel accommodation, with provisions for one domestic and one international trip per year. (iii) **Car**: Facility of car shall be provided for business use of the Company. The Company shall bill the use of car for private purposes separately. (iv) **Medical Insurance**: Medical insurance coverage is provided for the employee and his family and any medical expenditure in excess of the claim shall also be borne by the Company. (v) **Gratuity**: As per the rules of the Company, payable in accordance with the approved fund at the rate of 15 days of salary for each completed year of service.

		(vi) **Servants**: Reimbursement is provided for domestic servants, with a maximum of two servants eligible for reimbursement. (vii) **Gardener**: The Company shall pay the salary of 1 gardener.

During Fiscal 2024, Deepak Baid received a remuneration of ₹28.75 million from our Company.

Prem Devi Baid, Whole Time Director

Prem Devi Baid is currently the Whole-Time Director of our Company. She was appointed as the Whole-time Director of our Company for a period of five years with effect from August 6, 2022, pursuant to resolutions passed by our Board and Shareholders on May 6, 2022 and September 19, 2022, respectively.

The details of remuneration payable to Prem Devi Baid, as approved pursuant to resolutions dated November 28, 2024 and November 29, 2024 passed by our Board and Shareholders respectively set out below:

S. No.	Particulars	Amount per annum (in ₹ million)
1.	Fixed Remuneration	Up to ₹20.00 million, as may be approved by the Board from time to time on the recommendation of the Nomination and Remuneration Committee
2.	Performance-linked Variable Pay	Not exceeding 200% of the total fixed remuneration in a financial year subject to achievement of business and profitability targets as may be stipulated by the Nomination and Remuneration Committee and Board of Directors of the Company
3.	Perquisites	(i) **Club Fees**: Fees of club subject to the maximum of two clubs will be allowed. Admission and life membership fees shall not be allowed (ii) **Leave Travel Concession**: Leave Travel Concession (LTC) is available once a year for the employee and her children, covering both domestic and international travel. It includes travel expenses as well as hotel accommodation, with provisions for one domestic and one international trip per year. (iii) **Car**: Facility of car shall be provided for business use of the Company. The Company shall bill the use of car for private purposes separately. (iv) **Medical Insurance**: Medical insurance coverage is provided for the employee and her family and any medical expenditure in excess of the claim shall also be borne by the Company. (v) **Gratuity**: As per the rules of the Company, payable in accordance with the approved fund at the rate of 15 days of salary for each completed year of service. (vi) **Servants**: Reimbursement is provided for domestic servants, with a maximum of two servants eligible for reimbursement. (vii) **Gardener**: The Company shall pay the salary of 1 gardener

During Fiscal 2024, Prem Devi Baid received a remuneration of ₹ 14.38 million from our Company.

Aneesha Baid, Whole Time Director

Aneesha Baid is currently the Whole-Time Director of our Company. She was appointed as the Whole-Time Director of our Company for a period of 5 years with effect from August 6, 2022 pursuant to the Board resolution dated May 6, 2022 and the Shareholders' resolution dated September 19, 2022.

The details of the overall remuneration payable to Aneesha Baid, as approved pursuant to resolutions dated November 28, 2024 and November 29, 2024 passed by our Board and Shareholders respectively set out below:

S. No.	Particulars	Amount per annum (in ₹ million)
1.	Fixed Remuneration	Up to ₹20.00 million, as may be approved by the Board from time to time on the recommendation of the Nomination and Remuneration Committee
2.	Performance linked Variable Pay	Not exceeding 200% of the total fixed remuneration in a financial year subject to achievement of business and profitability targets as may be stipulated by the Nomination and Remuneration Committee and Board of Directors of the Company
3.	Perquisites	(i) **Club Fees**: Fees of club subject to the maximum of two clubs will be allowed. Admission and life membership fees shall not be allowed. (ii) **Leave Travel Concession**: Leave Travel Concession (LTC) is available once a year for the employee, her spouse, and children, covering both domestic and international travel. It includes travel expenses as well as hotel accommodation, with provisions for one domestic and one international trip per year. (iii) **Car**: Facility of car shall be provided for business use of the Company. The Company shall bill the use of car for private purposes separately. (iv) **Medical Insurance**: Medical insurance coverage is provided for the employee and her family and any medical expenditure in excess of the claim shall also be borne by the Company. (v) **Gratuity**: As per the rules of the Company, payable in accordance with the approved fund at the rate of 15 days of salary for each completed year of service. (vi) **Servants**: Reimbursement is provided for domestic servants, with a maximum of two servants eligible for reimbursement. (vii) **Gardener**: The Company shall pay the salary of 1 gardener

During Fiscal 2024, Aneesha Baid received a remuneration of ₹17.97 million from our Company.

Sitting Fees and Commission to Non-Executive Independent Directors

Pursuant to the resolution dated August 12, 2023 passed by our Board, the Non-Executive Independent Directors are entitled to receive a sitting fee of (i) ₹60,000 for attending each meeting of our Board and Audit committee; (ii) ₹30,000 for attending each meeting of the Nomination and Remuneration Committee, Risk Management Committee and IT Strategy Committee; (iii) ₹10,000 for attending each meeting of Asset Liability Mismatch Committee; (iv) ₹5,000 for attending each meeting of Corporate Social Responsibility Committee; (v) ₹10,000 for attending any other meeting.

Our Company has paid the following remuneration to our Non-Executive Independent Directors in Fiscal 2024:

(in ₹ million)

S. No.	Name of Director	Sitting Fees*
1.	Anil Patwardhan	0.69
2.	Surendra Mehta	0.66
3.	Brijmohan Sharma**	*Nil*
Total		1.35

** Kishore Kumar Sansi and Yaduvendra Mathur who were Non-Executive Independent Directors of the Company during the Fiscal 2024 have been paid sitting fees of ₹0.42 million and ₹0.52 million*
*** Appointed as Additional Non-Executive Independent Director with effect from September 28, 2024.*

Contingent or deferred compensation paid to Directors by our Company

No contingent or deferred compensation has accrued for Fiscal 2024 which is payable to any of our Directors.

Remuneration paid to our Directors by our Subsidiaries or Associates

Our Company does not have any subsidiary or associate company and therefore none of our Directors were entitled to receive any remuneration from our subsidiaries or associates, including any contingent or deferred compensation accrued for Fiscal 2024.

Bonus or profit-sharing plan for the Directors

Except for the performance linked variable pay and bonus payable pursuant to the HR policies applicable to the employees of the Company, payable to Deepak Baid (Managing Director), Prem Devi Baid (Whole-time Director) and Aneesha Baid (Whole-time Director), under their respective terms of their appointment, our Company does not have any bonus or profit-sharing plan for Directors. For further details see "*Terms of appointment of our Managing Director and Whole-Time Directors*" on page 273.

Payment or benefits to officers of our Company (non-salary related)

Except as stated under *"Terms of appointment of our Managing Director and Whole-Time Directors"*, *"Sitting Fees and Commission to Non-Executive Independent Directors"*, *"Bonus or profit-sharing plan for the Directors"* and *"Bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management"*, no amount or benefit has been paid or given in the last two (2) years preceding the date of this Draft Red Herring Prospectusor is intended to be paid or given, other than in the ordinary course of their employment or any employee stock options, for services rendered as any officer of our Company including our Directors, Key Management Personnel and Senior Management.

For further details, please refer to "*Financial Information- Note* 48– *Related Party Transactions*" on page 316 of this Draft Red Herring Prospectus.

Shareholding of our Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

As on the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares, except as disclosed below:

Name of the Director	Pre-Offer	
	Number of Equity Shares held on a fully diluted basis	Percentage (%) holding
Deepak Baid	7,384,952	17.66%
Prem Devi Baid	1,413,070	3.38%
Aneesha Baid	2,261,902	5.41%

Name of the Director	Pre-Offer	
	Number of Equity Shares held on a fully diluted basis	**Percentage (%) holding**
Total	**11,059,924**	**26.45%**

Interest of our directors

All our Non-Executive Directors and Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and/or committees thereof as approved by our Board and the reimbursement of expenses payable to them as approved by our Board.

Our Managing Director and Whole-Time Directors may be deemed to be interested to the extent of the remuneration and reimbursements payable to each of them by our Company.

Our Directors may also be deemed to be interested to the extent of Equity Shares (together with dividends and other distributions in respect of such Equity Shares), held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives. Our Directors may also be deemed to be interested to the extent of stock options granted or Equity Shares to be allotted pursuant to the exercise of options granted to them under ESOS, 2023. For further details, please refer to chapter titled "*Our Management – Shareholding of directors in our Company*" on page 276 of this Draft Red Herring Prospectus. Our Directors may also be deemed to be interested to the extent of any dividend, if any, payable and other distributions in respect of the Equity Shares held by them. None of our other Directors hold employee stock options in our Company. For details, see "Capital Structure –Employee Stock Option Plan" on page 110.

Some of our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any entity which is promoted by them or in which they are members or in which they hold directorships or any partnership firm in which they are partners in the ordinary course of business. For further details, please see *"Financial Information- Note 48 – Related Party Transactions"* on page316.

Except for Deepak Baid, Prem Devi Baid and Aneesha Baid, who are the Promoters of the Company, no other Director may be deemed to be interested in the promotion or formation of our Company, none of our Directors have any interest in promotion or formation of our Company. For further details, please refer to chapter titled *"Our Promoters and Promoter Group - Interests of our Promoters and Common Pursuits"* on page 298 of this Draft Red Herring Prospectus.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

Except as disclosed below none of our Directors are interested in any property acquired by our Company or proposed to be acquired by our Company or acquisition of land and construction of building. For more details, please see "*Other Financial Information - Related Party Transactions*" on page 316

Our Company has entered into an agreement on March 23, 2023 for acquiring the property, located at 2 DFL, Gopinath Marg, MI Road, Jaipur, Rajasthan-302001 with Deepak Baid, our Managing Director for the consideration of ₹30 million in Fiscal 2023.

No loans have been availed by our Directors from our Company or the Subsidiaries

Changes in the Board in the last three years

The changes on our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Name of Director	Date of Change	Reason for Change
Brijmohan Sharma	September 28, 2024	Appointment as Additional Non-Executive Independent Director
Kishore Sansi	May 06, 2024	Resignation as Non-Executive Independent Director
Yaduvendra Mathur	May 04, 2024	Cessation due to death of Non-Executive Independent Director
Deepak Baid	September 28, 2023	Re-appointment as Managing Director
Kishore Sansi	September 28, 2023	Re-appointment as Non-Executive Independent Director
Yaduvendra Mathur	September 19, 2022	Regularization as Non-Executive Independent Director
Prem Devi Baid	August 06, 2022	Appointment as Whole-Time Director
Aneesha Baid	August 06, 2022	Appointment as Whole-Time Director
Prem Devi Baid	May 6, 2022	Re-designation as Executive Director
Yaduvendra Mathur	May 6, 2022	Appointment as Additional Non-Executive Independent Director
Surendra Mehta	December 29, 2021	Re-appointment as Non-Executive Independent Director
Prem Devi Baid	December 29, 2021	Re-designation as Non-Executive Director
Anil Patwardhan	December 29, 2021	Regularization as Non-Executive Independent Director
Anil Patwardhan	December 23, 2021	Appointment as Additional Non-Executive Independent Director

Appointment of relatives of our directors to any office or place of profit

Other than as disclosed in this Draft Red Herring Prospectus, none of the relatives of our directors currently hold any office or place of profit in our Company.

Borrowing Powers of our Board of Directors

Pursuant to a resolution passed by our Board in its meeting dated November 13, 2024 and our Shareholders at their meeting dated November 16, 2024, our Board is authorized to borrow from time to time as it may think fit, any sum or sums of money not exceeding ₹30,000 million including the money already borrowed by our Company as on such terms and conditions the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever or in respect of all, or any of the Company's assets and effects or properties whether moveable or immoveable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) and remaining un discharged at any given time, exceed the aggregate, for the time being, of the paid up capital of our Company and its free reserves as per its latest annual audited financial statements.

Corporate Governance

In addition to the Companies Act, 2013, the provisions of the SEBI Listing Regulations with respect to corporate governance, will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the corporate governance requirements prescribed under SEBI Listing Regulations and the Companies Act, particularly, in relation to the composition of our Board of Directors and constitution of board level committees.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board of Directors functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

As on the date of this Draft Red Herring Prospectus, our Company currently has 6 (six) Directors on its Board. In compliance with the requirements of the Companies Act and Regulation 17 of the SEBI Listing Regulations, we have 1 (One) Managing Director, 2 (Two) Whole-Time Directors, and 3 (Three) Non-Executive Independent Directors.

Committees of the Board:

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

(i) Audit Committee.
(ii) Nomination and Remuneration Committee.
(iii) Stakeholders' Relationship Committee
(iv) Corporate Social Responsibility Committee
(v) Risk Management Committee
(vi) IPO Committee

In addition to the committees our Board described below, our Board of Directors may have and from time to time, constitute committees for various functions.

Audit Committee

The Audit Committee was re-constituted by our Board and its terms of reference were amended at its meeting held on November 13, 2024. The Audit Committee is in compliance with Section 177 and other applicable provisions of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

Name	Position in the Committee	Designation
Anil Patwardhan	Chairperson	Non-Executive Independent Director
Brijmohan Sharma	Member	Additional Non-Executive Independent Director
Deepak Baid	Member	Managing Director

Scope and terms of reference:

The Audit Committee shall be responsible for, among other things, as may be required by the Stock Exchange(s) from time to time, the following:

Powers of Audit Committee:

1. *to investigate any activity within its terms of reference.*
2. *to seek information from any employee of our Company.*
3. *to obtain outside legal or other professional advice; and*
4. *to secure attendance of outsiders with relevant expertise, if it considers necessary; and*
5. *to approve the disclosure of the Key Performance Indicators to be disclosed in the documents in relation to the initial public offering of the equity shares of the Company.*

Role of Audit Committee:

The role of the Audit Committee shall include the following:

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and fixation of the audit fee;
3. approve payment to statutory auditors for any other services rendered by the statutory auditors;
4. review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause I of sub-section (3) of Section 134 of the Companies Act;
    b. changes, if any, in accounting policies and practices and reasons for the same;
    c. major accounting entries involving estimates based on the exercise of judgment by management;
    d. significant adjustments made in the financial statements arising out of audit findings;
    e. compliance with listing and other legal requirements relating to financial statements;
    f. disclosure of any related party transactions;
    g. modified opinion(s) in the draft audit report;
5. review, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
6. review, 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 or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. formulating a policy on related party transactions, which shall include materiality of related party transactions and the definition of material modifications of related party transactions;
9. subject to and conditional upon approval of our Board, approval of related party transactions or subsequent modifications thereto and omnibus approval for related party transactions proposed to be entered into by our Company, subject to conditions as may be prescribed;

    Provided that only those members of the committee, who are Independent Directors, shall approve related party transactions;

    Explanation: *The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act.*
10. subject to review by our Board, review on quarterly basis, of related party transactions entered into by our Company pursuant to each omnibus approval given pursuant to 8 above;

Provided that only those members of the committee, who are Independent Directors, shall approve related party transactions;

Explanation: *The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI LODR Regulations and/or the applicable Accounting Standards and/or the Companies Act.*

11. approval of related party transactions to which the subsidiary(ies) of the Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a Fiscal exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company, subject to such other conditions prescribed under the SEBI Listing Regulations;
12. scrutinize inter-corporate loans and investments;
13. valuation of undertakings or assets of the Company, wherever it is necessary;
14. evaluation of internal financial controls and risk management systems;
15. review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
16. review 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;
17. discussion with internal auditors of any significant findings and follow up there on;
18. review 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;
19. 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;
20. 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;
21. to review the functioning of the whistle blower mechanism;
22. monitoring the end use of funds through public offers and related matters;
23. oversee the vigil mechanism established by our Company, with the chairman of Audit Committee directly hear grievances of victimization of employees and directors, who use vigil mechanism to report genuine concerns in appropriate and exceptional cases;
24. approve the appointment of chief financial officer (i.e the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
25. review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
26. consider and comment on rationale, cost-benefit and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
27. carrying out any other function as is mentioned in the terms of reference of the audit committee and any other terms of references as may be decided by the board of directors of our company or specified/provided under the Companies Act or by the SEBI LODR Regulations or by any other regulatory authority.
28. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.
29. oversee the procedures and processes established to attend to issues relating to the maintenance of books of accounts, administrations procedures, transactions and other matters having a bearing on the financial position of our company, whether raised by the auditors or by any other person;
30. Act as a compliance committee to discuss the level of compliance in our Company and any associated risks and to monitor and report to the Board on any significant compliance breaches;

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; and
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:
   - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
   - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was re-constituted by our Board by way of circular resolution dated October 22, 2024 and its terms of reference were last amended pursuant to resolution of our Board dated November 13, 2024. The Nomination and Remuneration Committee is in compliance with Section 178 and other applicable provisions of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

Name	Position in the Committee	Designation
Surendra Mehta	Chairperson	Non-Executive Independent Director
Brijmohan Sharma	Member	Additional Non-Executive Independent Director
Anil Patwardhan	Member	Non-Executive Independent Director

Scope and terms of reference:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees
2. for appointment of an independent directors, evaluation of the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparation of 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 Nomination and Remuneration 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.
3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. devising a policy on diversity of board of directors
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
6. 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;
7. recommend to the board, all remuneration, in whatever form, payable to senior management.
8. 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 our Company and its goals.

9. perform such functions as required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:
   a. administering the employee stock option plans of our Company, as may be required;
   b. determining the eligibility of employees to participate under the employee stock option plans of our Company;
   c. granting options to eligible employees and determining the date of grant;
   d. determining the number of options to be granted to an employee;
   e. making allotment pursuant to the employee stock option plans;
   f. determining the exercise price under the employee stock option plans of our Company; and
   g. construing and interpreting the employee stock option plans of our Company and any agreements defining the rights and obligations of our Company and eligible employees under the employee stock option plans of our Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of our Company.
10. frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
   a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
   b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, our Company and its employees, as applicable.
11. performing such other activities as may be delegated by the Board or specified or provided under the Companies Act or the SEBI LODR Regulations, and the rules and regulations made thereunder or other applicable law, including any amendments thereto as may be made from time to time.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted and its terms of reference were defined by our Board at its meeting held on November 28, 2024. The Stakeholders' Relationship Committee is in compliance with Section 178 and other applicable provisions of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises of:

Name	Position in the Committee	Designation
Surendra Mehta	Chairperson	Non-Executive Independent Director
Aneesha Baid	Member	Whole-time Director
Deepak Baid	Member	Managing Director

The Stakeholders' Relationship Committee shall oversee all the matters pertaining to investors of our Company. The scope and function of the Stakeholders' Relationship Committee and its terms of reference shall include the following:

a) consider and look into various aspects of interest of shareholders, debenture holders and other security holders;

b) consider and resolve the grievances of security holders of the Company including compliance related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate certificates, general meetings etc;
c) formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
d) giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
e) issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
f) monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of shares and debentures;
g) reference to statutory and regulatory authorities regarding investor grievances;
h) reviewing the measures taken for effective exercise of voting rights by the shareholders,
i) reviewing adherence to the service standards adopted by the Company with respect to all the services rendered by the Registrar and Share Transfer Agent;
j) to dematerialize or rematerialize the issued shares;
k) reviewing the measures and initiatives taken by the Company to reduce the quantum of unclaimed dividends;
l) Ensuring timely receipt of dividend warrants/ Annual Reports/ Statutory Notices by the Shareholders of the Company; and
m) carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by our Board at its meeting held on June 04, 2018 and the terms of reference were last amended pursuant to resolution of our Board dated November 13, 2024. The Corporate Social Responsibility Committee is in compliance with Section 135 and other applicable provisions of the Companies Act. Corporate Social Responsibility Committee currently comprises:

Name	Position in the Committee	Designation
Deepak Baid	Chairperson	Managing Director
Aneesha Baid	Member	Whole Time Director
Surendra Mehta	Member	Non-Executive Independent Director

The terms of reference, powers and scope of the Corporate Social Responsibility Committee of our Company is in accordance with Section 135 of the Companies Act:

1. Formulate and recommend to the Board of Directors of the Company, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 as amended;
2. Monitor the CSR policy of the Company and its implementation from time to time;
3. Reviewing and making recommendations, as appropriate, with regard to the Company's CSR policy indicating CSR programs / projects to be undertaken by the Company as specified under Schedule VII of the Companies Act, 2013;
4. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
5. Formulate and recommend to the Board, an annual action plan consisting of list of approved projects or programs to be undertaken within the purview of Schedule VII of the Companies Act, 2013, manner of execution of such projects, modalities of fund utilization and implementation schedules, monitoring and reporting mechanism for the projects, and details of need and impact assessment, if any, for the projects to be undertaken;

6. Coordinating with implementing agencies for implementing programs and executing initiatives as per the CSR policy and review the performance of such agencies periodically for execution of CSR programs or projects of the Company;
7. Identification and monitoring the implementation of multi-year projects /programs ("Ongoing Projects") and recommending to the Board modifications, if any, for the smooth implementation of the Ongoing Projects within the overall legally permissible time period. The Committee may also recommend to the Board, after providing reasonable justification that a CSR project or program that was not initially approved as a multi-year project be re-categorized as an Ongoing Project. Fix the schedule of implementation of CSR projects and programs and monitoring the progress on approved projects and shortfalls in achieving the CSR plan;
8. Reviewing the expenditure incurred on CSR activities by the company and submission of the annual report on CSR to the Board;
9. Monitoring the administrative overheads in pursuance of CSR activities or projects or programs so that they do not exceed the prescribed thresholds;
10. The Committee shall ensure that the necessary monitoring mechanism has been put in place to monitor the utilization of the funds disbursed for CSR activities or projects or programs.
11. To recommend to the Board an amount available for setting off the excess amount spent against CSR Obligations of the financial year(s) following the year of excess spend.
12. Liaising with management on the Company's CSR program, including significant sustainable development, community relations and procedures;
13. Identifying the principal areas of risks and impacts relating to CSR and ensuring that sufficient resources are allocated to address these liabilities;
14. Reviewing the Company's CSR performance to assess the effectiveness of the Company's CSR program and to determine whether the Company is taking all appropriate action in respect of those matters and has been duly diligent in carrying out its responsibilities and to make recommendations for improvement, where appropriate;
15. Reporting regularly to the Board with respect to such matters as are relevant for the Committee to discharge its responsibility;
16. Performing any other activities consistent with applicable laws and as the CSR Committee or the Board determines necessary or appropriate;
17. Any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

Risk Management Committee

The Risk Management Committee was re-constituted by our Board at its meeting held on August 7, 2024 and its terms of reference were last amended pursuant to resolution of our Board dated November 13, 2024. The Risk Management Committee is in compliance with Regulation 20 of the SEBI Listing Regulations. Risk Management Committee currently comprises:

Name	Position in the Committee	Designation
Surendra Mehta	Chairperson	Non-Executive Independent Director
Deepak Baid	Member	Managing Director
Anil Patwardhan	Member	Non-Executive Independent Director

The scope and function of the Risk Management Committee and its terms of reference shall include the following:

1. formulation of a detailed risk management policy which shall include:

(a) 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, cyber security risks or any other risk as may be determined by the Risk Management Committee;
(b) measures for risk mitigation including systems and processes for internal control of identified risks;
(c) business continuity plan.

2. ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. monitoring and overseeing the implementation of the risk management policy, including evaluation of the adequacy of risk management systems;
4. periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. the appointment, removal and terms of remuneration of the chief risk officer shall be subject to review by the Risk Management Committee; and
7. to carry out any other function as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the Listing Regulations, the Master Directions, the listing agreements to be entered into between the Company and the respective stock exchanges on which the Equity Shares of the Company are proposed to be listed and/or any other applicable laws.

IPO Committee

The IPO Committee was constituted pursuant to resolution of our Board dated November 28, 2024.The current constitution of the IPO Committee is as follows:

Name	Position in the Committee	Designation
Deepak Baid	Chairperson	Managing Director
Aneesha Baid	Member	Whole-time Director
Surendra Mehta	Member	Non-Executive Independent Director

The scope and function of the IPO Committee and its terms of reference shall include the following:

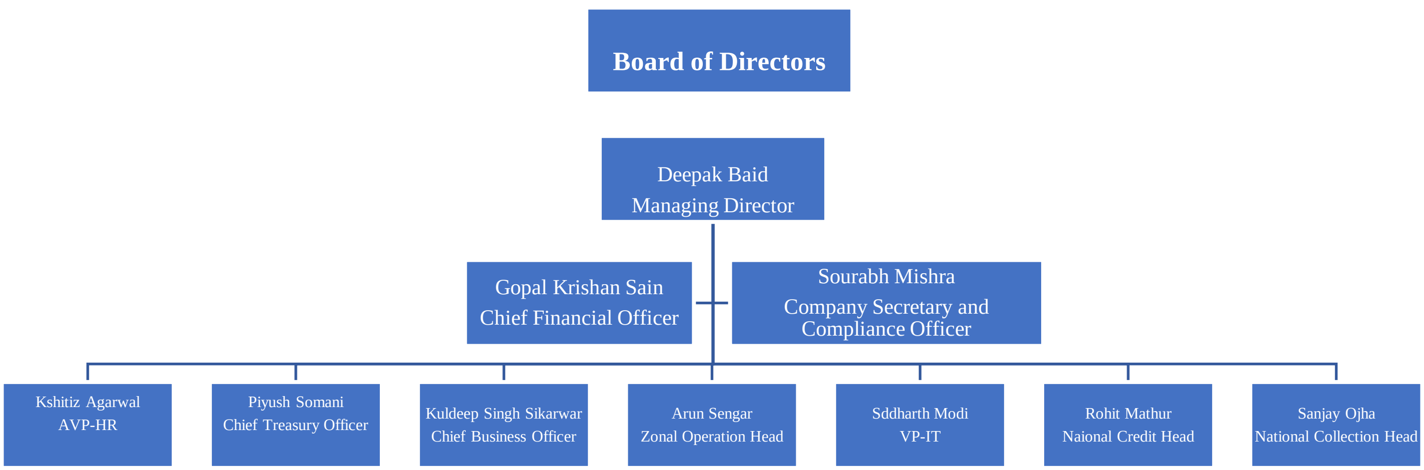
1. Approving the Offer Documents
2. Approving all actions required to dematerialize the Equity Shares, including seeking the admission of the Equity Shares into the Central Depository Services (India) Limited (the "CDSL") and the National Securities Depository Limited (the "NSDL");
3. Deciding all other terms and conditions of the IPO and/ or the number of Equity Shares to be offered, including any Reservation and any rounding off in the event of any oversubscription as permitted under Applicable Laws;
4. Appointing and instructing various other intermediaries, advisors for the Offer, *inter-alia*, lead managers, syndicate members, the legal advisors, the bankers to the Offer, registrar to the Offer, underwriter, advertising agencies and all such persons or agencies as may be involved in or concerned with the Offer and whose appointment is required in relation to the Offer, including any successors or replacements thereof, deciding on the fees, commission, brokerage and the like and other terms and conditions of appointment and/ or ratification of appointment of such intermediaries and advisors and executing all documents and contracts for the Public Offer;
5. Finalizing and arranging for submission of the Offer Documents and any amendments, supplements, notices or corrigendum thereto, to appropriate government and regulatory authorities, institutions or bodies;
6. Issuing advertisements as it may deem fit and proper in accordance with Applicable Laws;

7. Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;
8. Approving suitable policies, including on insider trading, whistle blower/ vigil mechanism and other corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under Applicable Laws in connection with the Offering;
9. Seeking the listing of the Equity Shares on the stock exchanges, submitting listing applications to the stock exchanges and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreements with the stock exchanges;
10. Seeking, if required, the consent of the Company's lenders with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the IPO;
11. Submitting undertaking/ certificates or providing clarifications to SEBI and stock exchanges;
12. Determining the price at which the Equity Shares are offered to investors in the IPO in accordance with Applicable Laws, in consultation with the lead managers and/or any other advisors, and determining the discount, if any, proposed to be offered to eligible categories of investors;
13. Determining the price band and minimum lot size for the purpose of bidding, any revision to the price band and the final Offer Price after bid closure;
14. Determining the bid opening and closing dates;
15. Finalizing the basis of allocation of Equity Shares to retail investors/noninstitutional investors/qualified institutional buyers and any other investor in consultation with the lead managers, the stock exchanges and/or any other entity;
16. Opening bank accounts for the purposes of collecting the application money and depositing the refund amount, through the channels as may be prescribed by the Authorities for the time being in force;
17. To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
18. Dispatching the refund orders, including electronic credit through the channels as may be prescribed by the authorities for the time being in force;
19. Approving statement of taxation, profitability estimate/ forecast with assumptions and other financial ratios and information required to be disclosed in the Offer Documents, accepting the tax benefit certificate and other statements to be furnished by the auditors and approving their inclusion in the Offer Documents;
20. To execute and deliver any agreements and arrangements as well as amendments or supplements thereto that the IPO Committee considers necessary, desirable or expedient, in connection with the Offer, including, without limitation, engagement letters, memoranda of understanding, the listing agreements with the stock exchanges, the registrar's agreement, the depositories' agreements, the Offer agreement with the lead manager (and other entities as appropriate), the underwriting agreement, the syndicate agreement, confirmation of allocation notes and any undertakings and declarations, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Offer, the lead manager, syndicate members, bankers to the Offer, registrar to the Offer, bankers of the Company, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, and all such persons or agencies as may be involved in or concerned with the Offer including any successors or replacements thereof; and any such agreements or documents so executed and delivered and acts, deeds, matters and things done by the IPO Committee shall be conclusive evidence of the authority of the Company in so doing;
21. Giving necessary undertakings to the statutory authorities/appropriate authorities, wherever required, in respect of the Public Offer;
22. Approving and confirming the allotment of the Equity Shares pursuant to the Public Offer;
23. Updating the Register of Members and filing the Return of Allotment in respect of the Equity Shares allotted pursuant to the Public Offer with the concerned Registrar of Companies;
24. To take any and all action in connection with the Offer including, without limitation, making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof),

applications to, and clarifications or approvals from the GOI, the RBI, the SEBI, the ROC, and the stock exchanges and that any such action already taken or to be taken be and is hereby ratified, confirmed and/or approved as the act and deed of the Company;

25. To execute and deliver any and all documents, papers or instruments and to do or cause to be done any and all acts, deeds, matters or things as it may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing powers or the Offer, and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the Company in so doing and any such document so executed and delivered or acts, deeds, matters and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the IPO Committee and the Company.

Management Organization Structure



Key Managerial Personnel and Senior Management

Key Managerial Personnel

In addition, to Deepak Baid, Managing Director, Prem Devi Baid and Aneesha Baid, Whole-Time Directors of our Company whose details are provided in "*Our Management – Brief Biographies of our Directors*" on page 272, and details of remuneration paid to Deepak Baid, Prem Devi Baid and Aneesha Baid during the Fiscal 2024, are provided in "*Our Management – Terms of appointment of our Managing Director and Whole-Time Directors*" on page 272, the details of Key Managerial Personnel in terms of the SEBI ICDR Regulations as of the date of this Draft Red Herring Prospectus are set forth below:

Gopal Krishan Sain is the Chief Financial Officer of our Company since March 1, 2024 and has been associated with our Company since February 21, 2022. He is a member of Institute of Chartered Accountants of India and has a bachelor's degree in commerce from University of Rajasthan. He has over 9 years' experience in financial service industry. Prior to joining our Company, he was associated with Akasa Finance Limited, Ess Kay Fincorp Limited and Samarth Lifestyle Retail Private Limited. In his current role, he manages financial accounting and reporting, and taxation of our Company. In Fiscal 2024, he received an aggregate remuneration of ₹ 3.17 million from our Company.

Sourabh Mishra is the Company Secretary and Compliance Officer of our Company since December 5, 2023 and has been associated with our Company June 21, 2021. He is a member of the Institute of Company Secretaries of India and also holds a master's degree in commerce from the University of Kota. Prior to joining our Company, he was the proprietor of M/s. Sourabh Mishra & Associates, a practicing company secretary firm. With over 7 years' experience, he is responsible for managing compliance and secretarial affairs of our Company. In Fiscal 2024, he received an aggregate remuneration of ₹ 0.79 million.

Senior Management Personnel

In addition to Gopal Krishan Sain, the Chief Financial Officer of our Company and Sourabh Mishra, the Company Secretary and Compliance Officer of our Company, whose details are provided in "- *Key Managerial Personnel of our Company*" on page 288, the details of our other Senior Management Personnel in terms of the SEBI ICDR Regulations, as of the date of this Draft Red Herring Prospectus are set forth below

Arun Sengar is the Operations, Zonal Head of our Company. He joined our Company on April 29, 2024. He holds a bachelor's degree in science from Jiwaji University, Gwalior and holds a post graduate diploma in Banking Operations from the Institute of Finance, Banking and Insurance, New Delhi. Prior to joining our Company, he worked with Godrej Finance Limited, IDFC First Bank Limited, AXIS Bank, HDFC Bank Limited and ICICI Bank Limited. He is responsible for developing and implementing operational strategies, Managing and optimising operational processes, Managing operational budgets, Analysing data and Implementing changes to improve efficiency and customer satisfaction in our Company. In Fiscal 2024, he received an aggregate remuneration of negligible amount from our Company.

Kshitij Agarwal is the Human Resource, Assistant Vice President of our Company. He joined our Company on June 19, 2024. He holds a bachelor's degree in commerce from University of Rajasthan and master's degree in human resource management & Corporate Governance from the University of Burdwan, Burdwan and Institute of Management Technology, Ghaziabad. He has also completed the Executive Programme in Human Resource Management from the Indian Institute of Management, Calcutta. Prior to joining our Company, he has worked with PaisaBuddy Finance Private Limited, Namdev Finvest Private Limited, TVS Credit Services Limited, Mahindra & Mahindra Financial Services Limited and Equitas Microfinance India Private Limited. He is responsible for staffing and recruiting needs, supervising the payroll, performance management system of the Company, planning, developing and implementing policies to support the organisations human resource of our Company. In Fiscal 2024, he received an aggregate remuneration of ₹ Nil from our Company

Kuldeep Singh Sikarwar is the –Chief Business Officer of our Company. He joined our Company on May 04, 2020, as National Business Head and his designation was changed to Chief Business Officer on May 11, 2022. He holds a bachelor's degree in engineering (Electronics & Comm. Engg) and a post graduate Diploma in Business Administration from Jaipuria Institute of Management, Lucknow. Prior to joining our Company, he has worked with Hinduja Housing Finance Limited, Yes Bank Limited, Electronica Finance Limited, Onicra Credit Rating Agency of India Limited, AVIVA Life Insurance Company India Limited and Reliance Capital Limited. He is responsible for strategic planning, project execution, performance management, maintaining stakeholder relations and marketing our Company. In Fiscal 2024, he received an aggregate remuneration of ₹ 5.41 million from our Company.

Piyush Somani is the Chief Treasury Officer of our Company. He joined our Company on March 01, 2019 as the Chief Financial Officer and his designation was changed to Chief Treasury Officer on March 01, 2024. He is a member of the Institute of Chartered Accountants of India and holds a bachelor's degree in commerce from the University of Rajasthan. Prior to joining our Company, he was associated with Ess Kay Fincorp Limited and

National Engineering Industries Limited. He is responsible for liquidity management, investment management, debt management and financial planning and analysis. In Fiscal 2024, he received an aggregate remuneration of ₹ 4.38 million from our Company.

Rohit Mathur is the Credit, National Head of our Company. He joined our Company on September 26, 2022. He is a member of the Institute of Chartered Accountants of India. He is responsible for creating credit scoring models, evaluation of creditworthiness and risks, credit application assessment. In Fiscal 2024, he received an aggregate remuneration of ₹ 2.83 million from our Company.

Sanjay Ojha is the Collection, National Head of our Company. He joined our company on August 14, 2024. He holds a bachelor's degree in science from the University of Rajasthan. Prior to joining our Company, he was associated with AU Small Finance Bank Limited. He is responsible for overseeing the collections in our Company and implementing credit policies and procedures. During the Fiscal 2024, he was not paid any remuneration by our Company as he was appointed during Fiscal 2025.

Siddharth Modi is the Vice President, Information Technology Department of our Company. He joined our Company on September 16, 2024. He holds a degree in Bachelor of Engineering (Electronics and Communication) from University of Rajasthan, Jaipur. Prior to joining our Company, he was associated with Aditya Birla Finance Limited, Avanse Financial Services Limited, Muthoot Housing Finance Company Limited. He is responsible for leading the IT department, developing and implementing IT policies and procedures of our Company. During the Fiscal 2024, he was not paid any remuneration by our Company as he was appointed during Fiscal 2025.

Status of Key Managerial Personnel and Senior Management

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Arrangements or understanding with major Shareholders, customers, suppliers or others

None of our Key Managerial Personnel or Senior Management have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Interest of Key Management Personnel and Senior Management

Except as provided in "– Interest of our Directors" on page 290 and to the extent of the remuneration, benefits, interest of receiving dividends on the Equity Shares held by them, if any, reimbursement of expenses incurred in the ordinary course of business, our Key Managerial Personnel and Senior Management are not interested in any other form of remuneration.

Further, our Key Managerial Personnel or Senior Management may be regarded as interested in the Equity Shares which may be allotted to them (together with dividends in respect of such Equity Shares). Our Key Managerial Personnel or Senior Management may also be deemed to be interested to the extent of options granted to them under the Employee Stock Option Plans. For details, see "*Capital Structure – Employee Stock Option Schemes of our Company*" on page 110.

Certain of our Key Managerial Personnel and Senior Management may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they are members or any partnership firm in which they are partners in the ordinary course of business. For further details, please see "*Note 48 – Related Party Transactions*" in the chapter titled *"Restated Financial Statements"* on page 316 .

Bonus or profit-sharing plan for the Key Management Personnel and Senior Management

None of our Key Managerial Personnel or Senior Management Personnel is entitled to any bonus (excluding performance linked bonus and bonus payable pursuant to the HR policies applicable to the employees of the Company) or profit-sharing plans of our Company.

Shareholding of Key Management Personnel and Senior Management

Except as disclosed in "*Shareholding of our Directors in our Company*" on page 276, none of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares.

For details of ESOSs held by our Key Managerial Personnel and Senior Management Personnel, see "*Capital Structure – Employee Stock Options Scheme of our Company*" on page 110.

Changes in Key Management Personnel and Senior Management during the last three years

Other than as disclosed in "-*Changes in the Board in the last three years"* on page 278, the Changes in our Key Management Personnel and Senior Management during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

Name	Date of Change	Reasons for Change
Vaibhav Bumb	January 22, 2022	Resignation as Credit and Risk Head
Rohit Mathur	September 26, 2022	Appointment as Credit- National Head
Gajendra Singh Shekhawat	October 25, 2023	Resignation as Company Secretary and Compliance Officer
Sourabh Mishra	December 05, 2023	Appointment as Company Secretary and Compliance Officer
Piyush Somani	February 29, 2024	Resignation as Chief Financial Officer
Gopal Krishan Sain	March 01, 2024	Appointment as Chief Financial Officer
Piyush Somani	March 01, 2024	Appointment as Chief Treasury Officer
Himanshu Rajawat	March 31, 2024	Resignation as Assistant Vice President Operations
Arun Singh Sengar	April 29, 2024	Appointment as Operations- Zonal Head
Rajkumar Singh Jadon	May 11, 2024	Resignation as Human Resource- Deputy Vice President
Kshitij Agarwal	June 19, 2024	Appointment as Human Resource- Assistant Vice President
Uday Singh Nirwan	August 03, 2024	Resignation as National Head - Collection and Legal
Sanjay Ojha	August 14, 2024	Appointment as Collection - National Head
Siddharth Modi	September 16, 2024	Appointment as Vice President, Information Technology Department

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management

Except for performance linked bonus, there is no contingent or deferred compensation payable to our Key Managerial Personnel and Senior Management for Fiscal year 2023-24.

Service Contracts with Key Managerial Personnel and Senior Management

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no Key Managerial Personnel and Senior Management Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Employee stock option scheme and Employee stock purchase scheme

For details of the employee stock option scheme of our Company, see "*Capital Structure – Employee Stock Options Scheme of our Company*" on page 110.

Payment of non-salary related benefits to Key Managerial Personnel and Senior Management Personnel of our Company

Except as disclosed under "- *Service contracts with Directors*" on page 273 and statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel and Senior Management Personnel is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

No non-salary amount or benefit has been paid or given to any Key Managerial Personnel and Senior Management Personnel of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Other Confirmations

There is no conflict of interest between the lessors of our immovable properties of our Company, suppliers of raw materials or any third-party service providers of our Company, which are crucial for operations of our Company, and any of our Directors or Key Managerial Personnel.

OUR PROMOTERS AND PROMOTER GROUP

As on the date of this Draft Red Herring Prospectus, the following are the Promoters of our Company:

1. Deepak Baid;
2. Prem Devi Baid;
3. Aneesha Baid;
4. Hirak Vinimay Private Limited;
5. Deepak Hitech Motors Private Limited;
6. Prem Dealers Private Limited; and
7. Vivan Baid Family Trust.

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 36,703,004 Equity Shares, representing 87.78% of the issued, subscribed and paid-up Equity Share Capital of our Company on a fully diluted basis. For further details, please see please see "*Capital Structure – History of build-up of Promoters' shareholding (including Promoters' contribution) and Lock-in of Promoters' shareholding*" on page 107.

A. Individual Promoters

Deepak Baid

Deepak Baid, born on November 08, 1980, aged 44 years, is one of our individual Promoters and Managing Director of our Company. For a complete profile of Deepak Baid along with details of his educational qualifications, personal address, professional experience, positions / posts held in the past, directorship held, business and other financial activities, see "*Our Management*" beginning on page 269 of this Draft Red Herring Prospectus.

His PAN is AEQPB5538J.

Prem Devi Baid

Prem Devi Baid, born on February 02, 1950, aged 74 years is one of our individual Promoters and a Whole-Time Director of our Company. For a complete profile of Prem Devi Baid along with details of her educational qualifications, personal address, professional experience, positions / posts held in the past, directorship held, business and other financial activities, see "*Our Management*" beginning on page 269 of this Draft Red Herring Prospectus.

Her PAN is ACGPB5002R.

Aneesha Baid

Aneesha Baid, born on October 10, 1981, aged 43 years is one of our individual Promoters and Whole-Time Director of our Company. For a complete profile of Aneesha Baid along with details of her educational qualifications, personal address, professional experience, positions / posts held in the past, directorship held, business and other financial activities, see "*Our Management*" beginning on page 269 of this Draft Red Herring Prospectus.

Her PAN is AAXPM4028M.

Our Company confirms that the details of the PAN, bank account Numbers, Aadhar card numbers, driving license numbers and passport numbers of our Individual Promoters shall be submitted to the Stock Exchange(s) at the time of filing of this Draft Red Herring Prospectus.

B. Corporate Promoters

1. Hirak Vinimay Private Limited

Corporate Information

Hirak Vinimay Private Limited ("**Hirak Vinimay**") was incorporated on September 18, 2007 as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, West Bengal at Kolkata.

The registered office of Hirak Vinimay is situated at 33, Chitta Ranjan Avenue, 9th Floor, Room No.- 908A, Bowbazar (Kolkata), Kolkata, West Bengal, India, 700012. The CIN of Hirak Vinimay is U51109WB2007PTC118795.

Nature of Business

Hirak Vinimay is engaged in the business of trading of commodities such as grains, spices, and pulses, etc.

Change in Activities

No change

There has been no change in the business activities of Hirak Vinimay since its incorporation.

Board of directors

As on date of this Draft Red Herring Prospectus, the board of directors of Hirak Vinimay comprises of:

S. No.	Name of the director	Designation
1	Champa Lal	Director
2	Nanag Ram Kumhar	Director
3	Deepak Baid	Director
4	Aneesha Baid	Director

Capital structure

The capital structure of Hirak Vinimay as on date of this Draft Red Herring Prospectus is as follows:

Particulars	Number of equity shares of face value of ₹10 each
Authorized equity share capital of ₹ 214,200,000	21,420,000
Issued, subscribed and paid-up equity share capital of ₹11,511,280	1,151,128

Shareholding pattern

The shareholding pattern of Hirak Vinimay as on date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	Number of equity shares of ₹10 each	% of Shareholding
1.	Ananya Baid Family Trust (through its Trustee Deepak Baid and Aneesha Baid)	371,464	32.27%

2.	Hunar Baid Family Trust (through its Trustee Deepak Baid and Aneesha Baid)	372,764	32.38%
3.	Vivan Baid Family Trust (through its Trustee Deepak Baid and Aneesha Baid)	359,820	31.26%
4.	Prem Devi Baid	47,080	4.09%
	Total	**11,51,128**	**100%**

Change in control

There has been no change in the control of Hirak Vinimay during the three years preceding the date of this Draft Red Herring Prospectus.

Promoters of Hirak Vinimay

The promoters of Hirak Vinimay are (i) Ananya Baid Family Trust (through its trustees, Deepak Baid and Aneesha Baid), (ii) Hunar Baid Family Trust (through its trustees, Deepak Baid and Aneesha Baid), (iii) Vivan Baid Family Trust (through its Trustees, Deepak Baid and Aneesha Baid) and (iv) Prem Devi Baid.

The details of the trusts which are Promoters of Hirak Vinimay are as follows:

S. No.	Name of the Trust	Trustee	Beneficiary
1.	Ananya Baid Family Trust	Deepak Baid and Aneesha Baid	Ananyaa Baid
2.	Hunar Baid Family Trust	Deepak Baid and Aneesha Baid	Hunar Baid
3.	Vivan Baid Family Trust	Deepak Baid and Aneesha Baid	Vevaan Baid

For further details in relation to Promoters of Hirak Vinimay, please see "Individual Promoters" on page 293 of this Draft Red Herring Prospectus.

Our Company confirms that the PAN, bank account number(s), Company registration number and the address of the RoC where Hirak Vinimay is registered, shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

2. Deepak Hitech Motors Private Limited

Corporate Information

Deepak Hitech Motors Private Limited ("**Deepak Hitech**") was incorporated on August 01, 2011 as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Jaipur at Rajasthan.

The registered office of Deepak Hitech is situated at 21, Gopinath Marg, Jalupura Crossing, M.I. Road, Jaipur, Rajasthan, India, 302001. The CIN of Deepak Hitech is U74110RJ2011PTC036029.

Nature of Business

Deepak Hitech is engaged in the business of sale of second hand vehicles, consultancy and insurance commission business.

Change in Activities

There has been no change in business activities of Deepak Hitech since its incorporation.

Board of directors
As on date of this Draft Red Herring Prospectus, the board of directors of Deepak Hitech comprises of:

S. No	Name of the director	Designation
1	Deepak Baid	Director
2	Prem Devi Baid	Director

Capital structure
The capital structure of Deepak Hitech as on date of this Draft Red Herring Prospectus is as follows:

Particulars	Number of equity shares of face value of ₹10 each
Authorized equity share capital of ₹4,000,000	400,000
Issued, subscribed and paid-up equity share capital of ₹2,999,000	299,900

Shareholding pattern
The shareholding pattern of Deepak Hitech as on date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	Number of equity shares of ₹10 each	% of Shareholding
1.	Deepak Baid	55,000	18.34%
2.	Prem Devi Baid	55,000	18.34%
3.	Aneesha Baid	50,000	16.67%
4.	Vivan Baid Family Trust (through its trustees, Deepak Baid and Aneesha Baid)	139,900	46.65%
Total		**299,900**	**100%**

Change in control
There has been no change in control of Deepak Hitech in the last three years preceding the date of this Draft Red Herring Prospectus.

Promoters of Deepak Hitech
The promoters of Deepak Hitech are Deepak Baid, Prem Devi Baid and Vivan Baid Family Trust. For further details in relation to Promoters of Deepak Hitech, please see "-Individual Promoters" on page 293 and "Promoter Trust" on page 297 of this Draft Red Herring Prospectus.

Our Company confirms that the PAN, bank account number, Company registration number and the address of the RoC where Deepak Hitech is registered, shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

3. Prem Dealers Private Limited

Corporate Information

Prem Dealers Private Limited ("**Prem Dealers**") was incorporated on November 25, 2005 as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, West Bengal at Kolkata.

The registered office of Prem Dealers is situated at 33, Chitta Ranjan Avenue, 9th Floor, Room No.- 908A, Bowbazar (Kolkata), Kolkata, West Bengal, India, 700012. The CIN of Prem Dealers is U51909WB2005PTC106329.

Nature of Business
Prem Dealer is currently engaged in the business of trading of commodities such as grains, spices, and pulses.

Change in Activities
There has been no change in the business activities of Prem Dealers since its incorporation.

Board of directors
As on date of this Draft Red Herring Prospectus, the board of directors of Prem Dealers comprises of:

S. No	Name of the director	Designation
1.	Prem Devi Baid	Director
2.	Aneesha Baid	Director
3.	Nanag Ram Kumhar	Director

Capital structure
The capital structure of Prem Dealers as on date of this Draft Red Herring Prospectus is as follows:

Particulars	Number of equity shares of face value of ₹10 each
Authorized equity share capital of ₹5,000,000	500,000
Issued, subscribed and paid-up equity share capital of ₹1,765,000	176,500

Shareholding pattern
The shareholding pattern of Prem Dealers as on date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	Number of equity shares	% of Shareholding
1.	Deepak Baid	60,000	34.00%
2.	Prem Devi Baid	60,000	34.00%
3.	Aneesha Baid	56,500	32.00%
Total		**176,500**	**100%**

Change in control
There has been no change in control of Prem Dealers in the last three years preceding the date of this Draft Red Herring Prospectus.

Promoters of Prem Dealers
The promoters of Prem Dealers are Deepak Baid, Prem Devi Baid and Aneesha Baid. For further details in relation to Promoters of Prem Dealers, please see "Individual Promoters" on page 293 of this Draft Red Herring Prospectus.

Our Company confirms that the PAN, bank account number(s), Company registration number and the address of the RoC where Prem Dealers is registered, shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

C. Promoter Trust

Vivan Baid Family Trust

Trust information and history

Vivan Baid Family Trust ("**VBFT**") is a private, irrevocable, and discretionary trust pursuant to the trust deed dated November 11, 2011 ("**Trust Deed**") in accordance with the provisions of the Indian Trusts Act, 1882. The office of the VBFT is located at B-114-A, Tej Kunj Dayanand Marg, Tilak Nagar, Dayanand Marg, Tilak Nagar, Jaipur – 302004, Rajasthan, India.

Trustees
As on the date of this Draft Red Herring Prospectus, the trustees of VBFT are Deepak Baid and Aneesha Baid ("**Trustees**") and Deepak Baid is the managing trustee of VBFT. The trust properties are controlled and managed by the Trustees in accordance with the Trust Deed. The decision making in VBFT is conducted by a majority vote, wherein the managing trustee, i.e., Deepak Baid, has a veto right.

Beneficiaries
The beneficiary of VBFT is Vevaan Baid.

Settlor
The settlor of VBFT is Prem Devi Baid.

Objects and Purpose
The objects and purpose of VBFT include to hold the trust properties representing the trust fund for the benefit of the beneficiaries until the distribution thereof and to provide for the maintenance, education, medical expenses, marriage and other social functions, insurance premium of the beneficiaries.

Change in control of VBFT
There has been no change in control of VBFT in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Our Company confirms that the PAN and bank account number(s) of VBFT shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Change in control of our Company

There has not been any change in control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus. However, pursuant to the Scheme of Amalgamation approved by NCLT, Kolkata bench vide its order dated January 12, 2023, our erstwhile promoters Champalal Distributors Private Limited, Gatik Realcon Private Limited, Sulochana Sarees Private Limited and Starpoint Construction Private Limited have merged into one of our Corporate Promoters namely, Hirak Vinimay Private Limited

Interests of our Promoters and Common Pursuits

Interest in promotion of our Company

Our Promoters are interested in our Company (i) to the extent that they have promoted our Company; (ii) to the extent of their shareholding in our Company, directly and indirectly, including the dividend payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company, from time to time. For details of the shareholding of our Promoters in our Company, please see *"Details of shareholding of our Promoters and members of the Promoter Group in our Company"* on page 107 of this Draft Red Herring Prospectus. Our Promoters may be deemed to be interested to the extent of their remuneration and reimbursement of expenses, payable to them, if any in their capacity as Directors. For further information, please refer to chapter titled *"Our Management"* beginning on page 269 of this Draft Red Herring Prospectus.

No sum has been paid or agreed to be paid to our Promoters or to such firm or company in which our Promoters are interested as members, in cash or shares or otherwise by any person either to induce our Promoters to become, or qualify them as a director or promoter, as applicable or otherwise for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Company has pursuant to sale deed dated March 23, 2023, our Company has acquired the west part of Plot No. 2 admeasuring about 60.00 Sq. Yards along with building comprising basement, ground floor and mezzanine floor from our Promoter, Deepak Baid for an aggregate consideration of ₹30 million in Fiscal 2023. For more details, please see "*Other Financial Information - Related Party Transactions*" on page 381. Other than as disclosed above, our Promoters have no interest in any property acquired by our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

As on the date of this Draft Red Herring Prospectus, there are no conflict of interest between the third-party service providers which are crucial for operations of the Company, Promoters and Promoter Group.

Our Promoters are interested in certain ventures which are empowered under their constitutional documents, to undertake similar line of business as that of the Company. However, currently there are no common pursuits between our Company and these ventures. In case any conflict arises in the future, our Company and these ventures will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they may arise.

Other ventures of our Promoters

Other than as disclosed in *"- Entities forming part of our Promoter Group*" and "*Our Management*" on pages 300 and 269, our Promoters are not involved in any other venture.

Payment or benefits to the Promoters and Promoter Group

Except as stated otherwise under " *Note 48 – Related Party Transactions*" in the chapter titled *"Restated Financial Statements"* on page 316 of this Draft Red Herring Prospectus about the related party transactions entered into during the last two (2) financial years as per IND AS 24 and in "*Interest of our Promoters*" disclosed in this Chapter, there has been no other payment or benefit to our Promoters or Promoter Group nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

Companies and firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Promoter Group of our Company

In addition to our Promoters, the individuals and entities that form part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

(a) Natural Persons forming part of the Promoter Group

Name of the Promoter	Name of relative	Relationship
Deepak Baid	Aneesha Baid	Spouse
	Prem Devi Baid	Mother
	Priya Baid	Sister
	Rashmi Giria	Sister
	Preeti Chopra	Sister
	Ananyaa Baid	Children

	Hunar Baid	Children
	Vevaan Baid	Children
	Gyan Chand Mehta	Spouse's Father
	Chandra Kumari Mehta	Spouse's Mother
	Anoop Mehta	Spouse's Brother
Prem Devi Baid	Nirmal Chhajer	Brother
	Shanti Prasad Chhajer	Brother
	Sarla Bothra	Sister
	Priya Baid	Children
	Rashmi Giria	Children
	Preeti Chopra	Children
	Deepak Baid	Children
	Panna Lal Baid	Spouse's Brother
	Bijay Singh Baid	Spouse's Brother
Aneesha Baid	Deepak Baid	Spouse
	Gyan Chand Mehta	Father
	Chandra Kumari Mehta	Mother
	Anoop Mehta	Brother
	Ananyaa Baid	Children
	Hunar Baid	Children
	Vevaan Baid	Children
	Prem Devi Baid	Spouse's Mother
	Priya Baid	Spouse's Sister
	Rashmi Giria	Spouse's Sister
	Preeti Chopra	Spouse's Sister

(b) Entities forming a part of the Promoter Group

The entities forming part of our Promoter Group are as follows:

1. Dreamland Buildmart Private Limited
2. Viraat Energy LLP
3. Deepak Baid HUF
4. Gyan Chand Mehta HUF
5. Anoop Mehta HUF
6. Hunar Baid Family Trust
7. Ananya Baid Family Trust
8. Bee Dee Enterprise
9. Astha Fashion
10. Shanti Prasad Chajjer HUF
11. Nightbird Tracom Private Limited
12. Fozmal Mokham Singh Mehta HUF
13. Tejkaran Foundation

Other than as disclosed above, there are no other entities that form part of our Promoter Group.

Outstanding Litigation

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled "*Outstanding Litigations and Material Developments*" beginning on page 471 of this Draft Red Herring Prospectus.

GROUP COMPANIES

Pursuant to a resolution dated November 28, 2024 our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Red Herring Prospectus, group companies shall include (i) the companies (other than our promoters and subsidiaries, as applicable) with which there were related party transactions during the period for which the Restated Financial Statements is disclosed in this Draft Red Herring Prospectus, as covered under Ind AS 24, and (ii) such other companies as considered 'material' by our Board in accordance with the Materiality Policy. Pursuant to the Materiality Policy, for the purposes of (ii) above, all such companies (other than our promoters, and subsidiaries as applicable, and companies categorized under (i) above) that are a part of the Promoter Group, and with which our Company has had one or more transactions in the most recent financial year and the stub period, as applicable, as disclosed in the Restated Financial Statements included in this Draft Red Herring Prospectus, which individually or in the aggregate, exceed 10% of the total restated revenue from operations of our Company for such financial year and stub period, as the case may be, shall be classified as group companies.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company does not have any Group Company.

DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, the Company does not have a formal dividend 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 provisions of the Articles of Association and the applicable laws including the Companies Act, read with the rules notified thereunder, each as amended. We may retain all our future earnings, if any, for purposes to be decided by our Company, subject to compliance with the provisions of the Companies Act. The quantum of dividend, if any, will depend on a number of factors, including but not limited to profits earned and available for distribution during the relevant Financial Year/Fiscal, accumulated reserves including retained earnings, expected future capital/expenditure requirements, organic growth plans/expansions, proposed long-term investment, capital restructuring, debt reduction, crystallization of contingent liabilities, cash flows, current and projected cash balance, and external factors, including but not limited to the macro-economic environment, regulatory changes, technological changes and other factors like statutory and contractual restrictions.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under our current or future loan or financing documents. The amounts declared as dividends in the past are not necessarily indicative of our dividend amounts, if any, in the future. For more information on restrictive covenants under our current loan agreements, see "Financial Indebtedness" on page 468.

There is no guarantee that any dividends will be declared or paid. For details, see "Risk Factors 48- *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*" on page 65 of this Draft Red Herring Prospectus.

Our Company has not declared any dividends in the last three fiscals and till the date of filing of this Draft Red Herring Prospectus.

For further details, please refer to section titled *"Financial Information"* beginning on page 316 of this Draft Red Herring Prospectus.

SELECTED STATISTICAL INFORMATION

The following information should be read together with our financial statements, including the notes thereto, and the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this Draft Red Herring Prospectus. Unless context requires otherwise, all amounts presented in this section are derived from the Restated Financial Statements, and unless context requires otherwise, all averages presented in this section are presented on the basis of simple average of the closing balances as at the end of the relevant period/ year and at the end of the previous year. The averages as at and for Fiscal 2022 includes closing balances at the end of Fiscal 2021 which have not been restated and accordingly, the averages at Fiscal 2022 is not comparable with those as at and for Fiscals 2023 and 2024. Further, financial information for the three months ended June 30, 2024 has not been annualized unless specified otherwise.

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Draft Red Herring Prospectus, each of which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with the Ind AS, Indian GAAP, IFRS or U.S. GAAP. Such measures and indicators are not defined under Ind AS, Indian GAAP, IFRS or U.S. GAAP, and therefore, should not be viewed as substitutes for performance, liquidity or profitability measures under Ind AS, Indian GAAP, IFRS or U.S. GAAP. In addition, such measures and indicators are not standardized terms, and a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For risks relating to non-GAAP measures, see Risk Factor No. 51 - In this Draft Red Herring Prospectus, we have included certain Non-GAAP ("Generally Accepted Accounting Principles") financial measures and certain other industry measures related to our operations and financial performance. These Non-GAAP measures and industry measures may vary from any standard methodology applicable across the Indian retailing industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies." on page 66.

Return on Equity and Assets

The following table sets forth, for the periods indicated selected financial information relating to the return on equity and assets for our Company:

Particulars	As of / For the period ended June 30,	As of / For the Financial Year		
	2024	2024	2023	2022
	(in ₹ million, except percentages and per share data)			
Profit for the period/year	66.16	226.21	160.28	145.72
Total Assets (1)	11309.88	9848.49	7787.08	5584.31
Average Total Assets (2)	10,579.19	8,817.79	6,685.70	5,348.49
AUM (3)	10355.35	9613.69	6867.67	5316.02
Average AUM (4)	9,984.52	8,240.68	6,091.84	4,968.45
Net Worth (5)	2079.18	2012.15	1523.27	1261.87
Average Net Worth (6)	2,045.67	1,767.71	1,392.57	1,125.76
Total Borrowings (7)	9059.98	7666.77	6154.87	4113.56
Average Total Borrowings (8)	8,363.38	6,910.82	5,134.22	4,011.73
Return on Total Assets* (%) (9)	2.50%	2.57%	2.40%	2.72%
Return on Average Net Worth* (%) (10)	12.94%	12.80%	11.51%	12.94%

Basic Earnings Per Equity Share [11]	1.67	6.11	5.02	4.99
Diluted Earnings Per Equity Share [11]	1.67	5.66	5.02	4.99
Net Asset Value Per Share [12]	52.34	50.65	38.34	39.71

**Annualized*

Figures disclosed in the above table, except Profit after Tax, Total Assets and Basic and Diluted Earnings Per Share are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

(1) *Total Assets represents the total of our financial assets and non-financial assets.*

(2) *Average Total Assets represents the simple average of our Total Assets (as given in Note – 5 of the Restated Financial Information) as at the end of the previous year and the last day of the relevant year.*

(3) *AUM is the aggregate of (i) Loan Assets (Loans), which is aggregate amount of loan receivable from customer and includes future principal outstanding and overdue principal outstanding and (ii) Assigned Assets & business correspondence assets (Off Book), which represents aggregate amount of future principal outstanding and overdue principal outstanding for off book loan assets as at the last day of the relevant fiscal year/cut off date..*

(4) *Average AUM represents the simple average of AUM as at the end of the previous year and the last day of the relevant year*

(5) *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, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

(6) *Average Net Worth represents the simple average of our Net Worth as at the end of the previous year and the last day of the relevant year.*

(7) *Total Borrowings represents the aggregate of debt securities and borrowings (other than debt securities)and Subordinated liability as of the last day of the relevant period..*

(8) *Average Total Borrowings is the simple average of our Total Borrowings outstanding) as at the end of the previous year and the last day of the relevant year.*

(9) *Return on Total Assets is calculated as the Profit After OCI for the relevant period as a percentage of Average Total Assets in such period.*

(10) *Return on Average Net Worth is calculated as the Profit After OCI for the relevant period as a percentage of Average Net Worth in such period.*

(11) *Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Basic and diluted earnings per equity share has been calculated after considering the effect of share split.*

The Board of Directors of the Company and the Shareholders have at their respective meetings held on November 13, 2024 and November 16, 2024 approved the sub-division of shares from ₹ 10 per equity share to ₹ 5 per Equity Share

(12) *Net Asset Value per share = Net Asset Value (Net-worth), as restated / Number of equity shares outstanding (after considering effect of share split). 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, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

Financial Ratios

The following table sets forth, for the periods indicated, certain financial ratios for our Company:

Particulars	For the period ended June 30	For the Financial Year		
	2024	2024	2023	2022

	(in million, except percentages and ratios/time)			
AUM [1]	10,355.35	9,613.69	6,867.67	5,316.02
AUM Growth (%) [2]	30.86%	39.98%	29.19%	15.04%
Average AUM [3]	9,984.52	8,240.68	6,091.84	4,968.45
Total Assets [5]	11,309.88	9,848.49	7,787.08	5,584.31
Disbursements [6]	1,535.10	5,254.28	3,432.91	2,366.00
Total Revenue from Operations	508.36	1731.37	1295.29	975.94
Other Income	4.19	18.81	11.39	6.51
Total Income	512.55	1750.18	1306.68	982.45
Finance Costs (A)	240.63	834.2	628.57	500.30
Fee expenses (B)	-	-	-	-
Interest on lease liability (C)	0.30	0.71	0.32	0.25
Interest on current tax liability (D)	-	-	-	-
Adjusted Finance Costs [8] (D=A+B-C)	240.33	833.49	628.25	500.05
Operating Expenses [9]	167.43	600.86	441.56	281.36
Operating Expenses to Average Total Assets (%) [10]	6.33%	6.81%	6.60%	5.26%
Impairment loss allowance [11]	14.45	18.75	16.36	5.75
Impairment loss allowance to Average Total Assets (%) [12]	0.55%	0.21%	0.24%	0.11%
Total Expenses [13]	425.57	1453.81	1086.49	787.41
Total Income (A)	512.55	1750.18	1306.68	982.45
Adjusted Finance Costs [8] (B)	240.33	833.49	628.25	500.05
Total Expenses [13] (C)	425.57	1453.81	1086.49	787.41
Gross NPA [16]	96.53	59.71	33.28	128.61
Gross NPA to Gross Loan Asset (%) [17]	1.06%	0.73%	0.58%	2.84%
Expected Credit Loss on Gross NPAs	39.19	32.49	15.17	42.87
Net NPA [18]	57.34	27.22	18.10	85.74
Provision Coverage Ratio (Gross NPA)(%) [20]	40.60%	54.41%	45.60%	33.33%
Gross Loan Asset / Net Worth	4.37	4.08	3.76	3.58
Average Loan Asset / Average Net Worth	4.23	3.94	3.68	3.89
Net Loan Advances[21]	9,047.22	8,170.82	5,713.29	4,479.86
Net NPAs to Net Loan Advances(%)	0.63%	0.33%	0.32%	1.91%

Figures disclosed in the above table, except Total Revenue from Operations, Other Income, Total Income, Finance Costs, Total Expenses and Total Assets are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

(1) *AUM is the aggregate of (i) Loan Assets (Loans), which is aggregate amount of loan receivable from customer and includes future principal outstanding and overdue principal outstanding and (ii) Assigned Assets & business correspondence assets (Off Book), which represents aggregate amount of future principal outstanding and overdue principal outstanding for off book loan assets as at the last day of the relevant fiscal year/cut off date.*

(2) *AUM Growth represents percentage growth in AUM for the relevant period over AUM of the previous period / year end.*

(3) *Average AUM represents the simple average of our AUM) as at the end of the previous year and the last day of the relevant year.*

(4) *Total Assets represents the total of our financial assets and non-financial assets.*

(5) *Disbursements represent the aggregate of all loan amounts extended to our customers in the relevant period.*

(6) *Adjusted Finance Costs represent the aggregate of finance costs as per Restated Financial Information reduced by interest on lease liabilities*

(7) *Operating Expenses represents employee benefits expense, depreciation and amortisation expense and other expenses for the relevant period.*

(8) *Operating expenditure to average total assets represents aggregate of employee benefits expense, depreciation and amortization expense, other expenses for the relevant period/ year divided by the average total assets for the relevant period/ year.*

(9) *Impairment loss allowance represents impairment loss allowance Loans charged to Profit and loss account during the relevant period as stated in profit and loss account to Restated Financial Information.*

(10) *Impairment loss allowance to Average Total Assets represents the impairment on financial instruments divided by the average total assets for the relevant period/ year..*

(11) *Total Expenses represents total expenses for the relevant period. Total expenses include employee benefits expense, finance cost, impairment on financial instruments, depreciation and amortisation expense, and other expenses.*

(12) *Gross NPA to Gross Loan Asset represents Gross non-performing assets divided by Gross Loans outstanding as of the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as of the end of the relevant period/year.*

(13) *Provision Coverage Ratio represents ECL on Gross NPA for the period, as a percentage of total Gross NPAs as of the last day of the period.*

(14) *Net Loan Advances represents Gross Loan Asset less ECL on Gross NPA as of the last day of the relevant period.*

(15) *Net NPAs to net advances (Net NPA Ratio) represents our Net Non-performing assets to our Gross Loans reduced by impairment loss allowance on Gross Non-performing assets as of the end of the relevant period/ year. Net NPA represents Gross non-performing assets reduced by provisions for NPAs (excluding provisions on standard assets) as at the end of relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year*

Return Ratios

Particulars	For the period June 30,	For the Financial Year		
	2024	2024	2023	2022
	(in %)			
Revenue from Operations to Average Gross Loan Asset (1)	23.52	24.85	25.27	22.30
Other Income to Average Gross Loan Asset (2)	0.19	0.27	0.22	0.15
Total Revenue to Average Gross Loan Asset (3)	23.72	25.13	25.49	22.45
Finance cost to Average Gross Loan Asset (4)	11.13	11.98	12.26	11.43
Interest Margin to Average Gross Loan Asset (5)	11.05	11.68	12.09	10.34
Operating Expenses to Average Gross Loan Asset (6)	7.75	8.63	8.61	6.43
Impairment loss allowance to Average Gross Loan Asset (7)	0.67	0.27	0.32	0.13
PBT to Average Gross Loan Asset (8)	4.02	4.25	4.30	4.46
PAT to Average Gross Loan Asset (9)	3.06	3.25	3.13	3.33
PAT to Average Net Worth (10)	12.94	12.80	11.51	12.94

(1) *Revenue from Operations to Average Gross Loan Asset represents our total revenue from operations for the period divided by simple average of gross loan assets as on last of relevant year/period.*

(2) *Other Income to Average Gross Loan Asset represents our other income for the relevant period to the Average Gross Loan Asset for the period.*

(3) *Total Revenue to Average Gross Loan Asset represents sum of Revenue from operations and other income for the period to the Average Gross Loan Asset for the period.*

(4) *Finance cost to Average Gross Loan Asset represents our finance costs for the period to the Average Gross Loan Asset for the period.*

(5) *Interest Margin to Average Gross Loan Asset represents the difference between interest income and finance cost for the period to the Average Gross Loan Asset for the period.*

(6) *Operating Expenses to Average Gross Loan Asset represents our operating expenses for a period to the Average Gross Loan Asset for the period.*

(7) *Impairment loss allowance to Average Gross Loan Asset represents our Impairment loss allowance for a period to the Average Gross Loan Asset for the period.*

(8) *PBT to Average Gross Loan Asset represents our Profit Before Tax for a period to the Average Gross Loan Asset for the period.*

(9) *PAT to Average Gross Loan Asset represents our Profit After Tax including OCI for a period to the Average Gross Loan Asset for the period.*

(10) *PAT to Average Net Worth represents our Profit After Tax including OCI for a period to the Average Net Worth for the period.*

Yields, Spreads and Margins

Particulars	**For the period ended June 30**	**For the Financial Year**		
	2024	**2024**	**2023**	**2022**
	(in ₹ million, except percentages)			
Interest Income	479.44	1647.85	1248.22	952.79
Finance Costs (A)	240.63	834.20	628.57	500.30
Interest on lease liability (B)	0.30	0.71	0.32	0.25
Adjusted Finance Costs (1) (C=A-B)	240.33	833.49	628.25	500.05
Total Interest-earning Assets (2)	10,421.39	9,158.13	7,125.45	4,816.37
Average Interest-earning Assets (3)	9,789.76	8,141.79	5,970.91	4,687.06
Average Total Assets (4)	10,579.19	8,817.79	6,685.70	5,348.49
Average Interest-bearing liabilities (5)	8,363.38	6,910.82	5,134.22	4,011.73
Total Income	512.55	1750.18	1306.68	982.45
Net Interest Income (6)	238.81	813.65	619.65	452.49
Average yield on Gross Loan Asset (7)	21.74%	20.87%	21.34%	18.06%
Average Cost of Borrowings (8)	11.49%	12.06%	12.24%	12.46%
Spread (09)	10.25%	8.81%	9.10%	5.60 %
Net Interest Margin (%)(10)	9.03%	9.23%	9.27%	8.46 %
Incremental Cost of Borrowings (%) (11)	11.16%	11.58%	12.04%	12.20 %

Figures disclosed in the above table except Interest Income and Finance Cost are not measures of financial position operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

(1) *Adjusted Finance Costs represent the aggregate of finance costs and fee expenses as per Restated Financial Information reduced by interest on lease liabilities.*

(2) *Total Interest-earning Assets represents loans; balances with banks in deposit accounts with original maturity of less than three months; balances with banks in other deposit accounts with an original maturity of more than three months; fixed deposits with banks;.*

(3) *Average Interest-earning Assets represent the simple average of total interest-earning assets as of the last day of the month*

starting from the last month of the previous financial year and ending with the last month of the current financial year.

(4) *Average Total Assets is as defined above.*
(5) *Average Interest-bearing Liabilities is the simple average of our total interest-bearing liabilities (which comprises Total Borrowings) outstanding as of the last day of the month starting from the last month of the previous financial year and ending with the last month of the current financial year. .*
(6) *Net Interest Income or "NII" represents interest income less Finance costs, for the relevant period.*
(7) *Average Yield on Gross Loan Asset represents the ratio of interest income for a period to the average Gross Loan Asset for the period.*
(8) *Average Cost of Borrowings represents finance cost for the relevant period as a percentage of Average Total Borrowings in such period. Average Total Borrowings is the simple average of our Total Borrowings outstanding as of the last day of relevant year/period.*
(9) *Spread represents Average Yield on Gross Loan Asset less Average Cost of Borrowings.*
(10) *Net Interest Margin represents our Net Interest Income for a period to the Average Total Assets for the period, represented as a percentage.*
(11) *Incremental Cost of Borrowing represents weighted average rate of interest on fresh borrowings in the relevant period.*

Asset Quality

Provisioning and Write-Offs

Asset Category (Loan Book)	For the period ended	For the Financial Year		
	June 30, 2024	2024	2023	2022
	(in ₹ million)			
AUM	10,355.35	9,613.69	6,867.67	5,316.02
Gross NPAs	96.53	59.71	33.28	128.61
Expected Credit Loss on Gross NPAs	39.19	32.49	15.17	42.87
Net NPAs	57.34	27.22	18.10	85.74
Bad Debts Write-off	8.31	24.58	13.79	21.83

ECL / Stage Wise Gross Loan

Particulars	As of			
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
	(in ₹ millions, except percentages)			
AUM (Gross)				
1. Stage 1 [(1)]	8,581.33	7,801.39	5,525.32	4,240.54
2. Stage 2 [(2)]	408.57	342.22	169.88	153.59
3. Stage 3 [(3)]	96.53	59.71	33.28	128.61
4. Total AUM (Gross)	**9086.41**	**8203.31**	**5728.46**	**4522.73**
ECL Allowance				
5. Stage 1	11.38	11.13	27.31	21.30
6. Stage 2	10.32	7.30	3.87	4.04
7. Stage 3	39.19	32.49	15.17	42.87

8. Total ECL Allowance	60.89	50.92	46.35	68.21
Loan Asset (Net)				
9. Stage 1 (9=1-5)	8569.95	7790.26	5498.01	4219.24
10.Stage 2 (10=2-6)	398.24	334.92	166.01	149.55
11.Stage 3 (11=3-7)	57.34	27.22	18.1	85.74
12.Total AUM (Net) (12=4-8)	**9025.52**	**8152.39**	**5682.11**	**4454.51**

(1) *Stage I - Gross Term Loans where credit risk has not increased significantly since initial recognition and represents loans which are not overdue or overdue for not more than thirty days.*

(2) *Stage II - Gross Term Loans where credit risk has increased significantly since initial recognition and represents loans which are overdue for more than 30 days but overdue for not more than 90 days.*

(3) *Stage III - Gross Term Loans which are credit impaired and represent loans which are overdue for more than 90 days.*

Productivity Ratios

The following table sets forth, for the periods indicated, certain productivity ratios for our Company:

Particulars	**As of**			
	June 30, 2024	**March 31, 2024**	**March 31, 2023**	**March 31, 2022**
	(in ₹ million, except otherwise specified)			
Number of branches [1]	135	135	119	93
Number of sales and collections employees	842	795	617	391
Number of on-roll employees [2]	1213	1144	906	605
Number of customers [3]	26,065	23,906	16,851	14,568
AUM per branch [4]	76.71	71.21	57.71	57.16
AUM per sales and collections employee [5]	12.30	12.09	11.13	13.60
AUM per employee [6]	8.54	8.40	7.58	8.79
Disbursement per branch per month [7]	3.79	3.24	2.40	2.12
Disbursement per sales and collections employee [8]	0.61	0.55	0.46	0.50
Disbursement per employee per month [9]	0.42	0.38	0.32	0.33
Number of customers/branch [10]	193.07	177.08	141.61	156.65
Number of customers / sales and collections employee [11]	30.96	30.07	27.31	37.26
Number of customers/employee [12]	21.49	20.90	18.60	24.08

(1) *Number of branches represents aggregate number of branches of our Company as of the last day of relevant period.*

(2) *Number of on-roll employees represents aggregate number of employees of our Company as of the last day of relevant period.*

(3) *Number of customers represents aggregate number of customers as of the last day of relevant period/ year.*

(4) *AUM per branch represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.*

(5) *AUM per sales and collections employee represents AUM as of the last day of the relevant period divided by number of sales*

and collections employees.

(6) *AUM per employee represents AUM as of the last day of the relevant period divided by number of on-roll employees.*

(7) *Disbursement per branch per month represents disbursements as of the last day of the relevant period/year divided by the aggregate number of branches divided by number of months as of the relevant period/ year.*

(8) *Disbursement per sales and collections employee represents disbursements as of the last day of the relevant period/ year divided by the aggregate number of sales and collections employees divided by number of months as of the relevant period/ year.*

(9) *Disbursement per employee per month represents disbursements as of the last day of the relevant period/year divided by the aggregate number of our employee divided by number of months as of the relevant period/ year.*

(10) *Number of customers per branch represents customers as of the last day of the relevant period divided by number of branches.*

(11) *Number of customers per sales and collections employee represents customers as of the last day of the relevant period divided by number of sales and collections employees.*

(12) *Number of customers per employee represents customers as of the last day of the relevant period divided by number of on roll employees.*

Capital Adequacy

Particulars	As of			
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
	(in ₹ millions, except percentages)			
Tier I Capital	1879.84	1783.73	1352.98	1144.10
Tier II Capital	75.43	75.21	28.01	14.93
Total Capital	1955.27	1858.94	1380.99	1159.03
Risk Weighted Assets	9393.24	8522.69	5982.12	4950.63
Capital Adequacy Ratio (%) (CRAR)	20.82%	21.81%	23.09%	23.41%
CRAR- Tier I Capital (%)	20.01%	20.93%	22.62%	23.11%
CRAR -Tier II Capital (%)	0.80%	0.88%	0.47%	0.30%

Sources of Capital

Particulars	**As of / For the period ended**	**As of / For the financial year ended March 31**		
	June 30, 2024	**2024**	**2023**	**2022**
	(in ₹ millions, unless specified otherwise)			
Number of entities borrowed from				
- Private sector banks	15	15	12	9
- Public sector banks	7	7	7	3
- NBFCs	21	21	22	28
Total Borrowings (1)	9,059.98	7,666.76	6,154.87	4,113.55
- Private sector banks	2,939.33	2,532.52	1,895.74	1,212.63
- Public sector banks	2,071.64	1,918.57	1,646.64	688.10
- NBFCs	4,049.01	3,215.67	2,612.48	2,212.82
Average Cost of Borrowings (excluding assignments)	11.49%	12.06%	12.24%	12.46%

Net Worth	2079.18	2012.15	1523.27	1261.87
Total Borrowings to Total Equity ratio (2)	4.36	3.81	4.04	3.26

(1) Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) and subordinated liability as of the last day of the relevant period.

(2) Total Borrowings to Total Equity ratio represents the aggregate of debt securities and subordinated liabilities to Net worth, which 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, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation,.

Types of Interest-bearing Financial Liabilities (Total Borrowings)

Type of Interest- bearing Financial Liabilities (Total Borrowings)	As of June 30, 2024		As of March 31, 2024	
	Amount	% Share	Amount	% Share
	(in ₹ millions, except percentages)			
Fixed Interest Rate Financial Liabilities	1,647.62	18.19%	1,363.15	17.78%
Floating Interest Rate Financial Liabilities	7,412.37	81.81%	6303.62	82.22%
Total Interest-bearing Financial Liabilities	**9,059.99**	**100.00%**	**7666.77**	**100.00%**

Branches by State / Territory

State	As of			
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Rajasthan	89	89	90	75
Madhya Pradesh	24	24	14	8
Gujarat	18	18	15	10
Chhattisgarh	4	4	-	-

AUM by State/Territory

AUM by State / Territory	As of			
	June 30, 2024	March 31,2024	March 31,2023	March 31,2022
	(in ₹ millions)			
Rajasthan	8402.26	7872.92	6084.02	4968.81
Madhya Pradesh	1176.95	1000.53	342.62	97.94
Gujarat	757.16	727.09	441.02	249.27
Chhattisgarh	18.98	13.15	0.00	0.00
Total	10355.35	9613.69	6867.67	5316.02

Function-wise split of employees

Function	As of

	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Collection	239	227	176	125
Compliance	3	3	3	2
Credit	47	46	39	25
Finance & Accounts	36	35	31	22
Human Resource	8	7	6	4
Information Technology	9	9	5	1
Operations	168	160	133	106
Sales	603	568	441	266
Others*	100	89	72	54
Total	**1213**	**1144**	**906**	**605**

**Others include, among others, marketing and support teams*

Non-GAAP Reconciliations

Below are the reconciliations of the non-GAAP measures presented in this section:

Particulars	As of			
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Average Cost of Borrowings				
Finance Costs (A)	240.63	834.2	628.57	500.30
Interest on lease liability (B)	0.3	0.71	0.32	0.25
Adjusted Finance Costs(C=B-A)	240.33	833.49	628.25	500.05
Total Borrowings (D)[1]	9059.98	7666.77	6154.87	4113.56
Average Total Borrowing (E)[2]	8,363.38	6,910.82	5,134.22	4,011.73
Average Cost of Borrowings (F=C/E*100)	11.49%	12.06%	12.24%	12.46%
Net NPA[4] to Gross Loan Asset[5] and NPA Provision Coverage				
Gross NPA[3] (A)	96.53	59.71	33.28	128.61
Less: Expected Credit Loss on Gross NPAs (B)	39.19	32.49	15.17	42.87
Net NPA[4] (C=A-B)	57.34	27.22	18.10	85.74
Gross Loan Asset[5] (D)	9,086.41	8,203.31	5,728.46	4,522.73
Gross NPA(3) /Gross Loan Asset [5] (E=A/D*100)	1.06%	0.73%	0.58%	2.84%
Provision Coverage Ratio % (G=B/A)	40.60%	54.41%	45.60%	33.33%
Net Worth				
Equity share capital (A)	198.63	198.63	183.17	158.90
Other equity (B)	1884.86	1818.71	1342.30	1107.51
Deferred revenue expenditure (C)	4.31	5.19	2.20	4.54
Net Worth (16) (C=A+B)	2,079.18	2,012.15	1,523.27	1,261.87
Total Borrowings to Total Equity Ratio[6]				
Debt securities (A)	347.04	50.02	231.74	287.89

Borrowings (Other than debt securities) (B)	8633.58	7537.39	5923.13	3825.67
Subordinated Liabilities (C)	79.36	79.36	-	-
Total Borrowings [(1)] (D=A+B+C)	9059.98	7666.77	6154.87	4113.56
Total Equity (E)	2083.49	2017.34	1525.47	1266.41
Total Borrowings to Total Equity Ratio (D/E)	4.35	3.80	4.03	3.25
Return on Total Average Assets				
Profit for the period /year (A)	66.16	226.21	160.28	145.72
Total Assets (B)	11309.88	9848.49	7787.08	5584.31
Average Total Asset (C)	10,579.19	8,817.79	6,685.70	5,348.49
Return on Total Average Assets (D=A/C*100)	2.50%	2.57%	2.40%	2.72%
Operating Expenses to Average Total Assets[(7)]				
Employee benefits expense (A)	130.58	432.04	319.06	197.84
Depreciation and amortization expense (B)	3.68	15.30	10.80	8.49
Other expenses (C)	33.17	153.52	111.70	75.03
Operating expenses (D=A+B+C)	167.43	600.86	441.56	281.36
Average total assets (10) (E)	10,579.19	8,817.79	6,685.70	5,348.49
Operating Expenses to Average Total Assets (F=D/E*100)	6.33%	6.81%	6.60%	5.26%
Impairment loss allowance [(8)] to Average Total Assets				
Impairment on financial instruments (A)	14.45	18.75	16.36	5.75
Average Total Assets [(9)] (B)	10,579.19	8,817.79	6,685.70	5,348.49
Impairment loss allowance to Average Total Assets (C=A/B)	0.55%	0.21%	0.24%	0.11%
Average Yield on Gross Loans [(10)]				
Adjusted Interest Income (A)	469.96	1,453.52	1,093.85	790.39
Average Gross Loans (E)	8,644.86	6,965.88	5,125.59	4,375.53
Average Yield on Gross Loans (F=A/E*100)	21.74%	20.87%	21.34%	18.06 %
Net Interest Margin				
Interest Income (A)	479.44	1,647.85	1,248.22	952.79
Finance Costs (B)	240.63	834.20	628.57	500.30
Net Interest Income[(11)] (C=A-B)	238.81	813.65	619.65	452.49
Average Total Assets[(09)] (D)	10,579.19	8,817.79	6,685.70	5,348.49
Net Interest Margin (E=C/D*100)	9.03%	9.23%	9.27%	8.46%
Net asset value per share[(12)]				
Net Worth (A)	2,079.18	2,012.15	1,523.27	1,261.87
Number of equity shares after split (B)	39.73	39.73	39.73	31.78
Net asset value per share (C=A/B)	52.34	50.65	38.34	39.71
Operating Expenses				
Employee benefits expense (A)	130.58	432.04	319.06	197.84

Depreciation and amortisation expense (B)	3.68	15.3	10.80	8.49
Adjusted Other expenses (C)	33.17	153.52	111.7	75.03
Operating Expenses (D=A+B+C)	167.43	600.86	441.56	281.36
Return on Average Net Worth (%)(13)				
Profit for the period/year (A)	66.16	226.21	160.28	145.72
Net Worth(14)	2,079.18	2,012.15	1,523.27	1,261.87
Average Net Worth	2,045.67	1,767.71	1,392.57	1,125.76
Return on Average Net Worth (%) (C=A/B)	12.94%	12.80%	11.51%	12.94%
Net Profit Margin				
Profit for the period/year (A)	66.16	226.21	160.28	145.72
Total Income (B)	512.55	1750.18	1306.68	982.45
Net Profit Margin(15) (A/B)	12.91%	12.92%	12.27%	14.83%
Net NPA to Net Loan Advances				
Gross NPA(3) (A)	96.53	59.71	33.28	128.61
Less: Expected Credit Loss on Gross NPAs (B)	39.19	32.49	15.17	42.87
Net NPA(4) (C=A-B)	57.34	27.22	18.10	85.74
Gross Loan Asset(5) (D)	9,086.41	8,203.31	5,728.46	4,522.73
Net Advances (16) (E=D-B)	9,047.22	8,170.82	5,713.29	4,479.86
Net NPA(4) / Net Advance (E=A/D*100)	0.63%	0.33%	0.32%	1.91%
Net tangible assets (17)				
Total assets	11309.88	9848.49	7787.08	5584.31
Less: Intangible assets (including under development)	1.96	1.16	0.36	0.36
Less: Right of use assets	9.20	10.22	3.44	1.14
Less: Total financial liabilities	9141.74	7752.57	6199.25	4287.50
Less: Total Non-financial liabilities	84.65	78.57	62.36	30.40
Net tangible assets (17)	2,072.33	2,005.97	1,521.67	1,264.91

(1) Total Borrowings represents the aggregate of debt securities borrowings (other than debt securities and subordinated liabilities), as of the last day of the relevant year or period.

(2) Average Total Borrowings is the simple average of our Total Borrowings outstanding as at the end of the previous year and the last day of the relevant year.

(3) Gross NPA represents Stage 3 assets under Gross Term Loans. Refer Note 6 and 47 to the Restated Financial Information. Closing balance of AUM which are overdue for more than 90 days as of the last day of the relevant period.

(4) Net NPA represents Gross NPA reduced by Impairment Loss Allowance (i.e., Expected Credit Loss Allowance or ECLs) against these loans as of the last day of relevant reporting period.

(5) Gross Loans as stated in Note 6 to the Restated Financial Information.

(6) Total Borrowings to Total Equity ratio represents the aggregate of debt securities, borrowings (other than debt securities) and subordinated liability as of the last day of the relevant period upon Total Equity as of the last day of the relevant period.

(7) Operating Expenses to Average Total Assets represents aggregate of employee benefits expense, depreciation and amortisation expense and other expenses for the relevant period upon the simple average of our total assets as of the last day of the relevant period and our total assets as of the last day of the previous period, represented as a percentage.

(8) Impairment loss allowance represents impairment loss allowance on Gross Term Loans as stated in statement of profit and loss account.

(9) Average Total Assets represents the simple average of our Total Assets as at the end of the previous year and the last day of the relevant year.

(10) Average Yield on Gross Loan Asset represents the interest income for a period to the average AUM for the period, represented as a percentage.

(11) Net Interest income is represented by Interest income less finance cost.

(12) Net asset value per share (NAV) is computed as the Net Worth as of the last day of the relevant period divided by the outstanding number of equity shares as of the last day of the relevant period.

(13) Return on Average Net Worth (RoNW) is computed as the profit for the period including OCI divided by our Average Net Worth. Average Net Worth represents the simple average of our monthly Net Worth as of the last day of the month starting from the last month of the previous financial year and ending with the last month of the current financial year.

(14) 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, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation,.

(15) Net Profit Margin represents Profit for the period including OCI as a percentage of Total Income.

(16) Net Advances represents Gross Loan Asset less ECL on Gross NPA as of the last day of the relevant period.

(17) Net tangible assets represent the sum of all the assets of our Company excluding intangible assets as defined under IND-AS 38, excluding intangible assets under development, and right of use assets as defined under IND-AS 116 reduced by total liabilities of the Company.

SECTION V – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

Independent Auditors' Examination Report on the Restated Statement of Assets and Liabilities as at June 30, 2024, March 31, 2024, March 31, 2023, and March 31, 2022 and Restated Statement of Profit and Loss (including Other Comprehensive Income), and Restated Statement of Cash Flows and Restated Statement of Changes in Equity for the three month period ended June 30, 2024 and for each of the years ended March 31, 2024, March 31, 2023, and March 31, 2022, Summary of material accounting policies and other explanatory information for the three month periods ended June 30, 2024 and for each of the years ended March 31, 2024, March 31, 2023 and March 31, 2022 of Laxmi India Finance Limited (the "Company") (collectively, the "Restated Financial Statements")

November 13, 2024

To
The Board of Directors
Laxmi India Finance Limited
2, DFL, Gopinath Marg, M.I. Road
Jaipur, Rajasthan, 302001

Dear Sirs /Madam,

1. We, S.C. Bapna & Associates ("we", "us" or "SCBA") have examined the attached Restated Financial Statements of the Company.

   The Restated Financial Statements have been approved by the Board of Directors of the Company at their meeting held on 13th November 2024, for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP"), in connection with its proposed Initial Public Offer of equity (the "Proposed IPO"), and have been prepared by the Company in accordance with the requirements of:

   a) Section 26 of Part I of Chapter III of The Companies Act, 2013 (the "Act");

   b) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

   c) The Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

Management's Responsibility for the Restated Financial Statements

2. The preparation of Restated Financial Statements is the responsibility of the management of the Company. The Restated Financial Statements have been prepared by the management of the Company on the basis of preparation stated in Note 1A to the Restated Financial Statements. The responsibility of the management includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Financial Statements. The management of the Company is also responsible for identifying and ensuring that the Company complies with the Act, the ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Financial Statements taking into consideration:

a) the terms of reference and our engagement agreed with the Company vide our engagement letter dated 20th August,2024, requesting us to carry out work on such Restated Financial Statements, proposed to be included in the DRHP of the Company in connection with the Company's Proposed IPO;

b) the Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI;

c) concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and

d) the requirements of Section 26 of the Act and applicable provisions of the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Proposed IPO.

<u>Restated Financial Statements as per audited financial statements</u>

4. The Restated Financial Statements have been compiled by the management of the Company from

a. The audited interim financial statements of the Company as at and for the three- month period ended June 30, 2024, prepared in accordance with the accounting principle generally accepted in India including Indian Accounting Standard 34 ("Ind AS 34"), specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, which has been approved by the Board of Directors at their meeting held on 13th November, 2024.

b. the audited financial statements of the Company as at and for the year ended March 31, 2024, which was prepared in accordance with the accounting principles generally accepted in India, including, the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, which has been approved by the Board of Directors at their meeting held on 4th May, 2024.

c. audited financial statements of the Company as at and for the year ended March 31, 2023, which was prepared in accordance with the accounting principles generally accepted in India, including, the Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, which has been approved by the Board of Directors at their meeting held on 6th May, 2023 and

d. audited financial statements of the Company as at and for the year ended March 31, 2022, which was prepared in accordance with the accounting principles generally accepted in India, including, the Ind AS specified under Section 133 of the Act which has been approved by the Board of Directors at their meeting held on 6th May, 2022.

5. For the purpose of our examination, we have relied on:

a. The Independent Auditor's Report issued by us dated 13th November, 2024, on the interim financial statements of the Company as at and for the three-month ended June 30, 2024 as referred to in Paragraph 4 above, which includes Emphasis of Matter paragraph as mentioned below:

We draw attention to Note 105 of these Interim Financial Statements, which describe the effects of change in accounting policy/correction of accounting errors.

Our Opinion is not modified on the above matter.

b. The Independent Auditor's report dated 4th May 2024, 6th May 2023 and 6th May 2022 on the financial statements of the Company as at and for the year ended March 31, 2024, March 31, 2023, March 31, 2022 respectively, issued by the Company's previous auditor, A Bafna & Co. (the "Previous Auditors") which includes qualification and Emphasis of Matter paragraph as mentioned below:

i. Qualification in in the Previous Auditors Report for the year ended 31st March, 2024:

- In our opinion, proper books of account as required by law have been kept by the Company so far it appears from our examination of those books except non maintenance of Audit Trail (Edit Log) in core Business & Accounting software (Jaguar) of the Company throughout the year.
- Company has not implemented the feature of recording audit trail facility in its core business software (Jaguar) and same has not operated throughout the year for all transactions recorded in that software.

ii. Emphasis of Matter paragraph in the Previous Auditors Report for the year ended 31st March, 2022:

We invite attention to Note No. 54 to the financial statements regarding uncertainties associated with the COVID-19 pandemic and impact assessment made by the company on its business and financial statements for the year ended 31st March 2022, the said assessment made by the management is highly dependent upon how the circumstances evolve in subsequent periods.

Our Opinion is not modified on the above matters.

6. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter II of the Act, the ICDR Regulations and the Guidance Note, and according to the information and explanations given to us, we report that the Restated Financial Statements:

a. 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, March 31, 2022 and three months period ended June 30, 2024 to reflect the same accounting treatment as per the accounting policies and grouping/classifications as at 30th June, 2024 and are more fully described in Note no.104 and 105, Reconciliation of audited financial information with Restated financial information.

b. there are no qualifications in the auditor's report on the audited financial statements of the Company as at and for each of the years ended March 31, 2024, 2023 and 2022, which require any adjustments to the Restated Financial Statements.

c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. We have not audited any financial statements of the Company as of any date or for any period after 30th June, 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 30th June 2024

8. The Restated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited interim financial statements and audited financial statements mentioned in paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us/others, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

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

11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities

and Exchange Board of India, BSE Limited, and National Stock Exchange of India Limited in connection with the Proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other to whom this report is shown or into whose hands it may come.

For S.C. Bapna & Associates
Chartered Accountants
Firm Registration Number: 115649W

Rupal Kumbhat
Partner
Membership Number: 401084
UDIN: 24401084BKESQD5968
Place of Signature: Jaipur
Date: November 13, 2024

Laxmi India Finance Limited

Restated Financial Statements
Restated Statement of Assets and Liabilities

(₹ in Millions)

Particulars	Note No.	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
I. ASSETS					
(1)Financial Assets					
(a) Cash and Cash Equivalents	**2**	929.19	422.70	952.84	468.80
(b) Bank balance other than Cash and cash equivalents	**3**	834.83	729.63	737.93	160.61
(c) Receivables	**4**	2.71	3.13	0.70	-
(d) Loans	**5**	9,025.52	8,152.39	5,682.11	4,454.51
(e) Investments	**6**	136.62	145.11	76.66	203.47
(f) Other Financial Asset	**7**	209.99	243.43	203.17	210.30
Total Financial Assets		**11,138.86**	**9,696.39**	**7,653.41**	**5,497.69**
(2)Non-financial Assets					
(a) Current tax Assets		18.98	21.58	18.38	15.70
(b) Deferred tax Assets (Net)	**8**	-	-	-	-
(c) Property, Plant and Equipment	**9**	109.70	110.70	100.84	60.32
(d) Property, Plant and Equipment under development	**10**	-	-	-	-
(e)Intangible Assets under development	**11**	0.23	0.76	(0.00)	-
(f) Other Intangible Assets	**12**	1.73	0.40	0.36	0.36
(g) Other non-financial assets	**14**	40.38	18.66	14.09	10.24
Total Non-financial Assets		**171.02**	**152.10**	**133.67**	**86.62**
Total Assets		**11,309.88**	**9,848.49**	**7,787.08**	**5,584.31**
II. LIABILITIES AND EQUITY					
Liabilities					
(1) Financial Liabilities					
(a) Trade Payables	**15**	28.42	24.05	11.58	16.41
- total outstanding dues of micro enterprises and small enterprises		0.26	1.70	0.12	0.30
- total outstanding dues of creditors other than micro enterprises and small enterprises		28.16	22.35	11.46	16.11
(b) Debt Securities	**16**	347.04	50.02	231.74	287.89
(c)Borrowings (Other than Debt Securities)	**17**	8,633.58	7,537.39	5,923.13	3,825.67
(d) Subordinated Liabilities	**18**	79.36	79.36	-	-
(e)Other Financial Liabilities	**19**	53.33	61.76	32.80	157.53
Total Financial Liabilities		**9,141.74**	**7,752.57**	**6,199.25**	**4,287.50**
(2)Non- Financial Liabilities					
(a) Current Tax Liabilities	**20**	33.51	0.64	0.64	0.64
(b) Provisions	**21**	12.08	11.36	11.29	8.57
(c) Deferred Tax Liabilities (Net)	**8**	26.13	49.72	38.81	13.84
(d) Other non-financial liabilities	**22**	12.93	16.85	11.62	7.35
Total Non- Financial Liabilities		**84.65**	**78.57**	**62.36**	**30.40**
Total liabilities		**9,226.39**	**7,831.15**	**6,261.61**	**4,317.90**
(3) Equity					
(a) Equity Share capital	**23**	198.63	198.63	183.17	158.90
(b) Other Equity	**24**	1,884.86	1,818.71	1,342.30	1,107.51
Total Equity		**2,083.49**	**2,017.34**	**1,525.47**	**1,266.41**
Total Equity and Liabilities		**11,309.88**	**9,848.49**	**7,787.08**	**5,584.31**
Significant Accounting Policies	**1**				

The accompanying notes 1 to 107 form an integral part of these financial statements

As per our Report of even date attached
For S.C. Bapna & Associates
Chartered Accountants
Firm Registration No.- 115649W

CA Rupal Kumbhat
Partner
Membership No.- 401084

Place: Jaipur
Date: 13/11/2024

For and on Behalf of the Board of Directors of
Laxmi India Finance Limited

Deepak Baid
Managing Director
DIN: 03373264

Aneesha Baid
Whole Time Director
DIN: 07117678

Gopal Krishan Sain
Chief Financial Officer

Sourabh Mishra
Company Secretary
Membership No. - 51872

Restated Financial Statements
Restated Statement of Profit and Loss (including other comprehensive income)

(₹ in Millions)

	Particulars	Note No.	Quarter ended Jun 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
	Revenue from Operations					
	Interest Income	**25**	479.44	1,647.85	1,248.22	952.79
	Fees and commission Income	**26**	28.92	44.71	44.37	14.94
	Net Gain On Fair Value Changes	**27**	-	38.81	2.70	8.21
I	**Total Revenue from Operations**		508.36	1,731.37	1,295.29	975.94
II	Other Income	**28**	4.19	18.81	11.39	6.51
III	**Total Income (I+II)**		**512.55**	**1,750.18**	**1,306.68**	**982.45**
IV	**Expenses:**					
	Finance Costs	**29**	240.63	834.20	628.57	500.30
	Impairment on financial instruments	**30**	14.45	18.75	16.36	5.75
	Employee Benefits Expense	**31**	130.58	432.04	319.06	197.84
	Depreciation & Amortisation Expense	**32**	3.68	15.30	10.80	8.49
	Net Loss On Fair Value Changes		3.06	-	-	-
	Other Expenses	**33**	33.17	153.52	111.70	75.03
	Total Expenses (IV)		**425.57**	**1,453.81**	**1,086.49**	**787.41**
V	**Profit/(Loss) before Exceptional Items & Tax (III-IV)**		**86.98**	**296.37**	**220.19**	**195.04**
VI	**Exceptional Items**		-	-	-	-
VII	Profit/(Loss) Before Tax (V-VI)		**86.98**	**296.37**	**220.19**	**195.04**
VIII	**Tax Expense:**					
	Current Tax		44.28	60.95	35.47	26.50
	Deferred Tax		(23.56)	10.40	24.77	22.67
	Income Tax for Earlier Year		-	0.33	0.24	(0.64)
	Total Tax Expenses (VIII)		**20.72**	**71.68**	**60.48**	**48.52**
IX	**Profit/(loss) for the year (VII-VIII)**		**66.26**	**224.69**	**159.71**	**146.52**
X	**Other Comprehensive Income**					
	(A) Items that will not be reclassified to profit or loss					
	- Remeasurement Gains/(Losses) on Defined Benefit Plans		(0.13)	2.04	0.77	(1.07)
	- Income tax on above		0.03	(0.51)	(0.19)	0.27
	Subtotal(A)		(0.10)	1.52	0.58	(0.80)
	(B)Items that will be reclassified to profit or loss					
	Subtotal(B)					
XI	**Total Other Comprehensive Income for the year (A+B)**		**(0.10)**	**1.52**	**0.58**	**(0.80)**
XII	**Total Comprehensive Income for the year (IX+XI)**		**66.16**	**226.21**	**160.28**	**145.72**
XIII	**Earnings per Equity Share:**	**34**				
	Basic (in ₹)		3.34	12.22	10.04	9.99
	Diluted (in ₹)		3.34	11.31	10.03	9.99
	Nominal Value of Equity Shares		10.00	10.00	10.00	10.00
	Significant Accounting Policies	**1**				
	The accompanying notes 1 to 107 form an integral part of these financial statements					

As per our Report of even date attached
For S.C. Bapna & Associates
Chartered Accountants
Firm Registration No.- 115649W

For and on Behalf of the Board of Directors of
Laxmi India Finance Limited

Deepak Baid
Managing Director
DIN: 03373264

Aneesha Baid
Whole Time Director
DIN: 07117678

CA Rupal Kumbhat
Partner
Membership No.- 401084

Place: Jaipur
Date: 13/11/2024

Gopal Krishan Sain
Chief Financial Officer

Sourabh Mishra
Company Secretary
Membership No. - 51872

Restated Financial Statements
Restated Statement of Cash Flows

(₹ in Millions)

Particulars	Quarter ended June 30, 2024		Year ended Mar 31, 2024		Year ended Mar 31, 2023		Year ended Mar 31, 2022	
A. Cash Flow from Operating Activity								
Profit before tax		**86.98**		**296.37**		**220.19**		**195.04**
Adjustments for:								
Depreciation, Amortisation & Impairment	3.68		15.30		10.80		8.49	
Fair Value change of Investments	3.06		(33.09)		0.24		(0.32)	
Impairment on financial instruments	14.45		18.75		16.36		5.75	
Finance Cost on Lease Liability	0.30		0.71		0.32		0.25	
Income on Derecognised (assigned) Loans	3.74		(138.74)		(112.97)		(129.38)	
Upfront Gain on ARC	-		2.60		(16.65)		-	
Interest income on Security deposit	(0.01)		(0.03)		(0.01)		(0.01)	
Provision for Gratuity	0.62		2.79		3.21		3.86	
Gain on Lease Liabilities	(0.07)		-		(0.03)		(0.10)	
Gain/(Loss) on Disposal of Fixed Assets	-		(1.69)		(0.44)		(0.40)	
		25.77		(133.40)		(99.17)		(111.86)
Operating profit before working capital changes		**112.75**		**162.97**		**121.02**		**83.18**
Adjustment for :								
(Increase)/decrease in Loans	(887.58)		(2,485.16)		(1,203.20)		(305.18)	
(Increase)/decrease in Receivables	0.43		(2.43)		(0.70)		-	
(Increase)/decrease in other financial assets	29.67		99.71		119.74		138.61	
(Increase)/decrease in Bank balance other than Cash and cash equivalents	(105.20)		8.30		(577.32)		(31.97)	
(Increase)/decrease in non financial assets	(21.72)		(4.57)		(3.85)		(5.23)	
Increase/(decrease) in other financial liabilities	(7.90)		30.42		(111.72)		0.16	
Increase/(decrease) in non financial liabilities	(3.92)		5.23		4.27		1.99	
Increase/decrease in Trade Payables)	4.37		12.47		(4.83)		(2.33)	
Increase/(decrease) in provisions	-		-		0.83		(0.83)	
Total of changes in working capital		(991.85)		(2,336.03)		(1,776.78)		(204.78)
Cash generated from operations		**(879.10)**		**(2,173.06)**		**(1,655.76)**		**(121.60)**
Income Tax Paid		(8.81)		(64.48)		(38.38)		(66.33)
Net Cash from/(used in) Operating Activity (A)		**(887.91)**		**(2,237.54)**		**(1,694.14)**		**(187.93)**
B. Cash Flow from Investing Activity								
Purchase/Sales of property, plant and equipment and intangible assets(including in progress assets)		(3.50)		(24.32)		(51.33)		(3.93)
Purchase/Sale of Investments		5.43		(43.64)		102.74		(193.02)
Net Cash Flow from/(used in) Investing Activity (B)		**1.93**		**(67.96)**		**51.41**		**(196.95)**
C. Cash Flow from Financing Activity								
Issue of equity shares		-		15.46		24.27		15.77
Share Premium on issue of equity shares		-		251.15		74.60		114.23
Proceeds from / (Repayment of) Borrowings		1,096.19		1,614.26		2,097.46		308.39
Proceeds from / (Repayment of) Subordinated Liability		0.01		79.36		-		-
Proceeds from / (Repayment of) debt securities		297.02		(181.72)		(56.14)		(104.74)
Expenses related to Capital Issuance		-		(0.95)		(0.12)		(0.50)
Payment of Lease Liabilities		(0.75)		(2.19)		(13.30)		(1.29)
Net Cash Flow from Financing Activity (C)		**1,392.47**		**1,775.36**		**2,126.77**		**331.87**
Net increase in cash and cash equivalents (A+B+C)		**506.49**		**(530.14)**		**484.04**		**(53.02)**
Cash and cash equivalents at the beginning of the year		422.70		952.84		468.80		521.82
Cash and cash equivalents at the close of the year		929.19		422.70		952.84		468.80
Net increase in cash and cash equivalents		**506.49**		**(530.14)**		**484.04**		**(53.02)**

Cash and Cash Equivalent includes:-

(₹ in Millions)

Particulars		As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Cash in hand		31.88	10.37	5.68	8.86
Balances with Bank		897.31	412.33	947.16	459.94
Total		**929.19**	**422.70**	**952.84**	**468.80**

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Refer Note 44 for changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes as per Ind AS 7 - Statement of Cash flows.

As per our Report of even date attached
For S.C. Bapna & Associates
Chartered Accountants
Firm Registration No.- 115649W

For and on Behalf of the Board of Directors of
Laxmi India Finance Limited

Deepak Baid
Managing Director
DIN: 03373264

Aneesha Baid
Whole Time Director
DIN: 07117678

CA Rupal Kumbhat
Partner
Membership No.- 401084

Place: Jaipur
Date: 13/11/2024

Gopal Krishan Sain
Chief Financial Officer

Sourabh Mishra
Company Secretary
Membership No. - 51872

Restated Financial Statements
Restated Statement of Changes in Equity

A. Equity Share Capital **(₹ in Millions)**

Particulars	Number of shares	Amount
As at Apr 01, 2021	14.31	**143.13**
Restated balance at the beginning of the period	-	-
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year ended Mar 31, 2021	1.58	15.77
As at Mar 31, 2022	**15.89**	**158.90**
As at Apr 01, 2022	15.89	**158.90**
Restated balance at the beginning of the period	-	-
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year ended Mar 31, 2023	**3.97**	**24.27**
Fully Paid up equity shares (FV Rs. 10 each)	0.11	1.09
Partly Paid up equity shares (FV Rs. 10 each and Rs. 6 Paid up)	3.86	23.18
As at Mar 31, 2023	**19.86**	**183.17**
As at April 1, 2023	**19.86**	**183.17**
Restated balance at the beginning of the period	-	-
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year ended Mar 31, 2024	-	**15.46**
Fully Paid up equity shares (FV Rs. 10 each)	19.86	198.63
Partly Paid up equity shares (FV Rs. 10 each and Rs. 6 Paid up)	-	-
As at Mar 31, 2024	**19.86**	**198.63**
Restated balance at the beginning of the period	-	-
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year ended Mar 31, 2024	-	-
Fully Paid up equity shares (FV Rs. 10 each)	19.86	198.63
Partly Paid up equity shares (FV Rs. 10 each and Rs. 6 Paid up)		
As at Jun 30, 2024	**19.86**	**198.63**

B. Other Equity

Period ended Jun 30, 2024 **(₹ in Millions)**

Particulars	Reserves and Surplus				Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Securities Premium	Impairment Reserve	Retained Earnings	
Balance as at Apr 01, 2024	**181.22**	**910.94**	**7.70**	**718.84**	**1,818.70**
Change in accounting policy effect in opening balance	-	-	-	-	-
Restated balance at the beginning of the current reporting period	181.22	910.94	7.70	718.84	1,818.70
Profit for the year				66.26	66.26
Other Comprehensive Income (expense)(net of tax)				(0.10)	(0.10)
Total Comprehensive Income for the Year	**-**	**-**	**-**	**66.16**	**66.16**
Additions during the year	13.25		-		13.25
Premium on issue of shares		-			-
Share Issue expenses		-		-	-
Transfer to Impairment Reserve				-	-
Transfer to Statutory reserves as per Section 45-IC of the RBI Act, 1934				(13.25)	(13.25)
Dividend Paid (including Dividend tax)					-
Balance as at Jun 30, 2024	**194.47**	**910.94**	**7.70**	**771.75**	**1,884.86**

Period ended Mar 31, 2024 **(₹ in Millions)**

Particulars	Reserves and Surplus				Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Securities Premium	Impairment Reserve	Retained Earnings	
Balance as at Apr 01, 2023	**136.28**	**660.74**	**7.70**	**537.57**	**1,342.29**
Change in accounting policy effect in opening balance	-	-	-	-	-
Less: Defrered tax Adjusted @25.167%	-	-	-	-	-
Restated balance at the beginning of the current reporting period	**136.28**	**660.74**	**7.70**	**537.57**	**1,342.29**
Profit for the year				224.69	224.69
Other Comprehensive Income (expense)(net of tax)				1.52	1.52
Total Comprehensive Income for the Year	**-**	**-**	**-**	**226.21**	**226.21**
Additions during the year	44.94		-		44.94
Premium on issue of shares		**251.15**			251.15
Share Issue expenses		(0.95)		-	(0.95)
Transfer to Impairment Reserve				-	-
Transfer to Statutory reserves as per Section 45-IC of the RBI Act, 1934				(44.94)	(44.94)
Dividend Paid (including Dividend tax)					-
Balance as at Mar 31, 2024	**181.22**	**910.94**	**7.70**	**718.84**	**1,818.70**

Year ended Mar 31, 2023 **(₹ in Millions)**

Particulars	Reserves and Surplus				Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Securities Premium	Impairment Reserve	Retained Earnings	
Balance as at Apr 01, 2022	**104.33**	**586.25**	**4.57**	**412.36**	**1,107.51**
Change in accounting policy effect in opening balance	-	-	-	-	-
Less: Defrered tax Adjusted @25.167%	-	-	-	-	-
Restated balance at the beginning of the current reporting period	**104.33**	**586.25**	**4.57**	**412.36**	**1,107.51**
Profit for the year				159.71	159.71
Other Comprehensive Income (expense)(net of tax)				0.58	0.58
Total Comprehensive Income for the Year	**-**	**-**	**-**	**160.28**	**160.28**
Additions during the year	31.94		3.13		35.07
Premium on issue of shares		74.60		-	74.60
Share Issue expenses		(0.12)	-	-	(0.12)
Transfer to Impairment Reserve		-		(3.13)	(3.13)
Transfer to Statutory reserves as per Section 45-IC of the RBI Act, 1934				(31.94)	(31.94)
Dividend Paid (including Dividend tax)					-
Balance as at Mar 31, 2023	**136.28**	**660.74**	**7.70**	**537.57**	**1,342.27**

Year ended Mar 31, 2022 **(₹ in Millions)**

Particulars	Reserves and Surplus				Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Securities Premium	Impairment Reserve	Retained Earnings	
Balance as at Apr 01, 2021	**74.57**	**472.52**	**4.02**	**302.42**	**853.53**
Change in accounting policy/Correction of error effect in opening balance	-	-	-	(6.95)	**(6.95)**
Less: Deferred tax Adjusted @25.167%	-	-	-	1.49	**1.49**
Restated balance at the beginning of the current reporting period	**74.57**	**472.52**	**4.02**	**296.96**	**848.07**
Profit for the year				146.5162	146.52
Other Comprehensive Income (expense)(net of tax)				(0.80)	(0.80)
Total Comprehensive Income for the Year	**-**	**-**	**-**	**145.72**	**145.72**
Additions during the year	29.77		**0.55**		30.32
Premium on issue of shares		114.23		-	114.23
Share Issue expenses		(0.50)	-	-	(0.50)
Transfer to Impairment Reserve		-		(0.55)	(0.55)
Transfer to Statutory reserves as per Section 45-IC of the RBI Act, 1934				(29.77)	(29.77)
Dividend Paid (including Dividend tax)					-
Balance as at Mar 31, 2022	**104.33**	**586.25**	**4.57**	**412.36**	**1,107.51**

The accompanying notes 1 to 107 form an integral part of these financial statements

As per our Report of even date attached
For S.C. Bapna & Associates
Chartered Accountants
Firm Registration No.- 115649W

For and on Behalf of the Board of Directors of
Laxmi India Finance Limited

Deepak Baid
Managing Director
DIN: 03373264

Aneesha Baid
Whole Time Director
DIN: 07117678

CA Rupal Kumbhat
Partner
Membership No.- 401084

Place: Jaipur
Date: 13/11/2024

Gopal Krishan Sain
Chief Financial Officer

Sourabh Mishra
Company Secretary
Membership No. - 51872

Laxmi India Finance Limited

Notes to Financial Statements

Company Overview and Material Accounting Policies

Note 1 Corporate Information

Laxmi India Finance Private Limited is a private company domiciled in India and incorporated under the provisions of Companies Act, 1956 on May 10, 1996. The Company has shifted its registered office from Kolkata to 2, DFL Tower, Gopinath Marg, M I Road, Jaipur, Rajasthan, India by an order of Regional Director bearing the date 01/12/2020 and Certificate of Registration of Regional Director order for Change of State issued by RoC – Jaipur on 20/01/2021 and Corporate Identification Number(CIN) as U65929RJ1996PTC073074 w.e.f 20/01/2021.

The Company is holding 'CoR' as Non-Banking Financial Institution, without accepting public deposits, registered with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and is primarily engaged in the lending business. Original Certificate bearing no. B-24.02353 was given on March 28, 2001 at RBI, New Delhi which was later on cancelled and a fresh Certificate bearing no. B-05.07063 was issued at RBI, Kolkata. Subsequent to shifting of its Registered Office from Kolkata to Jaipur, the company had applied with RBI for change of jurisdiction from RBI, Kolkata to RBI, Jaipur, on which approval was given and a fresh certificate bearing no. B-10.00318 dated Mar 15, 2021, was issued by RBI Jaipur after cancelling the previous certificate.
The Company is a NBFC classified under 'Middle Layer' pursuant to Scale Based Regulations prescribed by the RBI vide its Circular Ref. No. RBI/2021-22/112 DOR CRE.REC. No.60/03.10.001/2021-22 dated October 22, 2021 read with Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 dated October 19, 2023.
During the FY 22-23, Company name has been changed from Laxmi India Finleasecap Private Limited to Laxmi India Finance Private Limited with effect from Mar 10, 2023. The company had applied with RBI, Jaipur for change of name, on which approval was given by RBI and a fresh certificate bearing no. B-10.00318 dated Mar 31, 2023, was issued by RBI Jaipur after cancelling the previous certificate.
During the FY 2024-25, the Constitution of company has changed from private to public by eliminating the word Private, the company name changed from Laxmi India Finance Private Limited to Laxmi India Finance Limited with effect from October 08, 2024. The company had applied with RBI, for new Certificate of Registration, on which approval by RBI is awaited.

Note 1A Basis of preparation

A Statement of compliance and basis of preparation of Financial statement

A.1 The Restated Financial Statements of the Company comprises Restated Statement of Assets and Liabilities of the Company as at June 30,2024 , March 31,2024 March 31, 2023 and March 31, 2022 and the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Changes in Equity and the Restated Statement of Cash Flows for each of for the three month periods ended June 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 policy and other explanatory information to Restated Financial Statements (together referred to as "Restated Financial Statements") has been prepared specifically for inclusion in the Draft Red Herring Prospectus ("DRHP") to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed Initial Public Offer of the Company (the "Proposed IPO").

A.2 These Restated Financial Statements has been approved by the Company's Board of Directors and authorized for issue in their meeting held on Nov 13, 2024 and is prepared by the management of the Company to comply in all material respects with the requirements of i) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act"); ii) Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ("SEBI") on September 11, 2018, as amended (" the SEBI ICDR Regulations") in pursuance of the Securities and Exchange Board of India Act, 1992; and iii) Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("the ICAI"), as amended from time to time, ("the Guidance Note")

A.3 These Restated Financial Statements have been compiled from

i) The audited interim financial statement of the Company as at and for the three month period ended June 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 Nov 13, 2024

ii) 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 theIndian 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 Nov 13, 2024

A.4 The accounting policies have been consistently applied by the Company in preparation of the Restated Financial Statements to all the periods presented except the entity has changed the accounting method of certain incomes from accrual basis to cash basis. This change aligns the entity's accounting policy with the general industry practice, thereby enhancing the comparability of the entity's financial statements with those of other market participants within the industry and with those adopted in the preparation of interim financial statements as at and for the period ended June 30,2024.

A.5 These Restated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited interim financial statements / audited financial statements mentioned above.

The Restated Financial Statements are prepared and presented on accrual and going concern basis and the relevant provisions of Act and the guidelines and directives issued by the Reserve Bank of India (RBI) to the extent applicable. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

A.6 The regulatory disclosures as required by the NBFC Master Directions to be included as a part of the Notes to Accounts are also prepared as per the Ind AS Financial Statements.

B Basis of Measurement:

These Restated Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value/amortised cost, as applicable (refer to material accounting policies), net defined (asset)/ liability present value of defined benefit obligations at fair value, investments carried at fair value and liabilities for equity-settled sharebased payment arrangements at fair value. The methods used to measured fair value are discussed further in notes to Restated Financial Statements.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule III of the Companies Act, 2013. The company has disclosed regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) has been provided separately in the financial statements.

C Functional and presentation currency :

These Restated Financial Statements are prepared in Indian Rupees (INR or ₹), which is the Company's functional currency. All Restated Financial Statements presented in INR or ₹ has been rounded to the nearest millions and two decimals thereof, except as stated otherwise. The Company presents its Balance sheet in order of liquidity.

Note 2 Material Accounting Policies

A summary of the material accounting policies applied in the preparation of the financial statements are given below. These accounting policies have been applied consistently to all periods presented in the financial statements except where a newly-issued Ind AS initially adopted or a revision to an existing Ind AS requires a change in the accounting policy or change is required to align the accounting policy with general industry practice.

During the period, the entity has changed the accounting method of certain incomes from accrual basis to cash basis,this change aligns the entity's accounting policy with the general industry practice, thereby enhancing the comparability of the entity's financial statements with those of other market participants within the industry.

A Property Plant & Equipment

i Initial recognition and measurement

An item of property, plant and equipment is recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

When parts of an item of property, plant and equipment have different useful lives, they are recognised separately.
Items of Property, Plant and Equipment are measured at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended by management.
Income and Expenses, incidental to the operations, not necessary in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in statement of profit and loss.

ii Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

iii Depreciation/Amortization

Depreciation for all property, plant and equipment is being provided on Written Down Value Method as per the estimates of useful life specified in Schedule II of the Companies Act, 2013. The Company has estimated 5% residual value for all block of asset at the end of useful life. The management believes that useful life are realistic and reflect fair approximation of the period over which asset likely to be used.

Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition, or installation, or construction, when the asset is ready for intended use.

Improvements of the lease hold premises are charged off over the primary period of lease. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided unto the date on which the said asset is sold, discarded, demolished or scrapped.

In respect of an asset for which impairment loss, if any, is recognised, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

iv Derecognition

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains or losses on Derecognition of an item of Property, Plant and Equipment are determined by comparing net disposable proceeds with the carrying amount of Property, Plant and Equipment and are recognized in the statement of profit and loss.

B Intangible assets and intangible assets under development :

i Initial recognition and measurement

An intangible asset is recognised if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.
Intangible assets are stated at cost of acquisition net of recoverable taxes, trade discounts and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs and any other cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

ii Subsequent Measurement

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

iii Amortization

Intangible assets having definite life are amortized as per written down value method . If life of any intangible asset is indefinite then it is not amortized and tested for impairment at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

iv Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

C Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

C.1 <u>Financial assets</u>

C.1.1 Initial Recognition and Measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.
If the transaction price differs from fair value at initial recognition, the Corporation will account for such difference as follows:

• If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the statement of profit and loss on initial recognition;
• In all other cases, the fair value will be adjusted to bring it in line with the transaction price.
After initial recognition, the deferred gain or loss will be recognised in the statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.
The Company recognises a financial asset and Financial Liabilities when it becomes party to the contractual provisions of the instrument. Financial assets, with the exception of loans and advances to customers, are initially recognised on the transaction date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed.

The Company's financial assets include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with banks, loans and advances, other financial assets and investments.

The Company's financial liabilities include loans and borrowings including bank overdrafts and trade & other payables.

C.1.2 Classification

The Company classifies financial assets as subsequently measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

(i) The entity's business model for managing the financial assets and
(ii) The contractual cash flow characteristics of the financial asset.

C.1.3 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 objectives. The company considers the frequency, volume and timing of disbursements in prior years, the reason for such disbursement, and its expectations about future business activities. However, information about business activity is not considered in isolation, but as part of an holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flow are realized. Therefore the company considers information about past disbursement in the context of the reason for those disbursements, and the conditions the existed at that time as compared to current conditions. Based on this assessment and the future business plans of the company, the management has measured its financial assets at amortized cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principle and interest (the SPPI criterion).

Assessment whether contractual cash flows is solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

C.1.4 Subsequent measurement of financial assets

The Company classifies its financial assets in the following measurement categories:

i Financial Assets at Amortised Cost

A financial asset is measured at the amortised cost if both the following conditions are met:

(a) It is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b)Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

In case of financial assets classified and measured at amortised cost, any interest income, foreign exchange gains or losses and impairment are recognised in the Statement of Profit and Loss.

ii Financial Assets at fair value through other comprehensive income (FVTOCI)

A Financial Asset is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b)Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

For equity instruments not held for trading, the Company has an irrevocable option to designate them as FVTOCI. The Company has not designated investments in any equity instruments as FVTOCI.

iii Financial Assets at fair value through the statement of profit and loss (FVTPL)

Any financial asset which is not classified in any of the above categories is subsequently measured at FVTPL.

For financial assets at FVTPL, net gains or losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.

C.1.5 Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms.
When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the entity recalculate the gross carrying amount of the financial asset and recognise a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

C.1.6 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognised the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition. The Company has transferred the financial asset if, and only if, either:

• It has transferred its contractual rights to receive cash flows from the financial asset or

• It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'),but assumes a contractual obligation to pay those cash flows to one or more entities ('eventual recipients'), when all of the following three conditions are met:

• The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
• The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
• The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.
In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the year between the collection date and the date of required remittance to the SPV

A transfer only qualifies for derecognition if either:
• The Company has transferred substantially all the risks and rewards of the asset or
• The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

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.
If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the statement of profit and loss, with the exception of equity investment designated as measured at FVOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the statement of profit and loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Corporation retains an option to repurchase part of a transferred asset), the Corporation allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in the statement of profit and loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the statement of profit and loss.

C.2 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

(i) Initial recognition and measurement

The Company recognises a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

(ii) Subsequent measurement of financial liabilities:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost as appropriate.

Financial liabilities at Amortised Cost :

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

(iii) Modification of Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Restated Statement of Profit and Loss (including Other Comprehensive Income).

(iv) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

C.3 Impairment of financial assets

C.3.1 Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost and FVOCI.

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance has been measured at 12 month ECL

At each reporting date, the Company assesses whether any financial asset carried at amortised cost and FVOCI is credit-impaired. A financial asset is credit- impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired includes the observable data such as Days Past Due (‘DPD’) or default event.

The Corporation’s ECL for financial guarantee is estimated based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs.

C.3.2 ECL is a probability weighted estimate of credit losses, measured as follows:

The Company recognises loss allowances for Expected Credit Losses on the following financial instruments that are not measured at FVTPL:
- Loans and advances to customers;
- Other financial assets; and
- Loan commitments.

Equity instruments are measured at fair value and not subject to an impairment loss.

ECL is required to be measured through a loss allowance at an amount equal to:
• 12-month ECL, i.e. loss allowance on default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
• Lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

The Company presents the ECL charge or reversal (where the net amount is a negative balance for a particular period) in the Statement of Profit and Loss as "Impairment on financial instruments".

The impairment requirements for the recognition and measurement of ECL are equally applied to loan asset at FVTOCI except that ECL is recognised in Other Comprehensive Income and is not reduced from the carrying amount in the Balance Sheet.

For trade receivables, the Company applies a simplified approach. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL is measured at an amount equal to the 12-month ECL.

The Corporation has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments.

When making the assessment of whether there has been a SICR since initial recognition, the Company considers reasonable and supportable information, that is available without undue cost or effort. If the Company measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Company again measures the loss allowance based on 12-month ECL.

ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is generally measured on collective basis using homogenous groups.

C.3.3 Criteria used for determination of movement from stage 1 (12-month ECL) to stage 2 (lifetime ECL) and stage 3 (Credit impaired)

Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition. For classification of its borrowers into various stages, the Company uses the following basis:

Stage 1

When loans are first recognised, the Corporation recognises an allowance based on 12 months ECL.. The company classifies all standard advances and advances upto 30 days default under this category.

Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2

When a loan has shown a significant increase in credit risk since origination, the Corporation records an allowance for the life time expected credit losses.30 Days Past Due is considered as significant increase in credit risk. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3

When loans are considered credit-impaired, the Corporation records an allowance for the life time expected credit losses.For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

C.3.4 Definition of default

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.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

C.3.5 Determination of Expected Credit Loss ("ECL")

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;
b) A breach of contract such as a default or past due event;
c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e) The disappearance of an active market for a security because of financial difficulties.

C.3.6 The mechanics of ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

ECL is the product of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

The brief methodology of computation of ECL is as follows:

(1) Probability of default (PD)

The Probability of Default 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.

PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary.

For Stage I accounts, 12 months PD is used.

For Stage II significantly increased credit risk accounts, Lifetime PD is used which is computed based on survival analysis.

For Stage III credit impaired accounts, 100% PD is taken.

(2) Loss Given Default (LGD)

The Loss Given Default 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 Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. LGD is the loss factor which the Company may experience in case the default occurs.

(3) Exposure at Default (EAD)
The Exposure at Default is an estimate of the exposure at a future default date. It is outstanding exposure on which ECL is computed. EAD includes principal outstanding and accrued interest in respect of the loan.
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 months ECL.
For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.
In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown

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 12mECL orLTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

Forward looking information
While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Consumer Price Index, Unemployment rates, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably

Collateral repossessed
Based on operational requirements, the Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category for capitalisation at their fair market value. The Company generally does not use the assets repossessed for the internal operations. These repossessed assets which are intended to be realised by way of sale are considered equivalent to Stage 3 assets and the ECL allowance is determined based on the estimated net realisable value of the repossessed asset. The Company resorts to regular repossession of collateral provided against vehicle loans

C.4 Net gain on fair value changes
The Company classifies certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on de-recognition of financial asset measured at FVTPL and FVOCI on net basis in profit or loss.

D Write-offs
Financial assets are written off in their entirety only when the Company has no reasonable expectation of recovery. The amount written off recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss

E Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

F Fair value Measurement
The Company measures some of its financial instruments at fair value at each balance sheet date.

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 participation at the measurement date. The fair value measurement assumes that transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the assets or liability, or
(b) In the absence of a principal market, in the most advantages market for the assets or liability.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest 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. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

II. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

III.Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the 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 year.

G Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Corporation are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

• the amount of the loss allowance determined in accordance with Ind AS 109 and
• the amount initially recognised less, where appropriate, cumulative amount of income recognised inaccordance with the Corporation's revenue recognition policies.

The Corporation has not designated any financial guarantee contracts as FVTPL.

H Revenue Recognition-

H.1 Interest Income

Interest income, for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR).
The EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation of the effective interest rate takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes transaction costs and fees that are an integral part of the contract but not future credit losses. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the 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 under stage 3. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3,' the Company recognises interest income on the gross carrying amount (i.e. carrying amount net off loss allowance)

H.2 Income from Direct Assignment transactions

Income from direct assignment transactions includes the following-
The difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the assets derecognised) and the consideration received (including any new asset obtained and any new liability assumed).
Gain arising out of direct assignment transactions which comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment has been entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the scheduled cash flows, on the execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the profit and loss.

H.3 Fees and Commission Income

Revenue (other than those to which Ind AS 109 applies) is measured at the fair value of consideration received or receivable.

Income from other financial charges are recognized on accrual basis, except in case of File Cancellation Charges, Collection Charges, Pre-Closure Charges ,late payment interest, duplicate document charges, file login charges, Instrument return charges, seizing charges, Repossesion charges, legal and notice charges and statement charges which are accounted as and when received due to significant uncertainities involved.

The new revenue recognition model prescribed by Ind AS 115 consists of below five steps:

Step 1 Identify the contract(s) with a customer: A contract is an agreement between the two or more parties that creates enforceable right and legal obligations set out the criteria for every contract that must be met. A contract can be either oral or written. However, oral contracts are more challenging to enforce and should be avoided, if possible.

Step 2 Identify the separate performance obligations in the contract: Performance obligations are promises in a contract to transfer to a customer goods or services that are distinct.

Step 3 Determine the transaction price :The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, an entity must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer.

Step 4 Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract.

Step 5 Recognize revenue when (or as) each performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer)

For a performance obligation satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

I Employee benefits :

Short Term Benefits

Short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Post-Employment benefits

Employee benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two types:

(i) Defined contribution plans

Defined contribution plans are those plans in which an entity pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance are Defined Contribution Plans in which company pays a fixed contribution and will have no further obligation. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(ii) Defined benefit plans :

Employee benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two types:

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. 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. The defined benefit obligation is determined annually on the basis of Actuarial Valuation using the projected unit credit method. The company does not have any fund for payment of gratuity.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(iii) Share based payment

Employees Stock Option Scheme ("ESOS") - Equity settled

The ESOS provides for grant of the equity shares of the Company to employees. The scheme provides that employees are granted an option to subscribe to the equity shares of the Company that vest in the graded manner. The option may be exercised within the specified period.
Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock options at the grant date. The fair value determined at the grant date of the equitysettled share-based payments is expensed on a straight-line basis over the graded vesting period,based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Termination Benefits

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

J Income Taxes

Income tax expense comprises current tax and deferred tax.

Current Income Tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act,1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted and as applicable at the reporting date and any adjustment to tax payable in respect of previous years. Current tax expense is recognized in the profit or loss except to the extent that it relates to items recognized directly in Other Comprehensive Income (OCI) or Equity, in which case it is recognized in OCI or Equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred tax is recognised on all temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts for financial reporting purposes, and are accounted for using the balance sheet approach.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. 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 realized simultaneously.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or Equity, in which case it is recognized in OCI or Equity.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available

(ii) Minimum Alternate Tax (MAT)

Company has moved to new tax regime, where MAT provisions are not applicable.Hence no adjustment pertaining to MAT was required

K Leases:

The Company as lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(a) The contract involves the use of an identified asset

(b)The Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(c)The Company has the right to direct the use of the asset.

Measurement and recognisation

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. The Company has given impact analysis of Lease on financial results in note no 48 "Transition to Ind AS 116 on Lease"

The Company as a lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on either a straight-line basis or another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

L Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expenses relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is reversed.

Contingent Liabilities

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, 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. Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent liabilities are reviewed at each balance sheet date.

Contingent Assets

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable

M Impairment of Non-Financial Assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets other than deferred tax assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

N Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments and short term investments with original maturity upto three month.

O Restated Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

P Trade and other receivable

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at transaction price.

Q T. Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

R Non-current assets (or disposal groups) classified as held for sale:

Assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.

An Asset is classified as “Asset held for sale” when the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet, in the line “Assets held for sale”. Once classified as held for sale, intangible assets and PPE are no longer amortized or depreciated.

S Borrowing Costs:

General and specific borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. The Company considers a period of twelve months or more as a substantial period of time. All other borrowing costs are recognised as an expense in the period in which they are

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 - 'Financial Instruments' (b) finance charges in respect of leases recognized in accordance with Ind AS 116 - 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

T Segment Reporting: Identification of Segments:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

U Material prior period errors :

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

V Earnings per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

Note 3 Significant estimates and assumptions

The preparation of company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and action, actual results could differ from these estimates. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognized in the financial statements:

(i) 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 objectives. The company considers the frequency, volume and timing of disbursements in prior years, the reason for such disbursement, and its expectations about future business activities. However, information about business activity is not considered in isolation, but as part of an holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flow are realized. Therefore the company considers information about past disbursement in the context of the reason for those disbursements, and the conditions the existed at that time as compared to current conditions. Based on this assessment and the future business plans of the company, the management has measured its financial assets at amortized cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principle and interest (the SPPI criterion).

(ii) Property, Plant and Equipment & Intangible Assets

The determination of depreciation and amortization charge depends on the useful lives which is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Residual Value has been taken between 0-5%

Useful life of the all Property, Plant and Equipment and Intangible assets are in accordance with Schedule II of the Companies Act, 2013

(iii) Recognition and measurement of provisions and contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigation against the company as it is not possible to predict the outcome of pending matters with accuracy.

(iv) Measurement of defined benefit obligations

The cost of defined benefit plan and present value of such obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

(v) Recognition of deferred tax

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

(vi) Impairment losses on financial assets

The measurement of impairment losses across all categories of financial assets except assets valued at Fair value through P&L (FVTPL), requires judgment, 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 judgments and estimates include:

• The Company's model, which assigns Probability of default (PD)s
• The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime expected credit loss (LTECL) basis
• The segmentation of financial assets when their ECL is assessed on a collective basis
• Development of ECL models, including the various formulas and the choice of inputs
• Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, Exposure at default (EAD)s and Loss given default (LGD)s.

(vii) Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(viii) Effective Interest rate method

The Company's EIR methodology, recognises interest income using a internal rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans and other characteristics of the product life cycle (including prepayments). This estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, as well other fee income/expense that are integral parts of the instruments.

(ix) Determination of estimated useful lives of property, plant and equipment and intangible assets

Useful lives of property, plant and equipment and intangible assets are based on the life prescribed in Schedule II of the Act.

(x) Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECL) on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVOCI). At each reporting date, the Company assesses whether the above financial assets are credit- impaired.
A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(xi) Determination of lease term

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(xi) Discount rate for lease liability and right of use assets

The discount rate is generally based on the weighted incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. And discount rate of security deposits is generally based on the SBI deposit rate at the time of deposit.

2 Cash & Cash Equivalents (₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Cash on Hand	31.88	10.37	5.68	8.86
Balances with Banks				-
In Current Accounts	279.31	85.82	36.67	118.75
In Cash Credit Accounts	97.72	40.00	180.95	179.54
In Overdraft Accounts	20.13	61.32	70.48	10.94
In CSR Unspent Account	-	-	-	-
Cheque in Hand	-	-	-	17.68
Fixed Deposit	500.15	225.19	659.06	133.03
Total	**929.19**	**422.70**	**952.84**	**468.80**

3 Bank Balances other than Cash & Cash Equivalents (₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments*	436.83	513.22	484.48	160.61
Fixed Deposit (having Maturity More than 3 Months	398.00	216.41	253.46	-
Total	**834.83**	**729.63**	**737.93**	**160.61**

*Other bank balance with bank includes deposits under lien aggregating to**₹ 436.83 Millions(for quarter ended June 30, 2024) ₹ 513.22 Millions(FY 2023-24)** i.e. under lein for overdraft facilities aggregating to **₹ 102.92 Millions (for quarter ended June 30, 2024) and ₹ 207.70 Millions (FY 2023-24)**, under lien for Borrowings aggregating to **₹ 319.06 Millions (for quarter ended June 30, 2024) and ₹ 289.76 Millions(FY 2023-24)**, under lien for PTC Arrangements aggregating to **NIL (for quarter ended June 30, 2024) and NIL (FY 2023-24)** and under lien for Business Correspondent purposes aggregating to **₹14.85 Millions(for quarter ended June 30, 2024) and ₹ 15.76 Millions(FY 2023-24)**

*Other bank balance with bank includes deposits under lien aggregating to **₹ 484.48 Millions (FY 2022-23) and ₹ 160.61 Millions (FY 2021-22)** i.e. under lein for overdraft facilities aggregating to **₹ 203.49 Millions (FY 2022-23) and ₹ 2.84 Millions (FY 2021-22)**, under lien for Borrowings aggregating to **₹ 270.61 Millions (FY 2022-23) and ₹ 143.19 Millions(FY 2021-22),** under lien for PTC Arrangements aggregating to **NIL (FY 2022-23) and ₹13.57 Millions (FY 2021-22)** and under lien for Business Correspondent purposes aggregating to **₹10.39 Millions(FY 2022-23) and ₹ 1.01 Millions(FY 2021-22).**

4 Receivables (₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Other Receivable **(A)**	2.71	3.13	0.70	-
(Receivables considered good - unsecured)				
Less: Impairment loss allowance **(B)**	-	-	-	-
Total Net(A-B)	**2.71**	**3.13**	**0.70**	**-**

No other receivable are due from directors or other officers of the Company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

4.1 Other Receivables Ageing Schedule

As at Jun 30, 2024

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 Months to 1 year	1-2 Years	2-3 years	More than 3 Years	Total
Undisputed trade receivables – considered good	2.71	-	-	-	-	2.71
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivable – credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

As at Mar 31, 2024

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 Months to 1 year	1-2 Years	2-3 years	More than 3 Years	Total
Undisputed trade receivables – considered good	3.13	-	-	-	-	3.13
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivable – credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

As at Mar 31, 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 Months to 1 year	1-2 Years	2-3 years	More than 3 Years	Total
Undisputed trade receivables – considered good	0.70	-	-	-	-	0.70
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivable – credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

As at Mar 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 Months to 1 year	1-2 Years	2-3 years	More than 3 Years	Total
Undisputed trade receivables – considered good	-	-	-	-	-	-
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivable – credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

5 Loans

(₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Loans - Amortised cost				
Term Loans	8,968.55	8,072.05	5,614	4,394
Others				
Retained interest under direct assignments	117.86	131.26	114.24	128.37
Total Gross	**9,086.41**	**8,203.31**	**5,728.46**	**4,522.73**
Less: Impairment loss allowance	(60.89)	(50.92)	(46.35)	(68.21)
Total Net	**9,025.52**	**8,152.39**	**5,682.11**	**4,454.51**
(A)				
Term Loans				
Secured by tangible/intangible assets				
Total Gross	8,889.15	8,000.28	5,563.07	4,416.11
Less: Impairment loss allowance	(56.00)	(48.48)	(38.89)	(63.54)
Total Net	8,833.14	7,951.80	5,524.19	4,352.57
Unsecured				
Total Gross	197.26	203.03	165.39	106.62
Less: Impairment loss allowance	(4.89)	(2.44)	(7.47)	(4.67)
Total Net	192.37	200.59	157.92	101.94
(B)				
Loans in India				
Public Sector	-	-	-	-
Others	9,086.41	8,203.31	5,728.46	4,522.73
Loans Outside India	-	-	-	-
Total Gross	**9,086.41**	**8,203.31**	**5,728.46**	**4,522.73**
Less: Impairment loss allowance	(60.89)	(50.92)	(46.35)	(68.21)
Total Net	**9,025.52**	**8,152.39**	**5,682.11**	**4,454.51**

5.1 Secured Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or hypothecation of Vehicle/Book Debts./ and other current assets.

5.2 The company has given impairment assessment and measurement approach in note no. 1

5.3 The company has defined risk assessment model in note no. 53

5.4 During the Period/Year there is no retained interest in Loans as part in Direct Assignment done before Date of Transisition i.e. Apr 1, 2019

5.5 The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

5.6 **Summary of loans by stage distribution** (₹ in Millions)

	As at Jun 30, 2024				As at Mar 31, 2024			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount	8581.33	408.57	96.53	9086.42	7801.39	342.22	59.71	8203.32
Less: Impairment loss allowance	11.38	10.32	39.19	60.89	11.13	7.30	32.49	50.93
Net carraying amount	8569.95	398.24	57.34	9025.53	7790.26	334.92	27.22	8152.39

	As at Mar 31, 2023				As at Mar 31, 2022			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount	5525.32	169.88	33.28	5728.48	4240.54	153.59	128.61	4522.74
Less: Impairment loss allowance	27.31	3.87	15.17	46.36	21.30	4.04	42.87	68.21
Net carraying amount	5498.01	166.01	18.10	5682.11	4219.24	149.55	85.74	4454.53

5.7 An analysis of change in the gross carrying amount of loans and corresponding ECL allowance with respect to the all asset classes have been explained below:

(₹ in Millions)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at Apr 1, 2024	7,801.39	342.22	59.71	8,203.31
New assets originated or increase in existing assets	1,370.02	13.83	1.04	1,384.89
Assets Closed or repaid	(488.40)	(3.20)	(1.89)	(493.48)
Transfers from Stage 1	(323.04)	297.91	25.13	-
Transfers from Stage 2	205.96	(242.20)	36.24	-
Transfers from Stage 3	15.42	-	(15.42)	-
Sold to ARC	-	-	-	-
Write offs	(0.02)	-	(8.29)	(8.31)
As at Jun 30, 2024	**8,581.33**	**408.57**	**96.53**	**9,086.41**

(₹ in Millions)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at Apr 1, 2023	5,525.32	169.88	33.28	5,728.46
New assets originated or increase in existing assets	4,639.75	73.88	2.69	4,716.33
Assets Closed or repaid	(2,046.58)	(78.21)	(16.69)	(2,141.48)
Transfers from Stage 1	(307.62)	256.43	51.18	-
Transfers from Stage 2	30.39	(44.55)	14.17	-
Transfers from Stage 3	3.98	0.25	(4.23)	-
Sold to ARC	(42.39)	(30.87)	(2.16)	(75.43)
Write offs	(1.47)	(4.59)	(18.52)	(24.58)
As at Mar 31, 2024	**7,801.39**	**342.22**	**59.71**	**8,203.31**

(₹ in Millions)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at Apr 1, 2022	4,240.54	153.59	128.61	4,522.73
New assets originated or increase in existing assets	2,867.66	15.87	0.64	2,884.18
Assets Closed or repaid	(1,440.77)	(60.07)	(47.57)	(1,548.41)
Transfers from Stage 1	(166.45)	148.30	18.15	-
Transfers from Stage 2	61.70	(70.15)	8.44	-
Transfers from Stage 3	11.05	0.12	(11.17)	-
Sold to ARC	(46.50)	(13.52)	(56.22)	(116.24)
Write offs	(1.92)	(4.27)	(7.60)	(13.79)
As at Mar 31, 2023	**5,525.32**	**169.88**	**33.28**	**5,728.46**

(₹ in Millions)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at Apr 1, 2021	2,726.39	1,361.77	140.17	4,228.33
New assets originated or increase in existing assets	2,331.11	10.81	0.50	2,342.41
Assets Closed or repaid	(1,373.19)	(617.57)	(35.46)	(2,026.23)
Transfers from Stage 1	(112.42)	91.83	20.59	-
Transfers from Stage 2	642.67	(698.12)	55.45	-
Transfers from Stage 3	28.76	8.50	(37.25)	-
Sold to ARC	-	-	-	-
Write offs	(2.78)	(3.62)	(15.38)	(21.78)
As at Mar 31, 2022	**4,240.54**	**153.59**	**128.61**	**4,522.73**

(₹ in Millions)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2024	11.13	7.30	32.49	50.92
New assets originated or increase in existing	1.98	5.69	26.51	34.17
Assets Closed or repaid	(13.45)	(0.11)	(4.45)	(18.01)
Transfers from Stage 1	(1.43)	1.34	0.09	0.00
Transfers from Stage 2	3.39	(3.89)	0.51	-
Transfers from Stage 3	9.76	-	(9.76)	-
Sold to ARC	-	-	-	-
Write offs	-	-	(6.19)	(6.19)
As at Jun 30, 2024	**11.38**	**10.32**	**39.19**	**60.89**

(₹ in Millions)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2023	27.31	3.87	15.17	46.36
New assets originated or increase in existing	7.48	4.60	31.45	43.53
Assets Closed or repaid	(23.12)	(1.58)	(2.70)	(27.39)
Transfers from Stage 1	(2.43)	1.99	0.45	-
Transfers from Stage 2	0.61	(0.95)	0.34	-
Transfers from Stage 3	1.49	0.13	(1.62)	-
Sold to ARC	(0.18)	(0.64)	(0.73)	(1.55)
Write offs	(0.03)	(0.12)	(9.88)	(10.03)
As at Mar 31, 2024	**11.13**	**7.30**	**32.49**	**50.92**

(₹ in Millions)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2022	**21.30**	**4.04**	**42.87**	**68.21**
New assets originated or increase in existing	17.26	2.74	9.52	29.52
Assets Closed or repaid	(16.15)	(1.71)	(17.16)	(35.02)
Transfers from Stage 1	(1.13)	0.91	0.22	-
Transfers from Stage 2	1.40	(1.83)	0.43	-
Transfers from Stage 3	4.86	0.12	(4.98)	-
Sold to ARC	(0.20)	(0.13)	(12.74)	(13.07)
Write offs	(0.04)	(0.28)	(2.97)	(3.29)
As at Mar 31, 2023	**27.31**	**3.87**	**15.17**	**46.36**

(₹ in Millions)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2021	18.35	41.84	14.42	74.61
New assets originated or increase in existing assets	11.69	0.48	40.06	52.24
Assets Closed or repaid	(21.93)	(26.26)	(5.18)	(53.37)
Transfers from Stage 1	(2.41)	2.15	0.26	-
Transfers from Stage 2	13.96	(14.71)	0.74	0.00
Transfers from Stage 3	1.71	0.77	(2.48)	-
Sold to ARC	-	-	-	-
Write offs	(0.07)	(0.23)	(4.96)	(5.26)
As at Mar 31, 2022	**21.30**	**4.04**	**42.87**	**68.21**

6 Investments (₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
At fair value through profit and loss account				
Investment in Mutual Funds/AIF/ULIP	4.71	3.07	4.39	203.47
* Security Receipts of ARC	131.91	142.04	72.28	-
Gross (A)	**136.62**	**145.11**	**76.66**	**203.47**
Investments outside India	-	-		
Investments in India	136.62	145.11	76.66	203.47
Gross (B)	**136.62**	**145.11**	**76.66**	**203.47**
Security Receipts of ARC	131.91	142.04	72.28	-
Investment in Debt Oriented Mutual Fund	-	-	4.12	103.44
Investment in AIF (Northern Arc Alpha Trust)	-	-	-	100.03
Investment in Equity Oriented Fund-ULIP	4.71	3.07	0.26	-
Gross (C)	**136.62**	**145.11**	**76.66**	**203.47**
Total (A) to tally with (B) & (C)				
Less: Allowance for Impairment loss (D)	-	-	-	-
Total Net D = (A) -(C)	**136.62**	**145.11**	**76.66**	**203.47**

7 Other Financial Asset-At amortised cost (₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Security Deposit	3.94	3.64	2.50	2.16
Fixed Deposits with Financial institutions/NBFC	0.00	(0.00)	(0.00)	62.51
Balances with Payment Aggregators	1.82	1.20	0.61	0.08
Securitisation Income Receivable	-	-	-	1.34
TDS Receviable from NBFC/FI`s	1.34	1.27	2.82	3.38
Commision from CSFB	0.78	0.90	1.14	-
Deferred Finance Cost	-	(0.00)	(0.00)	1.28
Incentive Receivable on DA/PTC	-	-	-	1.07
Receivables on Assigned Loans	202.79	237.06	197.94	139.94
Total Gross	**210.67**	**244.07**	**205.01**	**211.76**
Less: Impairment loss allowance	(0.68)	(0.64)	(1.84)	(1.46)
Total Net	**209.99**	**243.43**	**203.17**	**210.30**

8 Deferred Tax Assets(Net) (₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Deferred Tax Assets, on account of				
Depreciation and Amortisation	2.19	2.25	2.02	1.94
Provision for Employee benefits	3.03	2.84	2.67	1.86
Expected Credit Loss (ECL)	13.29	9.57	10.28	16.18
Lease Liability	2.39	2.62	0.89	0.30
Effect of change in accounting policy/Correction of errors	8.06	8.30	0.23	1.47
Unamortised Processing Fees on Financial Instruments	7.92	-	-	-
Total(A)	**36.88**	**25.58**	**16.09**	**21.75**
Deferred Tax Liabilities, on account of				
Interest receivable on direct assignments	51.04	59.66	49.82	35.22
Right of Use Asset	2.32	2.57	0.87	0.29
Unrealised Gain on Investments	7.58	8.35	0.02	0.08
Effect of ARC(Securtisation)	2.08	4.72	4.19	-
Total(B)	**63.01**	**75.31**	**54.90**	**35.59**
Net Deferred Tax Assets (A) - (B)	**(26.13)**	**(49.72)**	**(38.81)**	**(13.84)**

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9 Property, Plant & Equipment

As at Jun 30, 2024 **(₹ in Millions)**

Particulars	Freehold Land	Office and Guest House	Computers & peripherals	Furniture & Fixtures	Vehicles	Office Equipment	Computer server	Right of Use (ROU) Asset	Total
Gross Block									
As at Apr 1, 2024	29.68	54.36	19.11	17.92	13.34	5.13	0.27	15.87	155.68
Addition During the Year	-	-	1.66	0.47	-	0.70	-	-	2.83
Deduction/Adjustments during the year	-	-	-	-	-	-	-	(0.41)	(0.41)
Reclassified to/ from held for sale	-	-	-	-	-	-	-	-	-
As at Jun 30, 2024	**29.68**	**54.36**	**20.77**	**18.39**	**13.34**	**5.83**	**0.27**	**15.46**	**158.10**
Accumulated Depreciation/Amortisation									**-**
Up to Apr 1, 2024	-	4.54	14.33	9.63	7.52	3.20	0.11	5.65	44.98
For the Year	-	0.61	0.91	0.55	0.45	0.27	0.02	0.61	3.42
Adjustments during the year	-	-	-	-	-	-	-	-	-
As at Jun 30, 2024	**-**	**5.15**	**15.24**	**10.18**	**7.97**	**3.47**	**0.13**	**6.26**	**48.40**
Net Block									**-**
As at Jun 30, 2024	**29.68**	**49.21**	**5.53**	**8.21**	**5.37**	**2.36**	**0.14**	**9.20**	**109.70**
As at Mar 31, 2024	29.68	49.82	4.78	8.29	5.82	1.93	0.16	10.22	110.70

As at Mar 31, 2024 **(₹ in Millions)**

Particulars	Freehold Land	Office and Guest House	Computers & peripherals	Furniture & Fixtures	Vehicles	Office Equipment	Computer server	Right of Use (ROU) Asset	Total
Gross Block									
As at Apr 1, 2023	29.68	50.15	14.22	15.01	13.62	3.45	0.24	7.25	133.62
Addition During the Year	-	5.19	4.89	2.91	2.57	1.81	0.03	8.62	26.02
Deduction/Adjustments during the year	-	(0.98)	-	-	(2.85)	(0.13)	-	-	(3.96)
Reclassified to/ from held for sale	-	-	-	-	-	-	-	-	-
As at Mar 31, 2024	**29.68**	**54.36**	**19.11**	**17.92**	**13.34**	**5.13**	**0.27**	**15.87**	**155.68**
Accumulated Depreciation/Amortisation									-
Up to Apr 1, 2023	-	2.38	9.97	7.02	7.42	2.17	0.01	3.81	32.78
For the Year	-	2.46	4.36	2.61	2.52	1.09	0.10	1.84	14.98
Adjustments during the year	-	(0.30)	-	-	(2.42)	(0.06)	-	-	(2.78)
As at Mar 31, 2024	**-**	**4.54**	**14.33**	**9.63**	**7.52**	**3.20**	**0.11**	**5.65**	**44.98**
Net Block									-
As at Mar 31, 2024	**29.68**	**49.82**	**4.78**	**8.29**	**5.82**	**1.93**	**0.16**	**10.22**	**110.70**
As at Mar 31, 2023	29.68	47.77	4.25	7.99	6.20	1.28	0.23	3.44	100.84

As at Mar 31, 2023 **(₹ in Millions)**

Particulars	Freehold Land	Office and Guest House	Computers & peripherals	Furniture & Fixtures	Vehicles	Office Equipment	Computer server	Right of Use (ROU) Asset	Total
Gross Block									
As at Apr 1, 2022	33.97	12.43	9.40	11.74	9.45	2.42	-	3.80	83.21
Addition During the Year	-	37.72	4.82	3.58	4.57	1.13	0.24	3.82	55.88
Deduction/Adjustments during the year	(4.29)	-	-	(0.31)	(0.40)	(0.10)	-	(0.37)	(5.47)
Reclassified to/ from held for sale	-	-	-	-	-	-	-	-	-
As at Mar 31, 2023	**29.68**	**50.15**	**14.22**	**15.01**	**13.62**	**3.45**	**0.24**	**7.25**	**133.62**
Accumulated Depreciation/Amortisation									-
Up to Apr 1, 2022	-	1.68	6.42	5.10	5.35	1.69	-	2.67	22.91
For the Year	-	0.70	3.55	2.21	2.31	0.56	0.01	1.14	10.48
Adjustments during the year	-	-	-	(0.29)	(0.24)	(0.08)	-	-	(0.61)
As at Mar 31, 2023	**-**	**2.38**	**9.97**	**7.02**	**7.42**	**2.17**	**0.01**	**3.81**	**32.78**
Net Block									**-**
As at Mar 31, 2023	**29.68**	**47.77**	**4.25**	**7.99**	**6.20**	**1.28**	**0.23**	**3.44**	**100.84**
As at Mar 31, 2022	33.97	10.75	2.98	6.64	4.10	0.73	-	1.13	60.30

As at Mar 31, 2022 **(₹ in Millions)**

Particulars	Freehold Land	Office and Guest House	Computers & peripherals	Furniture & Fixtures	Vehicles	Office Equipment	Computer server	Right of Use (ROU) Asset	Total
Gross Block									
As at Apr 1, 2021	24.23	11.96	6.36	9.18	12.82	2.16	-	3.30	70.01
Addition During the Year	-	0.47	3.04	2.56	-	0.26	-	1.90	8.23
Deduction/Adjustments during the year	-	-	-	-	(3.37)	-	-	(1.40)	(4.77)
Reclassified to/ from held for sale	9.74	-	-	-	-	-	-	-	9.74
As at Mar 31, 2022	**33.97**	**12.43**	**9.40**	**11.74**	**9.45**	**2.42**	**-**	**3.80**	**83.21**
Accumulated Depreciation/Amortisation									
Up to Apr 1, 2021	-	1.14	4.25	3.20	6.62	1.21	-	1.55	17.97
For the Year	-	0.54	2.17	1.90	1.94	0.48	-	1.12	8.15
Adjustments during the year	-	-	-	-	(3.21)	-	-	-	(3.21)
Total up to Mar 31, 2022	**-**	**1.68**	**6.42**	**5.10**	**5.35**	**1.69**	**-**	**2.67**	**22.91**
Net Block									
As at Mar 31, 2022	**33.97**	**10.75**	**2.98**	**6.64**	**4.11**	**0.73**	**-**	**1.14**	**60.32**
As at Mar 31, 2021	24.23	10.82	2.11	5.98	6.20	0.95	-	1.75	52.04

9.1 During the Period/ Year the Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets).

9.2 The Company has elected to include ROU assets pertaining to lease of buildings as part of the property, plant and equipment as permitted under paragraph 47 of Ind AS 116.

9.3 Details of immovable properties , whose title deeds have been pledged in favour of SBI Bank as security against Secured Term loan has been explained in note 17.

10 **Property, Plant & Equipment under Development**

As at Jun 30, 2024 **(₹ in Millions)**

Particulars	PPE	Total
As at Apr 1, 2024	-	-
Addition During the Year	-	-
Capitalisation during the Year	-	-
As at Jun 30, 2024	-	-

As at Mar 31, 2024 **(₹ in Millions)**

Particulars	PPE	Total
As at Apr 1, 2023	-	-
Addition During the Year	3.65	3.65
Capitalisation during the Year	3.65	3.65
As at Mar 31, 2024	-	-

As at Mar 31, 2023 **(₹ in Millions)**

Particulars	PPE	Total
As at Apr 1, 2022	-	
Addition During the Year	3.63	3.63
Capitalisation during the Year	3.63	3.63
As at Mar 31, 2023	-	-

As at Mar 31, 2022 **(₹ in Millions)**

Particulars	PPE	Total
As at Apr 1, 2022	-	
Addition During the Year	-	-
Capitalisation during the Year	-	-
As at Mar 31, 2023	-	-

11 **Intangible Assets under Development**

As at Jun 30, 2024 **(₹ in Millions)**

Particulars	Software	Total
As at Apr 1, 2024	0.76	0.76
Addition During the Year	0.69	0.69
Capitalisation/Deletion during the Year	1.23	1.23
As at Jun 30, 2024	**0.23**	**0.23**

As at Mar 31, 2024 (₹ in Millions)

Particulars	Software	Total
As at Apr 1, 2023	(0.00)	(0.00)
Addition During the Year	1.00	1.00
Capitalisation during the Year	0.24	0.24
As at Mar 31, 2024	**0.76**	**0.76**

As at Mar 31, 2023 (₹ in Millions)

Particulars	Software	Total
As at Apr 1, 2022	-	-
Addition During the Year	(0.00)	(0.00)
Capitalisation during the Year	-	-
As at Mar 31, 2023	**(0.00)**	**(0.00)**

As at Mar 31, 2022 (₹ in Millions)

Particulars	Software	Total
As at Apr 1, 2021	0.16	0.16
Addition During the Year	-	-
Capitalisation during the Year	0.16	0.16
As at Mar 31, 2022	-	-

11.1 Intangible assets under development ageing schedule

Intangible assets under development	To be completed in				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
As at Jun 30, 2024					
Customer App	0.23	-	-	-	**0.23**
Dynamic	-	-	-	-	-
As at Jun 30, 2023					
Customer App	-	-	-	-	-
Dynamic	-	-	-	-	-
As at Mar 31, 2024					
Customer App	0.17	-	-	-	**0.17**
Dynamic	0.59	-	-	-	**0.59**
As at Mar 31, 2023					
Customer App	-	-	-	-	-
As at Mar 31, 2022	-	-	-	-	-

12 Intangible Assets

As at Jun 30, 2024 **(₹ in Millions)**

Particulars	Software	Total
Gross Block		
As at Apr 1, 2024	2.45	2.45
Addition During the Year	1.59	1.59
Deduction/Adjustments during the year		-
As at Jun 30, 2024	**4.04**	**4.04**
Accumulated Depreciation/Amortisation		
Up to Apr 1, 2024	2.05	2.05
For the Year	0.26	0.26
Adjustments during the year		-
As at Jun 30, 2024	**2.31**	**2.31**
Net Block		
As at Jun 30, 2024	**1.73**	**1.73**
As at Mar 31, 2024	0.40	0.40

As at Mar 31, 2024 **(₹ in Millions)**

Particulars	Software	Total
Gross Block		
As at Apr 1, 2023	2.25	2.25
Addition During the Year	0.41	0.41
Deduction/Adjustments during the year	(0.21)	(0.21)
As at Mar 31, 2024	**2.45**	**2.45**
Accumulated Depreciation/Amortisation		
Up to Apr 1, 2023	1.89	1.89
For the Year	0.32	0.32
Adjustments during the year	(0.16)	(0.16)
As at Mar 31, 2024	**2.05**	**2.05**
Net Block		
As at Mar 31, 2024	**0.40**	**0.40**
As at Mar 31, 2023	0.36	0.36

As at Mar 31, 2023 **(₹ in Millions)**

Particulars	Software	Total
Gross Block		
As at Apr 1, 2022	1.93	1.93
Addition During the Year	0.32	0.32
Deduction/Adjustments during the year	-	-
As at Mar 31, 2023	**2.25**	**2.25**
Accumulated Depreciation/Amortisation		
Up to Apr 1, 2022	1.57	1.57
For the Year	0.32	0.32
Adjustments during the year	-	-
Total up to Mar 31, 2023	**1.89**	**1.89**
Net Block		
As at Mar 31, 2023	**0.36**	**0.36**
As at Mar 31, 2022	0.36	0.36

As at Mar 31, 2022 (₹ in Millions)

Particulars	Software	Total
Gross Block		
As at Apr 1, 2021	1.66	1.66
Addition During the Year	0.27	0.27
Deduction/Adjustments during the year	-	-
As at Mar 31, 2022	**1.93**	**1.93**
Accumulated Depreciation/Amortisation		
Up to Apr 1, 2021	1.23	1.23
For the Year	0.34	0.34
Adjustments during the year	-	-
Total up to Mar 31, 2022	**1.57**	**1.57**
Net Block		
As at Mar 31, 2022	**0.36**	**0.36**
As at Mar 31, 2021	0.42	0.42

13 **Title deeds of immovable properties not held in name of the company**
(other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) :

(₹ in Millions)

Relevant line item in the Balance sheet	Description of item of property	Carrying value				Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
		As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022				
PPE	Building details- Plot no 2, DFL Gopinath Marg MI Road Jaipur (Floor - 1st, 2nd and 3rd)	2.95	2.98	3.13	-	Mr Deepak Baid	Managing Director	01-04-11	Property was being used for carrying the business in the name of Deepak Finance and Leasing Company by Mr Deepak Baid as a proprietor firm, but in April 01,2011 firm converted into company and all fixed assets of the firm vested in Laxmi India Finleasecap Pvt Ltd., but at that time for this property the Title was not transferred in the name of the company, Now the company is in process for transfer the title on its name
Investment property	Nil	Nil				Nil	Nil	Nil	Nil
others	Nil	Nil				Nil	Nil	Nil	Nil

14 Other non-financial assets (₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Sales Tax Refundable	0.09	0.09	0.09	0.09
Current Year Income Tax Refund (Net of Advance Tax/TDS)	-	-	-	-
Other Tax Assests	0.10	0.42	0.25	-
ARC Account	-	-	-	-
Balance with Revenue Authorities	-	-	-	-
Deposits with Govt authorities against Litigation	0.00	0.00	0.00	0.03
Prepaid Expenses	4.31	5.19	2.20	4.54
Trade Advance	-	-	-	1.31
Advance for Expense	34.78	10.24	10.29	1.72
Corpus fund for Trust	-	0.05	0.05	-
Staff Advance	0.06	2.63	0.96	2.43
Non- Current Asset held for sale	-	-	-	-
Gold Coins	-	-	-	0.11
Advance for CSR activity	1.04	0.04	0.25	-
Total	**40.38**	**18.66**	**14.09**	**10.24**

15 Trade Payables (₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Creditors for other Expenses*	16.00	12.32	11.46	14.63
Others Payables*	12.42	11.73	0.12	1.78
Total	**28.42**	**24.05**	**11.58**	**16.41**

*Refer Note 15.2 for Ageing Schedule

Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year-end are furnished below:

Disclosure under the Micro, Small and Medium Enterprises Development Act 2006 to the extent the Company has received intimation from parties under the Act

(₹ in Millions)

15.1	Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
	(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.26	1.70	0.12	0.30
	Principal amount due to Micro and small enterprises	0.26	1.70	0.12	0.30
	Interest due on above but not claimed by the parties	-	-	-	-
	(ii) 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	-	-	-	-
	(iii)The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-	-	-
	(iv)The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-	-
	(v)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	-	-	-	-
	Dues to Micro and Small Enterprises have been determined to the extent such parties have been indentified on the basis of information collected by Management.This has been relied upon by Auditors.	-	-	-	-

15.2 Trade Payable ageing schedule

(₹ in Millions)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at Jun 30, 2024					
(i) MSME	-	-	-	-	-
(ii) Others	28.16	-	-	-	28.16
(iii) Disputed dues – MSME	0.26	-	-	-	0.26
(iv)Disputed dues - Others	-	-	-	-	-
As at Mar 31, 2024					
(i) MSME	1.44	-	-	-	1.44
(ii) Others	22.35	-	-	-	22.35
(iii) Disputed dues – MSME	0.26	-	-	-	0.26
(iv)Disputed dues - Others		-	-	-	-
As at Mar 31,2023					
(i) MSME	0.12	-	-	-	0.12
(ii) Others	11.46	-	-	-	11.46
(iii) Disputed dues – MSME		-	-	-	-
(iv)Disputed dues - Others		-	-	-	-
As at Mar 31,2022					
(i) MSME	0.30	-	-	-	0.30
(ii) Others	16.11	-	-	-	16.11
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-

16 Debt Securities-At Amortised Cost

(₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Secured				
Non Convertible Debentures	347.04	50.02	231.74	287.89
Total	**347.04**	**50.02**	**231.74**	**287.89**
Debt securities in India	347.04	50.02	231.74	287.89
Debt securities outside India	-	-	-	-
Total	**347.04**	**50.02**	**231.74**	**287.89**

16.1 During Q1 of FY 2024-25 Non-convertible Debenture are fully secured by first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 100% of the amount outstanding and Debt Securities issued to Edge Credit Opportunities Fund- I secured by personal guarantee given by Mr. Deepak Baid, Mrs. Aneesha Baid and Northern Arc Capital Limited are further secured by personal guarantee given by Mr. Deepak Baid, Mrs. Aneesha Baid and Prem Devi Baid.

During Fy 2023-24 Non-convertible Debenture are fully secured by first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 100% of the amount outstanding and Debt Securities issued to Edge Credit Opportunities Fund I are further secured by personal guarantee given by Mr. Deepak Baid, Mrs. Aneesha Baid.

During FY 2022-23 Non-convertible Debenture are fully secured by first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 100% of the amount outstanding. Out of Above Debt Securities issued to AK Capital Finance Limited are further secured by personal guarantee given by Mr. Deepak Baid, Mrs. Aneesha Baid & Mrs. Prem Devi Baid and Debt Securities issued to Edge Credit Opportunities Fund I are further secured by personal guarantee given by Mr. Deepak Baid, Mrs. Aneesha Baid.

During FY 2021-22 Non convertible Debenture are fully secured by first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 100% of the amount outstanding.Above Debt Securities are further secured by personal guarantee given by Mr Deepak Baid, Mrs Aneesha Baid & Mrs Prem Devi Baid and Corporate Guarantee of Starpoint Constructions Pvt Ltd

16.2 Details Of Redeemable Non-Convertible Debentures **(₹ in Millions)**

ISIN No.	Date of allotment	Date of Final redemption	Total number of debentures	Coupon Rate	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
INE06WU07031 (Face Value Rs. 1 Million each)	19.11.2020	19.05.2022	50.00	11.50%	-	-	-	50.66
INE06WU07023 (Face Value Rs. 1 Million each)	04.09.2020	21.04.2023	100.00	11.50%	-	-	100.98	100.92
INE06WU07015 (Face Value Rs. 1 Million each)	14.07.2020	14.07.2023	50.00	11.50%	-	-	8.53	25.49
INE06WU07049 (Face Value Rs. 0.1 Million each)	31.03.2021	30.06.2023	2,000.00	13.75%	-	-	22.20	110.81
INE06WU07056 (Face Value Rs. 0.1 Million each)	02.06.2022	02.04.2025	1,000.00	Floating (3 m T-Bill+8.63% spread) Current Rate-15.53%	50.02	50.02	100.04	-
INE06WU07064 (Face Value Rs. 0.1 Million each)	28.06.2024	28.06.2027	3,000.00	11.49%	297.02	-	-	-
Total					347.04	50.02	231.74	287.89

Term of Repayment Of secured privately placed Non-Convertible Debenture **(₹ in Millions)**

16.3

Maturity Schedule	Interest Rate Range				Carrying Amount			
	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Maturity Within One Year	11.49%-15.53%	15.62% -15.62%	11.50%-15.42%	11.50%-13.75%	147.04	0.02	181.74	157.50
Maturity between 1 to 3 Year	11.49%-15.53%	15.62% -15.62%	11.50%-15.42%	11.50%-13.75%	200.00	50.00	50.00	130.39
Maturity between 3 to 5 Year	11.49%-15.53%	15.62% -15.62%	11.50%-15.42%	11.50%-13.75%	-	-	-	-
Maturity in more than 5 Year	11.49%-15.53%	15.62% -15.62%	11.50%-15.42%	11.50%-13.75%	-	-	-	-
Total					**347.05**	**50.03**	**231.75**	**287.89**

17 Borrowings (Other than Debt Securities)-At Amortised Cost **(₹ in Millions)**

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Secured				
Term loans				
(i)From Banks	5,010.97	4,375.59	3,413.08	1,693.70
(ii)From Financial Institutions/NBFC	3,529.10	2,985.47	2,481.39	2,039.47
Others				
Associated liabilities in respect of Co-Lending Transaction - secured	5.15	5.42	8.86	8.18
Associated liabilities in respect of Business Correspondent Transaction - secured	-	-	(0.00)	-
Loans repayable on demand				
Cash Credit from Banks	-	25.48	-	29.96
Overdraft Credit from Banks	-	50.03	19.80	-
Unsecured				
Term Loan				
Loans from Directors and related parties	-	-	-	46.86
Loans from others	88.36	95.40	-	7.50
Total (A)	**8,633.58**	**7,537.39**	**5,923.13**	**3,825.67**
Borrowings in India	8,633.58	7,537.39	5,923.13	3,825.67
Borrowings outside India	-	-	-	-
Total (B)	**8,633.58**	**7,537.39**	**5,923.13**	**3,825.67**

17.1 Term of Repayment Of Borrowings Outstanding except Repayable on Demand

(₹ in Millions)

Maturity Schedule	Interest Rate Range				Carrying Amount			
	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
a) Term Loans from Banks - Secured								
Maturity Within One Year	7.70% - 14.25%	7.70% - 14.25%	7.70% - 14.76%	9.15%-14.50%	1,527.32	1,266.57	1,076.66	524.16
Maturity between 1 to 3 Year	7.70% - 14.25%	7.70% - 14.25%	7.70% - 14.76%	9.15%-14.50%	2,125.95	1,931.10	1,619.59	608.82
Maturity between 3 to 5 Year	7.70% - 14.25%	7.70% - 14.25%	7.70% - 14.76%	9.15%-14.50%	1,357.76	1,253.43	717.43	408.54
Maturity in more than 5 Year	7.70% - 14.25%	7.70% - 14.25%	7.70% - 14.76%	9.65%-13.50%	-	-	19.19	152.18
Total					5,011.03	4,451.10	3,432.88	1,693.70
b) Term Loans from NBFC/FI's- Secured								
Maturity Within One Year	10.50% - 14.50%	10.50% - 14.50%	10.00% - 15.16%	6.85%-14.75%	1,526.31	1,176.56	1,060.56	929.52
Maturity between 1 to 3 Year	10.50% - 14.50%	10.50% - 14.50%	10.00% - 15.16%	10.00%-14.50%	1,870.73	1,435.12	1,313.50	692.68
Maturity between 3 to 5 Year	10.50% - 14.50%	10.50% - 14.50%	10.00% - 15.16%	12.00%-14.50%	132.06	373.79	107.33	339.02
Maturity in more than 5 Year	10.50% - 14.50%	10.50% - 14.50%	10.00% - 15.16%	12.00%-14.10%	0.00	-	-	78.24
Total					3,529.10	2,985.47	2,481.39	2,039.47
c) Term Loans from Related Parties-Unsecured								
Maturity Within One Year	-	-	-	-	-	-	-	-
Maturity between 1 to 3 Year	-	-	-	-	-	-	-	-
Maturity between 3 to 5 Year	-	-	-	-	-	-	-	-
Maturity in more than 5 Year	-	-	-	14.40%-18.00%	-	-	-	46.86
Total		-	-		-	-	-	46.86

d) Term Loans from Other than Related Parties- Unsecured								
Maturity Within One Year	11.90% - 11.90%	11.90% - 11.90%	-	-	31.43	30.51	-	-
Maturity between 1 to 3 Year	11.90% - 11.90%	11.90% - 11.90%	-	-	56.94	64.88	-	-
Maturity between 3 to 5 Year	11.90% - 11.90%	11.90% - 11.90%	-	-	-	-	-	-
Maturity in more than 5 Year	11.90% - 11.90%	11.90% - 11.90%	-	15.00%-18.00%	-	-	-	7.50
Total		-	-		88.36	95.40	-	7.50
e) Associated liabilities in respect of Co-Lending Transaction - secured								
Maturity Within One Year	12.90%	12.90%	12.90%	12.90%	1.24	1.18	-	0.86
Maturity between 1 to 3 Year	12.90%	12.90%	12.90%	12.90%	2.12	2.19	-	2.25
Maturity between 3 to 5 Year	12.90%	12.90%	12.90%	12.90%	1.79	1.95	3.97	3.25
Maturity in more than 5 Year	12.90%	12.90%	12.90%	12.90%	-	0.10	4.89	1.82
Total					5.15	5.42	8.86	8.18
f) Loans Repayable on Demand								
Maturity Within One Year	-	9.55% - 11.15%	7.90% - 7.90%	12.50% - 14.50%	-	75.51	19.80	29.96
Maturity between 1 to 3 Year	-	-	-	-	-	-	-	-
Maturity between 3 to 5 Year	-	-	-	-	-	-	-	-
Maturity in more than 5 Year	-	-	-	-	-	-	-	-
Total					-	75.51	19.80	29.96

17.2 Nature of Security

1. Secured term loans from banks amounting to Rs. 5006.33 Millions (FY24 Rs. 4370.39 Millions, FY23 Rs. 3407.61 Millions and FY22 Rs. 1689.31 Millions). The loans are having tenure of 3 to 5 years from the date of disbursement and are repayable in both monthly and quarterly installments. Those loan are secured by hypothecation(exclusive charge) of the loans given by the Company and Personal Guarantee of Directors and Corporate Guarantee of Starpoint Constructions Pvt Ltd, Hirak Vinimay Pvt Ltd, & Dreamland Buildmart Private Limited. Loan sanctioned by State bank of India is further secured by hard collateral in the form of property.

2. Secured term loans from banks amounting to Rs. 4.63 Millions (FY24 Rs. 5.20 Millions, FY23 Rs. 5.47 Millions and FY22 Rs. 4.39 Millions). The loans are having tenure of 3 to 10 years from the date of disbursement and are repayable in monthly installments. Those loan are secured by hypothecation(exclusive charge) of vehicle owned by the Company.

3. Secured term loans from NBFC/FIs amount to Rs. 2985.47 Millions (FY24 Rs. 2985.47 Millions, FY23 Rs. 2481.39 Millions and FY22 Rs. 2039.47 Millions). The loans are having tenure of 2 years to 5.0 years from the date of disbursement and are repayable in both monthly and quarterly installments. Those loan are secured by hypothecation(exclusive charge) of the loans given by the Company and Personal Guarantee of Directors and Corporate Guarantee of Starpoint Constructions Pvt Ltd, & Deepak Hitech Motors Pvt Ltd

4. Secured term loans from NBFC/FIs amount to Rs.0.00 Millions (P Y Rs. 0.00 Millions). The loans are having tenure of 5 years to 10.0 years from the date of disbursement and are repayable in monthly installments. Those loan are secured by hypothecation(exclusive charge) of Property held by the company.

5. Overdraft borrowings from the bank amounting to Rs. 0.00 Millions (FY24 Rs. 50.03 Millions, FY23 Rs. 19.80 Millions and FY22 Rs. 0.00 Millions) are secured by by the company, are repayable on demand and carry an interest as Interest Spread of 0.75% over and above Interest Rate on Underliened Fixed Deposit.

6. Cash Credit from the bank amounting to Rs. 0.00 Millions (FY24 Rs. 25.48 Millions, FY23 Rs. 0.00 Millions and FY22 Rs. 29.96 Millions) are secured by by the company, are repayable on demand. Those cash credits are secured by hypothecation(exclusive charge) of the loans given by the Company and Personal Guarantee of Directors

7. Associated liabilities in respect of Co-Lending Transaction represents amounts received in respect of Co-Lending Transaction(net of repayments and investment therein) as these transactions do not meet the derecogniton criteria specified under IND AS. These are secured by way of hypothecation of designated loans assets receivables.

17.3 The company has no default in the repayment of dues to its lenders

17.4 The company has used all the borrowings from banks and financial institutions for the specific purpose for which it was taken , except temporary deployment pending application of proceeds during the period/year ended on June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.

17.5 In regard to Borrowings from banks or financial institutions on the basis of security of current assets, :

a) Quarterly returns/statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts,
b) since above point (a) is affirmative, hence summary of reconciliation and reasons of material discrepancies is not applicable

17.6 The Company has not been declared as Wilful Defaulter during the period/year ended on June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.

18 Subordinated Liabilities **(₹ in Millions)**

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
At Amortised Cost				
Unsecured				
Term Loan				
Loans from others	79.36	79.36	-	-
Total (A)	**79.36**	**79.36**	**-**	**-**
Borrowings in India	79.36	79.36	-	-
Borrowings outside India	-	-	-	-
Total (B)	**79.36**	**79.36**	**-**	**-**

Term of Repayment Of Subordinated Liabilities **(₹ in Millions)**

Maturity Schedule	Interest Rate Range				Carrying Amount			
	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Maturity Within One Year	16.00%	16.00%	-	-	0.07	0.09	-	-
Maturity between 1 to 3 Year	16.00%	16.00%	-	-	-	-	-	-
Maturity between 3 to 5 Year	16.00%	16.00%	-	-	79.29	79.26	-	-
Maturity in more than 5 Year	16.00%	16.00%	-	-	-	-	-	-
Total					79.36	79.36	-	-

19 Other financial liabilities **(₹ in Millions)**

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Cheque in Transit	-	-	-	122.62
Audit Fees Payable	0.25	0.85	0.77	0.68
Sum Accrued but not Due for Direct Assignment/Securitisation	43.60	50.49	28.49	32.25
Lease Liability	9.49	10.41	3.55	1.19
Excess loan received (MAS)	-	-	-	-
Financial Guarantee	-	-	-	0.80
Total	**53.33**	**61.76**	**32.80**	**157.53**

20 Current Tax Liabilities **(₹ in Millions)**

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Provision for Taxation (Net of Advance Tax)	32.87	-	-	-
Provision for Taxation (Earlier Years)	0.64	0.64	0.64	0.64
Total	**33.51**	**0.64**	**0.64**	**0.64**

21 Provisions

(₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
For Employee Benefits				
Gratuity	12.03	11.28	10.59	7.38
For others				
Provision for CSR Unspent amount	-	-	-	0.83
Provision for ECL	0.05	0.08	0.70	0.36
Total	**12.08**	**11.36**	**11.29**	**8.57**

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 51

21.1 Movement of Provisions **(₹ in Millions)**

Particulars	Provision for ECL
As at Apr 1, 2024	**0.08**
Add: Provision Addition/(Deletion) during the year	(0.03)
Less: Sum Paid during the year	
As at Jun 30, 2024	**0.05**
As at Apr 1, 2023	**0.70**
Add: Provision Addition/(Deletion) during the year	(0.62)
Less: Sum Paid during the year	-
As at Mar 31, 2024	**0.08**
As at Apr 1, 2022	**0.36**
Add: Provision Addition/(Deletion) during the year	0.34
Less: Sum Paid during the year	-
As at Mar 31, 2023	**0.70**
As at Apr 1, 2021	**0.03**
Add: Provision Addition/(Deletion) during the year	0.33
Less: Sum Paid during the year	-
As at Mar 31, 2022	**0.36**

22 Other non-financial liabilities (₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Statutory Dues Payable	12.89	16.85	11.62	7.35
Stamp Duty Payable	0.04	-	-	-
Total	**12.93**	**16.85**	**11.62**	**7.35**

23 Equity Share Capital (₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Authorised				
3,00,00,000 Equity Shares of par value ₹ 10/- Each	300.00	300.00	-	-
2,00,00,000 Equity Shares of par value ₹ 10/- Each			200.00	200.00
Issued, Subscribed and Fully Paid Up and Partly Paid Up	**198.63**	**198.63**	**183.17**	**158.90**
Equity Shares of ₹ 10/- Each fully Paid up	198.63	198.63	159.99	158.90
Equity Shares of ₹ 6/- Each partly paid up	0.00	0.00	23.18	0.00
Total	**198.63**	**198.63**	**183.17**	**158.90**

(a) The reconciliation of the Number of Shares Outstanding and the amount of Share Capital: (₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
	No. of Shares	**No. of Shares**	**No. of Shares**	**No. of Shares**
Shares outstanding at the beginning of the year	19.86	19.86	15.89	14.31
Changes during the year	-	-	3.97	1.58
Shares outstanding at the end of the year	**19.86**	**19.86**	**19.86**	**15.89**
		-	-	

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per equity share. In the Financial year 2022-2023 company has issued and allotted partly paid up shares at a Face value of Rs. 10 and company has called Up Rs.6/- per share and in the year 2023-2024 company received the remaining amount over Partly paid up shares and converted partly paid up shares into fully paid up.

The Board of Directors of the Company in its meeting held on November 13, 2024 and approved the sub-division of shares from ₹ 10 per share to ₹ 5 per share, subject to approval of Shareholder in their General Meeting to be held on November 16, 2024

The Company have Employee Stock Option Scheme as on June 30, 2024. The Scheme is be called Laxmi India Finance Private Limited Employees Stock Option Scheme (ESOP) – 2023. The scheme is approved by Board of Directors and the shareholders of the company on 12th August 2023 and 19th September 2023 respectively. **The company has not yet granted the ESOP'S.**

(c) Details of shares in respect of each class in the company held by its holding company or its ultimate holding company

Hirak Vinimay Private Limited is the Holding company of the company w.e.f Jan 12, 2023.

(d) Details of Shareholders holding more than 5% shares in the Company:

Particulars	As at Jun 30, 2024		As at Mar 31, 2024	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Sulochna Sarees Private Limited	-	0.00%	-	0.00%
Hirak Vinimay Private Limited	10,874,842	54.75%	10,874,842	54.75%
Deepak Hitech Motors Private Limited	1,421,541	7.16%	1,474,541	7.42%
Starpoint Constructions Private Limited	-	0.00%	-	0.00%
Deepak Baid	3,621,502	18.23%	3,798,827	19.13%
Aneesha Baid	1,130,951	5.69%	1,157,451	5.83%
Gatik Realcon Private Limited	-	0.00%	-	-

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Sulochna Sarees Private Limited	-	0.00%	2,176,434	13.70%
Hirak Vinimay Private Limited	10,874,842	54.75%	2,767,795	17.42%
Deepak Hitech Motors Private Limited	3,038,362	15.30%	1,951,405	12.28%
Starpoint Constructions Private Limited	-	0.00%	3,766,390	23.70%
Deepak Baid	3,163,345	15.93%	1,206,823	7.59%
Aneesha Baid	1,423,051	7.16%	-	0.00%
Gatik Realcon Private Limited	-	0.00%	1,727,808	10.87%

(e) Shareholding of Promoters

Promoter name	As at Jun 30, 2024			As at Mar 31, 2024		
	No. of Shares	% of total share	% Change during the year	No. of Shares	% of total share	% Change during the year
1. Prem Devi Baid	706,535	3.56%	0.00%	706,535	3.56%	-0.08%
2. Deepak Baid	3,621,502	18.23%	-4.67%	3,798,827	19.13%	20.09%
3. Aneesha Baid	1,130,951	5.69%	-2.29%	1,157,451	5.83%	-18.66%
4. Vivan Baid Family Trust (Through Its Trustee Mr. Deepak Baid And Mrs.Aneesha Baid)	7,200	0.04%	0.00%	7,200	0.04%	0.00%
5. Hirak Vinimay Private Limited	10,874,242	54.75%	0.00%	10,874,242	54.75%	-0.01%
6. Sulochana Sarees Private Limited	-	0.00%	0.00%	-	0.00%	0.00%
7. Gatik Realcon Private Limited	-	0.00%	0.00%	-	0.00%	0.00%
8. Deepak Hitech Motors Pvt Ltd	1,421,541	7.16%	-3.59%	1,474,541	7.42%	-51.47%
9. Starpoint Constructions Private Limited	-	0.00%	0.00%	-	0.00%	0.00%
10. Prem Dealers Private Limited	539,557	2.72%	-0.02%	539,657	2.72%	-0.09%
11. Champalal Distributors Private Limited	-	0.00%	0.00%	-	0.00%	0.00%
Total	**18,301,528**	**92.14%**		**18,558,453**	**93.43%**	

Promoter name	As at Mar 31, 2023			As at Mar 31, 2022		
	No. of Shares	% of total share	% Change during the year	No. of Shares	% of total share	% Change during the year
1. Prem Devi Baid	707,135	3.56%	0.00%	707,135	4.45%	19.80%
2. Deepak Baid	3,163,345	15.93%	162.12%	1,206,823	7.59%	16.24%
3. Aneesha Baid	1,423,051	7.16%	136.13%	602,668	3.79%	14.78%
4. Vivan Baid Family Trust (Through Its Trustee Mr. Deepak Baid And Mrs.Aneesha Baid)	7,200	0.04%	0.00%	7,200	0.05%	0.00%
5. Hirak Vinimay Private Limited	10,874,842	54.75%	292.91%	2,767,795	17.42%	5.68%
6. Sulochana Sarees Private Limited	-	0.00%	-100.00%	2,176,434	13.70%	0.00%
7. Gatik Realcon Private Limited	-	0.00%	-100.00%	1,727,808	10.87%	27.75%
8. Deepak Hitech Motors Pvt Ltd	3,038,362	15.30%	55.70%	1,951,405	12.28%	8.26%
9. Starpoint Constructions Private Limited	-	0.00%	-100.00%	3,766,390	23.70%	8.62%
10. Prem Dealers Private Limited	540,157	2.72%	0.00%	540,157	3.40%	81.51%
11. Champalal Distributors Private Limited	-	0.00%	-100.00%	436,415	2.75%	0.00%
Total	**19,754,092**	**99.45%**		**15,890,230**	**100.00%**	

24 Other Equity

(₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Securities Premium	910.94	910.94	660.74	586.25
Retained Earnings	771.75	718.85	537.58	412.36
Impairment Reserve	7.70	7.70	7.70	4.57
Statutory Reserve u/s 45-IC of RBI Act, 1934	194.47	181.22	136.28	104.33
Total	**1,884.86**	**1,818.71**	**1,342.30**	**1,107.51**

Nature, Purpose and Movement of Reserves

(i) Securities Premium

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
At the beginning and end of the year	910.94	660.74	586.25	472.52
Add : Additions during the year	-	251.15	74.60	114.23
Less: Capital Expenditures	-	(0.95)	(0.12)	(0.50)
At the end of the year	**910.94**	**910.94**	**660.74**	**586.25**

(ii) Retained Earnings

Retained earnings or accumulated surplus represents total of all profits retained since the Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, or any such other appropriations to specific reserves as required by relevant INDAS or any other law.

(₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
At the beginning of the year	718.85	537.58	412.36	302.42
Add : Change in accounting policy or prior period error	-			(5.46)
Add : Profit/(Loss) for the year	66.26	224.69	159.71	146.52
Add: Other Comprehensive Income	(0.10)	1.52	0.58	(0.80)
Less: Capital Expenditures	-	-	-	-
Less: Transfer to Impairment Reserves	-	-	(3.13)	(0.55)
Less: Transfer to Statutory Reserves	(13.25)	(44.94)	(31.94)	(29.77)
At the end of the year	**771.75**	**718.85**	**537.58**	**412.36**

(iii) Statutory Reserve u/s 45-IC of RBI Act, 1934

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation

(₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
At the beginning of the year	181.22	136.28	104.33	74.57
Add : Additions during the year	13.25	44.94	31.94	29.77
At the end of the year	**194.47**	**181.22**	**136.28**	**104.33**

(iv) Impairement Reserve

Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs are required to appropriate the difference from their net profit or loss to a separate ‘Impairment Reserve’. The balance in the ‘Impairment Reserve’ cannot be reckoned for regulatory capital. Further, no withdrawals is permitted from this reserve without prior permission from the Department of Supervision, RBI.

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
At the beginning of the year	7.70	7.70	4.57	4.02
Add : Additions during the year		-	3.13	0.55
At the end of the year	**7.70**	**7.70**	**7.70**	**4.57**

25 Interest Income (Measured at Amortised Cost) **(₹ in Millions)**

Particulars	Quarter ended Jun 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Interest on Loans	469.96	1,453.52	1,093.85	790.39
Interest from Margin Money deposits/FDR's	13.22	55.59	22.45	16.76
Income from Securitisation	-	-	18.95	16.26
Income on Derecognised (assigned) Loans	(3.74)	138.74	112.97	129.38
Total Interest Income	**479.44**	**1,647.85**	**1,248.22**	**952.79**

26 Fees and Commission Income **(₹ in Millions)**

Particulars	Quarter ended Jun 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Income from Support Services	-	-	-	-
Other Operating Income	28.92	44.71	44.37	14.94
Total Income	**28.92**	**44.71**	**44.37**	**14.94**

27 Net Gain/(Loss) On Fair Value Changes **(₹ in Millions)**

Particulars	Quarter ended Jun 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Net gain/(loss) on financial instruments at fair value through profit and loss (FVTPL)				
investment at FVTPL	(3.06)	38.81	2.70	8.21
Total Net gain/(loss) on fair value changes	**(3.06)**	**38.81**	**2.70**	**8.21**
Analysis of fair value changes				
Realised Gain on Investments	-	5.72	2.94	7.89
Unrealised Gain on Investments	(3.06)	33.09	(0.24)	0.32
Total Net gain/(loss) on fair value changes	**(3.06)**	**38.81**	**2.70**	**8.21**

28 Other Income **(₹ in Millions)**

Particulars	Quarter ended Jun 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Income on Security deposits(rent)	0.01	0.03	0.01	0.01
Gain on Lease Liabilities	0.07	-	0.03	0.10
Gain/(Loss) on Disposal of Fixed Assets	-	1.69	0.44	0.40
Other Income from Infra	4.11	17.09	10.91	6.00
Total Other Income	**4.19**	**18.81**	**11.39**	**6.51**

29 Finance cost **(₹ in Millions)**

Particulars	Quarter ended Jun 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Interest on financial liabilities (measured at amortised cost)				
Borrowings	238.65	826.14	618.33	495.64
Lease liability	0.30	0.71	0.32	0.25
Co-lending transaction	0.17	0.81	1.14	0.20
Business Correspondence Transactions	-	-	-	-
Others				
Bank charges	1.37	5.73	4.70	3.05
Deferred Finance Expense	-	-	0.24	-
Loss on derecognition of Financial Liabilties	-	-	-	0.06
Interest under Income tax Act	-	0.10	-	0.94
Loan Processing charges	0.14	0.71	3.84	0.16
Total Finance cost	**240.63**	**834.20**	**628.57**	**500.30**

30 Impairment on financial instruments **(₹ in Millions)**

Particulars	Quarter ended Jun 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Loan Assets	9.94	9.63	18.96	(6.07)
Receivables on Assigned Loans(DA)	0.03	(1.19)	0.38	0.64
Financial Guarantee	-	-	(0.44)	0.40
Loan Assets Written off (net of recoveries)	4.48	10.31	(2.54)	10.78
Total Impairment on financial instruments	**14.45**	**18.75**	**16.36**	**5.75**

Loan Assets Written off (Net of recoveries) cover Bad bebts recovered sum of Rs..	(3.83)	(14.27)	(16.33)	(11.05)
Loan Assets Written off (Net of recoveries) cover Bad bebts sum of Rs..	8.31	24.58	13.79	21.83

31 **Employee Benefit Expense** **(₹ in Millions)**

Particulars	Quarter ended Jun 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Salary, Wages and Reimbursements	123.66	405.37	296.45	186.24
Contribution to Provident and other funds	5.27	17.81	12.23	5.82
Staff Welfare Expenses	0.68	4.44	4.89	1.52
Staff Conveyance Expenses	0.23	1.63	1.51	1.46
Gratuity	0.74	2.79	3.98	2.80
Total Employee Benefit Expenses	**130.58**	**432.04**	**319.06**	**197.84**

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 51

32 **Depreciation and amortisation expense** **(₹ in Millions)**

Particulars	Quarter ended Jun 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Depreciation on Property, Plant & Equipment	3.42	14.98	10.48	8.15
Amortisation on Intangible Assets	0.26	0.32	0.32	0.34
Total Depreciation and amortization expense	**3.68**	**15.30**	**10.80**	**8.49**

33 **Other Expenses** **(₹ in Millions)**

Particulars	Quarter ended Jun 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Rent, Rates and Taxes	4.84	19.41	15.03	10.39
Repair and Maintenance Expenditure	0.66	1.28	1.64	1.11
Printing & Stationery	2.12	6.29	2.46	1.67
Business/Sales Promotion Expenses	0.84	6.35	2.77	1.78
Rebate & Discount	0.00	0.01	0.23	0.00
Audit Fee (Refer Note 24.1 below)	0.27	1.30	1.30	1.45
Legal, Professional and Technical Charges	10.37	39.18	24.81	21.74
Postage, telegram & Telephone Expenditure	0.65	3.57	2.08	1.34
CSR Activities Expenses	-	3.83	3.42	2.95
Office & General Expense	1.47	11.77	10.81	4.50
Donations	0.05	1.00	-	0.00
Collection Expenses	1.96	5.52	10.47	4.70
Commission Expenses	0.01	0.00	1.29	1.02
Telecommunication Expenses	0.49	2.11	1.24	0.82

Vehicle Running & Maintenance Expenses	0.49	1.38	0.91	0.66
Interest on TDS	0.04	0.00	0.00	0.01
Electricity Charges & Water Charges	1.05	4.72	3.20	1.87
Tours & Travelling Expenses	3.15	15.81	10.41	5.59
RoC Filing Fees	0.01	0.06	0.11	0.19
Stamp Duty Expenses	0.05	0.21	0.87	0.69
Insurance	0.57	2.07	3.20	1.20
Staff Training & other HR Related Expenses	0.14	1.05	0.46	1.11
Software Technical and Maintenance Services	2.83	6.32	3.07	2.88
Membership Fees	0.05	0.03	0.10	0.06
Reversal of GST Input	-	13.65	10.14	5.97
Gst Block Paid	0.05	0.94	-	-
Security Service Expenses	0.09	0.45	-	-
Sitting Fees (To Directors)	0.36	2.29	0.92	0.20
Management fees and other exp on ARC pool	-	-	-	-
Miscellaneous Expenses	0.56	2.92	0.76	1.13
Total Other expenses	**33.17**	**153.52**	**111.70**	**75.03**

Rent expenses relate to the various short term leases accounted by applying practical expedient under Ind AS 116 - 'Leases'

(a) The Payment To Auditors includes:- **(₹ in Millions)**

Particulars	Quarter ended Jun 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Audit fees	2.00	6.00	6.00	7.00
Tax Audit Fees	-	0.50	0.50	0.50
Limited review & Certifications	-	6.50	6.50	7.00
Total	**2.00**	**13.00**	**13.00**	**14.50**

34 Earnings per Share (Ind AS 33) **(₹ in Millions)**

Particulars	Quarter ended Jun 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
(A) Basic Earnings per share				
(i) Profit attributable to equity shareholders (used as numerator) (₹ Millions)	66.26	224.69	159.71	146.52
(ii) Weighted average number of equity shares (used as denominator) (Nos.)(Nominal Value per share ₹ 10)	19.86	18.38	15.91	14.66
Basic EPS (i)/(ii)	**3.34**	**12.22**	**10.04**	**9.99**
(B) Diluted Earnings per share				
(i) Profit attributable to equity shareholders (used as numerator) (₹ Millions)	66.26	224.69	159.71	146.52
(ii) Weighted average number of equity shares (used as denominator) (Nos.)(Nominal Value per share ₹ 10)	19.86	19.86	15.92	14.66
Diluted EPS (i)/(ii)	**3.34**	**11.31**	**10.03**	**9.99**

35 Maturity Analysis at Jun 30, 2024 and Mar 31, 2024 and Mar 31, 2023 and Mar 31, 2022

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in Millions)

Particulars	As at Jun 30, 2024			As at Mar 31, 2024		
	Amount	within 12 month	after 12 month	Amount	within 12 month	after 12 month
I. ASSETS						
(1)Financial Assets						
(a) Cash and Cash Equivalents	929.19	929.19	-	422.70	422.70	-
(b) Bank balance other than Cash and cash equivalents	834.83	530.69	304.14	729.63	482.24	247.38
(c) Receivables	2.71	2.71	-	3.13	3.13	-
(d) Loans	9,025.52	2,605.11	6,420.41	8,152.39	2,236.41	5,915.97
(e) Investments	136.62	-	136.62	145.11	-	145.11
(f) Other Financial Asset	209.99	101.52	108.47	243.43	112.57	130.86
Total Financial Assets	**11,138.85**	**4,169.22**	**6,969.63**	**9,696.38**	**3,257.06**	**6,439.32**
(2)Non-financial Assets						
(a) Current tax Assets	18.98	18.98	-	21.58	21.58	-
(b) Deferred tax Assets (Net)	-	-	-	-	-	-
(c) Property, Plant and Equipment	100.50	-	100.50	100.48	-	100.48
(d) Property, Plant and Equipment under development	-	-	-	-	-	-
(e) Right of Use Assets	9.20	-	9.20	10.22	-	10.22
(f)Intangible Assets under development	0.23	-	0.23	0.76	-	0.76
(g) Other Intangible Assets	1.73	-	1.73	0.40	-	0.40
(h) Other non-financial assets	40.38	40.22	0.16	18.66	18.45	0.21
Total Non-financial Assets	**171.02**	**59.20**	**111.82**	**152.10**	**40.03**	**112.07**
Total Assets	**11,309.87**	**4,228.42**	**7,081.45**	**9,848.49**	**3,297.09**	**6,551.39**
II. LIABILITIES AND EQUITY						
Liabilities						
(1) Financial Liabilities						
(a) Trade Payables	28.42	28.42	-	24.05	24.05	-
(b) Debt Securities	347.04	147.04	200.00	50.02	0.02	50.00
(c)Borrowings (Other than Debt Securities)	8,633.58	3,086.31	5,547.27	7,537.39	2,474.82	5,062.57
(d) Subordinated Liabilities	79.36	0.07	79.29	79.36	0.09	79.26
(e)Other Financial Liabilities	53.33	53.33	-	61.76	61.76	-
Total Financial Liabilities	**9,141.74**	**3,315.18**	**5,826.56**	**7,752.57**	**2,560.74**	**5,191.83**
(2)Non- Financial Liabilities						
(a) Current Tax Liabilities	33.51	33.51	-	0.64	0.64	-
(b) Provisions	12.08	0.05	12.03	11.36	0.08	11.28
(c) Deferred Tax Liabilities (Net)	26.13		26.13	49.72	-	49.72
(d) Other non-financial liabilities	12.93	12.93	-	16.85	16.85	-
Total Non- Financial Liabilities	**84.65**	**46.49**	**38.16**	**78.57**	**17.57**	**61.00**
Total liabilities	**9,226.39**	**3,361.66**	**5,864.72**	**7,831.15**	**2,578.31**	**5,252.84**
(3) Equity						
(a) Equity Share capital	198.63	-	198.63	198.63	-	198.63
(b) Other Equity	1,884.86	-	1,884.86	1,818.71	-	1,818.71
Total Equity	**2,083.49**	**-**	**2,083.49**	**2,017.34**	**-**	**2,017.34**
Total Equity and Liabilities	**11,309.88**	**3,361.66**	**7,948.21**	**9,848.49**	**2,578.31**	**7,270.17**

(₹ in Millions)

Particulars	As at Mar 31, 2023			As at Mar 31, 2022		
	Amount	within 12 month	after 12 month	Amount	within 12 month	after 12 month
I. ASSETS						
(1)Financial Assets						
(a) Cash and Cash Equivalents	952.84	952.84	-	468.80	468.80	-
(b) Bank balance other than Cash and cash equivalents	737.93	632.47	105.46	160.61	61.07	99.54
(c) Receivables	0.70	0.70	-	-		-
(d) Loans	5,682.11	1,984.35	3,697.75	4,454.51	1,308.41	3,146.11
(e) Investments	76.66	-	76.66	203.47	203.47	-
(f) Other Financial Asset	203.17	86.02	117.15	210.30	92.40	117.90
Total Financial Asset	**7,653.42**	**3,656.39**	**3,997.03**	**5,497.70**	**2,134.14**	**3,363.55**
(2)Non-financial Assets						
(a) Current tax Assets	18.38	18.38		15.70	15.70	-
(b) Deferred tax Assets (Net)	-	-	-	-		-
(c) Property, Plant and Equipment	97.40	-	97.40	59.18	-	59.18
(d) Property, Plant and Equipment under development	-	-	-	-	-	-
(e) Right of Use Assets	3.44	-	3.44	1.14	-	1.14
(f)Intangible Assets under development	(0.00)	-	(0.00)	-	-	-
(g) Other Intangible Assets	0.36	-	0.36	0.36	-	0.36
(h) Other non-financial assets	14.09	13.91	0.18	10.24	10.00	0.24
Total Non-financial Assets	**133.67**	**32.29**	**101.38**	**86.62**	**25.70**	**60.92**
Total Assets	**7,787.09**	**3,688.68**	**4,098.41**	**5,584.32**	**2,159.84**	**3,424.47**
II. LIABILITIES AND EQUITY						
Liabilities						
(1) Financial Liabilities						
(a) Trade Payables	11.58	11.58	-	16.41	16.41	-
(b) Debt Securities	231.74	181.74	50.00	287.89	155.56	132.32
(c)Borrowings (Other than Debt Securities)	5,923.13	2,393.71	3,529.42	3,825.67	1,484.51	2,341.16
(d) Subordinated Liabilities	-	-	-	-	-	-
(e)Other Financial Liabilities	32.80	32.80	-	157.53	157.53	-
Total Financial Liabilities	**6,199.25**	**2,619.83**	**3,579.42**	**4,287.50**	**1,814.01**	**2,473.49**
(2)Non- Financial Liabilities						
(a) Current Tax Liabilities	0.64	0.64	-	0.64	0.64	-
(b) Provisions	11.29	0.70	10.59	8.57	1.19	7.38
(c) Deferred Tax Liabilities (Net)	38.81	-	38.81	13.84	-	13.84
(d) Other non-financial liabilities	11.62	11.62	-	7.35	7.35	-
Total Non- Financial Liabilities	**62.36**	**12.96**	**49.40**	**30.40**	**9.18**	**21.22**
Total Liabilities	**6,261.61**	**2,632.79**	**3,628.82**	**4,317.90**	**1,823.19**	**2,494.71**
(3) EQUITY						
(a) Equity Share capital	183.17	-	183.17	158.90	-	158.90
(b) Other Equity	1,342.30	-	1,342.30	1,107.51	-	1,107.51
Total Equity	**1,525.47**	**-**	**1,525.47**	**1,266.41**	**-**	**1,266.41**
Total Equity and Liabilities	**7,787.08**	**2,632.79**	**5,154.29**	**5,584.31**	**1,823.19**	**3,761.12**

36 The Company has not traded or invested in Crypto currency or Virtual Currency during the period/ Year ended June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.

37 The Company held no Benami Property during the period/ Year ended June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.

38 The company has no transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. during the period/ Year ended June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.

39 There are no charges or satisfaction yet to be registered with ROC beyond the statutory period during the period/ Year ended June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.

40 Non Compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 : Not Applicable.

41 Disclosure in regard to Compliance with approved Scheme(s) of Arrangements : Not Applicable

42 **Utilisation of Borrowed funds and share premium:**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

43 There is no any transactions which are not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

44 **Disclosure as per Ind AS 7 "Cash Flow Statement"**
Cash and non-cash changes in liabilities arising from financing activities:

Quarter ended June 30, 2024 **(₹ in Millions)**

Particulars	Subordinated Liabilities	Unsecured Term Loan	Lease Liabilites	Secured Term Loans	Non Convertible Debentures	Other Loans	Total
As at Apr 1, 2024	**79.36**	**95.40**	**10.41**	**7,361.06**	**50.02**	**75.51**	**7,671.75**
Cash Flows							-
Receipts/Payments	0.01	(7.03)	(0.45)	1,179.00	297.02	(75.51)	1,393.04
Non-cash changes							-
Creation of lease liabilities			(0.47)				(0.47)
Amortisation of Processing Fees							-
As at Jun 30, 2024	**79.36**	**88.36**	**9.49**	**8,540.06**	**347.04**	**-**	**9,064.32**

Year ended Mar 31, 2024 **(₹ in Millions)**

Particulars	Subordinated Liabilities	Unsecured Term Loan	Lease Liabilites	Secured Term Loans	Non Convertible Debentures	Other Loans	Total
As at Apr 1, 2023	**-**	**-**	**3.55**	**5,894.47**	**231.74**	**19.80**	**6,149.56**
Cash Flows							-
Receipts/Payments	79.36	95.40	(1.48)	1,466.60	(181.72)	55.71	1,513.85
Non-cash changes							-
Creation of lease liabilities			8.35				8.35
Amortisation of Processing Fees							-
As at Mar 31, 2024	**79.36**	**95.40**	**10.41**	**7,361.06**	**50.02**	**75.51**	**7,671.75**

Year ended Mar 31, 2023 **(₹ in Millions)**

Particulars	Subordinated Liabilities	Unsecured Term Loan	Lease Liabilites	Secured Term Loans	Non Convertible Debentures	Other Loans	Total
As at Apr 1, 2022	**-**	**54.36**	**1.19**	**3,733.16**	**287.89**	**29.96**	**4,106.57**
Cash Flows							**-**
Receipts/Payments	-	(54.36)	(1.01)	2,161.31	(56.14)	(10.16)	2,039.62
Non-cash changes							-
Creation of lease liabilities			3.37				3.37
Amortisation of Processing Fees							-
As at Mar 31, 2023	**-**	**-**	**3.55**	**5,894.47**	**231.74**	**19.80**	**6,149.56**
	-	**-**	**0.00**	**-**	**-**	**-**	**-**

Year ended Mar 31, 2022 **(₹ in Millions)**

Particulars	Subordinated Liabilities	Unsecured Term Loan	Lease Liabilites	Secured Term Loans	Non Convertible Debentures	Other Loans	Total
As at Apr 1, 2021	**-**	**75.70**	**1.82**	**3,428.58**	**392.63**	**-**	**3,898.72**
Cash Flows							-
Receipts/Payments	-	(21.33)	(1.04)	304.59	(104.74)	29.96	207.44
Non-cash changes							-
Creation of lease liabilities			0.41				0.41
Amortisation of Processing Fees							-
As at Mar 31, 2022	**-**	**54.36**	**1.19**	**3,733.16**	**287.89**	**29.96**	**4,106.57**

45 **Disclosure as per Ind AS 12: Income Taxes**

Income Tax Expense

(i)Income Tax recognized in the statement of profit and loss

(₹ in Millions)

Particulars	**Quarter ended June 30, 2024**	**Year ended Mar 31, 2024**	**Year ended Mar 31, 2023**	**Year ended Mar 31, 2022**
Current Tax expense				
Current Year	44.28	60.95	35.47	26.50
Adjustment for earlier years	-	0.33	0.24	(0.64)
Total current Tax Expense	**44.28**	**61.28**	**35.71**	**25.85**
Deferred Tax Expense				
Origination and reversal of temporary differences	(23.56)	10.40	24.77	22.67
Origination and reversal of carried forward losses	-	-	-	-
Total Deferred Tax Expense	**(23.56)**	**10.40**	**24.77**	**22.67**
Total Income Tax Expense	**20.72**	**71.69**	**60.49**	**48.53**

(ii)Income Tax recognized in other comprehensive income

(₹ in Millions)

Particulars	**Quarter ended June 30, 2024**	**Year ended Mar 31, 2024**	**Year ended Mar 31, 2023**	**Year ended Mar 31, 2022**
Net actuarial gains/(losses) on defined benefit plans				
Before Tax	(0.13)	2.04	0.77	(1.07)
Tax expense / (benefit) recognized in OCI	0.03	(0.51)	(0.19)	0.27
Net of Tax	(0.10)	1.52	0.58	(0.80)

(iii)Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

(₹ in Millions)

Particulars	**Quarter ended June 30, 2024**	**Year ended Mar 31, 2024**	**Year ended Mar 31, 2023**	**Year ended Mar 31, 2022**
Profit before tax	86.98	296.37	220.19	195.04
Applicable Tax Rate	25.17%	25.17%	25.17%	25.17%
Computed tax expense	**21.89**	**74.59**	**55.42**	**49.09**
Earlier Year tax	**-**	**0.33**	**0.24**	**(0.64)**
Add/(less) : Non-deductible expenses for tax purposes				
Interest under Income tax Act	0.01	0.26	0.01	2.40
Donation	0.01	2.52	-	0.00
CSR Expenses	-	9.64	8.60	7.42
Tax effect of expenses that are deductible for tax purposes	(0.03)	(74.96)	(49.99)	(23.27)
Others	(1.17)	59.31	46.21	13.52
Tax as per Statement of Profit & Loss	**20.72**	**71.68**	**60.48**	**48.52**

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.

(iv)Movement Deferred Tax Balances

(₹ in Millions)

Particulars	Quarter ended June 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Deferred Tax Asset:				
Depreciation and Amortisation	2.19	2.25	2.02	1.94
Provision for Employee benefits	3.03	2.84	2.67	1.86
Expected Credit Loss (ECL)	13.29	9.57	10.28	16.18
Lease Liability	2.39	2.62	0.89	0.30
Effect of change in accounting policy/Correction of errors	8.06	8.30	0.23	1.47
Unamortised Processing Fees on Financial Instruments	7.92	-	-	-
Total(A)	**36.88**	**25.58**	**16.09**	**21.75**
Deferred Tax Liability:				
Interest receivable on direct assignments	51.04	59.66	49.82	35.22
Right of Use Asset	2.32	2.57	0.87	0.29
Unrealised Gain on Investments	7.58	8.35	0.02	0.08
Effect of ARC(Securtisation)	2.08	4.72	4.19	-
(B)	**63.01**	**75.31**	**54.90**	**35.59**
Net Deferred Tax (Assets)/Liabilities (B) - (A)	**(26.13)**	**(49.72)**	**(38.81)**	**(13.84)**

(₹ in Millions)

Deferred tax balance (Asset)/Liability in relation to	Quarter ended June 30, 2024	Movement during the period	Year ended Mar 31, 2024	Movement during the period	Year ended Mar 31, 2023
(A) Recognised through:Profit & Loss					
Depreciation and Amortisation	(2.19)	0.06	(2.25)	(0.23)	(2.02)
Provision for Employee benefits	(3.03)	(0.15)	(2.84)	(0.69)	(2.67)
Expected Credit Loss (ECL)	(13.29)	(3.73)	(9.57)	0.71	(10.28)
Lease Liability	(2.39)	0.23	(2.62)	(1.73)	(0.89)
Effect of change in accounting policy/Correction of errors	(8.06)	0.24	(8.30)	(8.07)	(0.23)
Unamortised Processing Fees on Financial Instruments	(7.92)	(7.92)	-	-	-
Interest receivable on direct assignments	51.04	(8.62)	59.66	9.85	49.82
Right of Use Asset	2.32	(0.26)	2.57	1.70	0.87
Unrealised Gain on Investments	7.58	(0.77)	8.35	8.33	0.02
Effect of ARC(Securtisation)	2.08	(2.64)	4.72	0.53	4.19
Tota (A)	**26.13**	**(23.56)**	**49.72**	**10.40**	**38.81**
(B) Recognised through: OCI					
Provision for Employee benefits	-	(0.03)	-	0.51	-
Total (B)	**-**	**(0.03)**	**-**	**0.51**	**-**
Total (A+B)		**(23.59)**		**10.92**	

Deferred tax balance (Asset)/Liability in relation to	Year ended Mar 31, 2023	Movement during the period	Year ended Mar 31, 2022	Movement during the period	Year ended Mar 31, 2021
(A) Recognised through:Profit & Loss					
Depreciation and Amortisation	(2.02)	(0.08)	(1.94)	(0.10)	(1.85)
Provision for Employee benefits	(2.67)	(1.00)	(1.86)	(0.70)	(0.88)
Expected Credit Loss (ECL)	(10.28)	5.90	(16.18)	0.56	(16.74)
Lease Liability	(0.89)	(0.59)	(0.30)	0.16	(0.46)
Effect of change in accounting policy/Correction of errors	(0.23)	1.24	(1.47)	(0.18)	(1.29)
Unamortised Processing Fees on Financial Instruments	-	-	-	-	-
Bonus Payable	-	-	-	0.61	(0.61)
Impairment Reserve	-	-	-	1.01	(1.01)
Interest receivable on direct assignments	49.82	14.60	35.22	21.38	13.84
Right of Use Asset	0.87	0.58	0.29	(0.15)	0.44
Unrealised Gain on Investments	0.02	(0.06)	0.08	0.08	-
Effect of ARC(Securtisation)	4.19	4.19	-	-	-
Tota (A)	**38.81**	**24.77**	**13.84**	**22.67**	**(8.57)**
(B) Recognised through: OCI					
Provision for Employee benefits	-	0.19	-	(0.27)	-
Total (B)	**-**	**0.19**	**-**	**(0.27)**	-
Total (A+B)		**24.97**		**22.40**	**(8.57)**

46 Corporate Social Responsibiltiy

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the period/year are as under:

(₹ in Millions)

Particulars	Quarter ended June 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
A. Amount required to be spent during the perior/year	**4.61**	**3.83**	**3.41**	**2.95**
B. Amount spent during the period/ year on:	-	3.62	3.66	
a) Construction/Acquisition of any asset	-	-	-	-
b) On purposes other than (a) above	-	3.62	3.66	2.12
C. Total adjusted from previous year excess CSR	-	0.21		
D. Shortfall for the period/ year, in any in Amount required to be spent net of Amount spent	-	-	-	0.83
E. Provision made for shortfall during the period/year	-	-	-	0.83
F. Total of Previous Year Shortfalls	-	-	0.83	-
G. Total Spend from Previous year Provision	-	-	0.83	-
H. Total Provision for Unspent CSR	-	-	-	0.83

46.1 Pursuant to Section 135 (5) & (6) of companies act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the shortfall/excess computation needs to be done at the annual accounts stage. Details of related party transactions in relation to CSR expenditure as per Ind AS 24, related party disclosures refer note 48.

The Company has undertaken CSR activities as per schedule VII of the Companies Act, 2013.

46.2 Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the Year : Not Applicable

47 Disclosure as per Ind AS 37: Provisions, Contingent Liabilities, Contingent Assets

(₹ in Millions)

Particulars	**Note**	**Quarter ended June 30, 2024**	**Year ended Mar 31, 2024**	**Year ended Mar 31, 2023**	**Year ended Mar 31, 2022**
A. Contingent Liabilities					
(i) Claims against the company not acknowledged as debt					
Probable GST Liability related to Corporate guarantee issued/taken	**(b)**	1.90	-	-	-
(ii) Guarantees					
Corporate Guarantee					40.00
		1.90	**-**	**-**	**40.00**
B. Capital and other Commitments					
Others					
The Company's capital commitments towards partially disbursed loans	**(c')**	73.66	150.49	178.57	290.04
		73.66	**150.49**	**178.57**	**290.04**

Notes-

(a) Further the company has admitted the partial demand which remained for FY 2012-13 after considering the ITAT pronouncement. Accordingly, tax expense amounting to Rs. 1.14 Millions admitted and shown as Earlier Year Taxes in Statement of Profit and Loss during previous financial year.

(b) As at cut off dates no show cause notice or demand notice was received regarding probable GST liability so the same has been considered as contigent liability.

(c) During the year the company has sanctioned loans to various customers. Some loan are partially disbursed and required to be fully disbursed if all basic requirements get fullfilled by the counterparty

48 Disclosure as per Ind AS 24: Related Parties

(A) Name of Related parties and nature of relationship

(a) Holding Company / Associate company

Hirak Vinimay Private Limited (w.e.f FY 2022-2023)	Holding more than 50% voting power
Starpoint construction Private Limited (Till FY 2021-22) (Associate company)	Holding more than 20% voting power

(b)Directors and Key Management Personnel

1. Deepak Baid	Managing Director
2. Aneesha Baid	Whole time Director
3. Prem Devi Baid	Whole time Director
4. Surendra Mehta	Non-executive Independent Director
5.Kishore Kumar Sansi	Non-executive Independent Director
6.Anil B Patwardhan	Non-executive Independent Director
7. Yaduvendra mathur	Non-executive Independent Director
8. Sourabh Mishra	Company Secretary
* Gajendra S Shekhawat has resigned from Company Secretary w.e.f Oct 21,2023	
9. Piyush Somani	Chief Financial Officer till 29-02-2024
10. Gopal Krishan Sain	Chief Financial Officer w.e.f 01-03-2024

(c)Enterprises in which Key Management Person and their Relatives are interested

Dreamland Buildmart Private Limited	Deepak Baid and Prem Devi Baid is Director
Deepak Hitech Motors Private Limited	Deepak Baid and Prem Devi Baid is Director
Prem Dealers Private Limited	Prem Devi Baid is Director
Champalal Distributors Private Limited	Prem Devi Baid is Major Shareholder
Deepak Baid- HUF	Deepak Baid is karta
Tejkaran Baid & Sons HUF	Deepak Baid is karta
Piyush Somani HUF	Piyush Somani is karta

(d) Entities controlled or jointly controlled by individual having significant influence or their relatives

Tejkaran Foundation	CSR Trust

(B) Transaction with the above related parties (₹ in Millions)

Particulars	Quarter ended June 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Director Remuneration				
Deepak Baid	6.90	28.75	27.60	24.00
Aneesha Baid	4.31	17.97	17.25	15.00
Prem Devi Baid	3.45	14.38	12.46	8.73
Sitting Fees				
Anil B Patwardhan	0.09	0.69	0.52	0.20
Yaduvendra Mathur	0.00	0.52	0.40	-
Mr. Kishore Kumar Sansi	0.09	0.42	-	-
Mr. Surendra Mehta	0.15	0.66	-	-
Salary, Allowances & Bonus				
Piyush Somani	-	3.98	3.39	2.75
Gopal Krishan Sain	1.40	0.22	-	-
Neha Somani	-	-	-	1.39
Anurag Jain	-	-	-	0.29
Gajendra S Shekhawat	-	0.64	0.82	0.51
Sourabh Mishra	0.45	0.29	-	-
Legal & Professional Fees	-	-	-	-
Rent paid to				
Aneesha Baid	0.15	0.46	0.16	0.43
Deepak Baid	0.13	0.47	2.61	2.23
Prem Devi Baid	0.25	0.76	0.32	0.29
Unsecured Loan from	-	-	-	-
Aneesha Baid	-	-	-	41.24
Deepak Baid	-	-	8.00	307.55
Deepak Baid HUF	-	-	-	-
Prem Devi Baid	-	-	-	79.62
Tejkaran Baid & Sons HUF	-	-	-	0.10
Champalal Distributors Private Limited	-	-	-	-
Deepak Hitech Motors Private Limited	-	-	-	5.00
Prem Dealers Private Limtied	-	-	-	7.50
Starpoint Constructions Private Limited(Associate)	-	-	-	12.20
Purchase of Fixed Assets (Immovable Property)	-	-	-	-
Deepak Baid	-	-	30.00	-
Loan Repaid	-	-	-	-
Aneesha Baid	-	-	7.08	47.72
Deepak Baid	-	-	36.94	312.24
Deepak Baid HUF	-	-	-	2.09
Prem Devi Baid	-	-	11.57	103.92
Tejkaran Baid & Sons HUF	-	-	-	1.44
Champalal Distributors Private Limited	-	-	-	-
Deepak Hitech Motors Private Limited	-	-	-	5.00
Prem Dealers Private Limtied	-	-	-	7.60
Starpoint Constructions Private Limited (Associate)	-	-	-	12.56

Interest on loan(expenses)	-	-	-	-
Aneesha Baid	-	-	0.18	1.88
Deepak Baid	-	-	0.30	3.96
Deepak Baid-HUF	-	-	-	0.10
Prem Devi Baid	-	-	0.24	4.06
Tejkaran Baid & Sons-HUF	-	-	-	0.10
Champalal Distributors Private Limited	-	-	-	-
Deepak Hitech Motors Private Limited	-	-	-	-
Prem Dealers Private Limtied	-	-	-	0.10
Starpoint Constructions Private Limited (Associate)	-	-	-	0.36
Advances to staff	-	-	-	-
Aneesha Baid	-	-	-	-
Deepak Baid	-	-	-	-
Prem Devi Baid	-	-	-	-
Sourabh Mishra	-	0.40	-	-
Advances to staff Repaid	-	-	-	-
Aneesha Baid	-	-	-	-
Deepak Baid	-	-	-	-
Prem Devi Baid	-	-	-	-
Sourabh Mishra	0.05	0.05	-	-
Interest on Advances to staff(income)	-	-	-	-
Aneesha Baid	-	-	-	-
Deepak Baid	-	-	-	-
Prem Devi Baid	-	-	-	-
Sourabh Mishra	-	-	-	-
Advance for CSR Expenses	-	-	-	-
Tejkaran Foundation	1.00	-	-	-

Note 1.In addition to above Mr Deepak Baid, Mrs. Aneesha Baid and Mrs. Prem Devi Baid have given their personal guarantee in various loans obtained by Laxmi India Finance Limited. Deepak Hitech Motors Pvt Ltd, Hirak Vinimay Private Limited, Prem Dealers Private Limited and Dremland Buildmart Pvt Ltd have also given their corporate guarantee in various loans obtained by the company.

Note-2 During the financialyear 2021-22, the company has extended its corporate guarantee to NM Financiers Private Limited for Rs. 20 Million and Jain Autofin Private Limited for Rs. 20 Million towards borrowings taken by Starpoint Constructions Private Limited which is not continue in FY 2022-23, FY 2023-24 and FY 2024-25.

(c) Maximum Outstanding Balances of the above related parties - Receivable/(Payable) **(₹ in Millions)**

Particulars		Max O/S at year ended June 30,2024	Max O/S at year ended march 31,2024	Max O/S at year ended march 31,2023	Max O/S at year ended march 31,2022
Unsecured Loan					
Aneesha Baid		-	-	6.90	24.01
Deepak Baid		-	-	28.63	65.07
Deepak Baid HUF		-	-	-	1.99
Prem Devi Baid		-	-	11.33	36.82
Tejkaran Baid & sons HUF		-	-	-	1.34
Deepak Hitech Motors Private Limited		-	-	-	5.00
Prem Dealers Private Limited		-	-	-	7.50
Starpoint Constructions Private Limited (Associate)		-	-	-	12.20
Advances to Staff					
Aneesha Baid		-	-		
Deepak Baid		-	-		
Prem Devi Baid		-	-		
Sourabh Mishra		0.36	0.40	-	

(d)Outstanding Balances of the above related parties - Receivable/(Payable) **(₹ in Millions)**

Particulars		Quarter ended June 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Unsecured Loan					
Aneesha Baid		-	-	-	6.90
Deepak Baid		-	-	-	28.63
Deepak Baid HUF		-	-	-	-
Prem Devi Baid		-	-	-	11.33
Tejkaran Baid & sons HUF		-	-	-	-
Deepak Hitech Motors Private Limited		-	-	-	-
Prem Dealers Private Limited		-	-	-	-
Starpoint Constructions Private Limited (Associate)		-	-	-	-
Advances to Staff					
Aneesha Baid		-	-	-	-
Deepak Baid		-	-	-	-
Prem Devi Baid		-	-	-	-
Sourabh Mishra		0.31	0.36	-	-

(D) Compensation of KMP **(₹ in Millions)**

Particulars	Quarter ended June 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Short Term Employee Benefits	16.51	66.22	61.51	52.67
Post-employment benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payment	-	-	-	-
Total	**16.51**	**66.22**	**61.51**	**52.67**

Remuneration does not include provision for gratuity and leave encashment and other defined benefits which are provided based on actuarial valuation on an overall Company basis.

(E) Personal guarantees provided by directors

Details of personal gurantees given by the directors for borrowings as at Quarter ended June 30, 2024 ,March 31, 2024, March 31, 2023 and March 31, 2022 is stated under notes no 16, 17 and 98.

(F) Terms and Conditions of transactions with related parties

All transactions with these related parties are priced on an arm's length basis. Outstanding amount as at the end of the year are unsecured and to be settled in cash.

49 Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

1. repayable on demand
2.without specifing any terms or period of repayment

Type of Borrower		Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances
Promoter		Nil	Nil
Directors		Nil	Nil
KMPs		Nil	Nil
Related Parties as per Sec 2(76) of Companies Act, 2013 except above		Nil	Nil

Intra-group exposures-Company has no any intra- Group exposures during the period/year

50 Disclosure as per Ind AS 116: Leases

The company lease primarily consist of leases for office premises. These agreements are generally renewable on mutually agreed terms.

The average borrowing rate applied to lease liabilities during Quarter ended June 30, 2024 is 12.40%, during 2023-24 is 12.40%, during 2022-23 is 13.31 %and during FY2021-22 is12.50 %

Practical Expedients applied:

1. The company has elected not to apply the recognition, measurement and presentation requirements of the standard to all short term leases (leases which have a lease term of 12 months or less and do not contain a purchase option), and to leases of low value assets on a lease-by-lease basis.
2. The company has elected not to separate non-lease components from lease components, and account for the whole contract as a single lease component, in case of vehicles taken on lease.

Leases **(₹ in Millions)**

Particulars	**Quarter ended June 30, 2024**	**Year ended Mar 31, 2024**	**Year ended Mar 31, 2023**	**Year ended Mar 31, 2022**
(i) Movement of ROU Asset				
Balance at beginning of the year	10.23	3.45	1.14	1.75
Additions	-	8.62	3.82	1.90
Deletions	(0.41)	-	(0.37)	(1.40)
Gross Carrying value of asset				
Less:Depreciation of ROU Assets	(0.61)	(1.84)	(1.14)	(1.12)
Net carrying value/Balance at end of the year	**9.21**	**10.23**	**3.45**	**1.14**
(ii) Movement of Lease Liabilities				
Balance at beginning of the year	10.41	3.55	1.19	1.82
Additions	-	8.35	3.77	1.89
Finance cost accrued during the period	0.30	0.71	0.32	0.25
Deletions	(0.47)	-	(0.40)	(1.48)
Paid/ payable lease liabilities	(0.75)	(2.19)	(1.33)	(1.29)
Balance at end of the year	**9.49**	**10.41**	**3.55**	**1.19**

(iii) Maturity Analysis of Lease Liability				
Contractual undiscounted cashflows:				
Less than one year	2.91	2.92	1.46	0.71
One to five years	8.15	8.60	2.62	0.63
More than five years	3.50	3.83	-	-
Total undiscounted lease liability	**14.56**	**15.35**	**4.08**	**1.34**
(iv)Lease liabilities included in the statement of financial position(p&l)				
(v) Amount Recognised in Profit and Loss				
Interest on lease liabilities	0.30	0.71	0.32	0.25
Depreciation of ROU Assets	0.61	1.84	1.14	1.12
Expenses related to short term leases	4.83	19.36	15.02	10.25
Total expense booked in p&l	**5.73**	**21.91**	**16.48**	**11.61**

51 Disclosure as per Ind AS 19 ' Employee Benefits'

A) Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.During the year company has recognised the following amounts in the statement of profit and loss account:

(₹ in Millions)

Particulars	**Quarter ended June 30, 2024**	**Year ended Mar 31, 2024**	**Year ended Mar 31, 2023**	**Year ended Mar 31, 2022**
Contributions to				
Provident fund	3.90	13.03	8.54	3.98
Employee state insurance	1.36	4.77	3.69	1.84
Employer labour Welfare fund	0.01	0.01	-	-
Total	**5.27**	**17.81**	**12.23**	**5.82**

B) Defined Benefit plan - Gratuity

The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation is actuarially determined based on the projected unit credit method as at Restated Financial Statements dates.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognized in the company's Restated Financial Statements as at statements date:

(₹ in Millions)

Particulars	Quarter ended June 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
(i) Change in defined benefit obligation				
Defined benefit obligation, beginning of the year	11.29	10.59	7.38	3.52
Current service cost	0.55	2.02	3.52	2.56
Interest cost	0.19	0.77	0.46	0.23
Past service cost	-	-	-	-
Benefits paid	(0.13)	(0.06)	-	-
Acturial (gains)/losses	0.13	(2.04)	(0.77)	1.07
Defined benefit obligation, end of the year	**12.03**	**11.29**	**10.59**	**7.38**
(ii) Net Liability/(Asset) recognized in the Balance Sheet				
Present value of defined benefit obligation	12.03	11.28	10.59	7.38
Fair value of plan assets			-	-
Net liability	**12.03**	**11.28**	**10.59**	**7.38**
(iii) Expenses recognized in Statement of Profit or Loss				
Current service cost	0.55	2.02	3.52	2.56
Past Service cost	-	-	-	-
Interest cost	0.19	0.77	0.46	0.23
Total Expense recognised in statement of profit or loss	**0.74**	**2.79**	**3.98**	**2.80**
(iv) Remeasurements recognized in other comprehensive income(OCI)				
Changes in demographic assumptions	-	(3.37)	(0.32)	(1.42)
Changes in financial assumptions	(0.74)	1.64	(0.60)	0.29
Experience adjustments	0.87	(0.31)	0.16	2.19
Total Acturial (Gain) / Loss recognised in OCI	**0.13**	**(2.04)**	**(0.77)**	**1.07**
(v) Maturity Profile of Defined Benefit Obligation				
Year 1	3.31	2.93	1.38	0.02
Year 2	2.33	2.10	1.33	0.02
Year 3	2.00	1.79	1.67	1.12
Year 4	1.77	1.59	2.09	1.51
Year 5	1.48	1.45	2.92	1.98
Next 5 years	3.35	3.54	24.63	9.61
(vi) Sensitivity Analysis for significant assumptions*				
Increase/(Decrease) on present value of defined benefits obligation at the end of the year				
1% increase in salary escalation rate	0.25	0.27	0.55	0.51
1% decrease in salary escalation rate	(0.24)	(0.26)	(0.60)	(0.51)
1% increase in discount rate	(0.31)	(0.33)	(0.61)	(0.53)
1% decrease in discount rate	0.29	0.31	0.57	0.54

(vii) Acturial Assumptions				
Discount rate (p.a)	6.86%	6.94%	7.27%	6.30%
Salary Escalation Rate (p.a.)	9.00%	12.00%	10.00%	10.00%
Retirement age	60 years	60 years	60 years	60 years
Mortality (Including provision for disability)	100% of IALM 12-14	100% of IALM 12-14	IALM (2012-14) Table Ultimate	IALM (2012-14) Table Ultimate
Attrition Rate	Varies between 30% p.a to 40% p.a. depending upon duration and age of the employees	Varies between 30% p.a to 40% p.a. depending upon duration and age of the employees	Varies between 15% p.a to 19% p.a. depending upon duration and age of the employees	Varies between 13.64% p.a to 16.84% p.a. depending upon duration and age of the employees

* These Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

According to the company policy , leave balances are not carried forward to next years and any balance of leave outstanding as at year end is lapsed, therefore there is no provision for leave encashment for the period/year

Provision of a defined benefit scheme poses certain risks as companies take on uncertain long term obligations to make future pension payments as follows:

Liability Risk

a) Asset-Liability Mismatch Risk- Risk if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b) Discount Rate Risk-Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

c) Future Salary Escalation and Inflation Risk - Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to estimation uncertainties increasing this risk.

Unfunded Plan Risk

a) This represents unmanaged risk and a growing liability. There is an inherent risk here that the company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility from the balance sheet and better manages defined benefit risk through increased returns

52 Transfer Of Financial Assets

52.1 **Transfer of financial assets that do not result in derecognition:**

Securitisation :

During FY 2018-19, the Company had transferred its receivables through securitisation agreement with a first loss dafault guarantee (FLDC) . The company has also agreed to provide servicing assistance to the transferee pursuant to the terms of servicing agreement. During FY 22-23 Securitisation transaction had been closed

During the period/year June 30,2024, March 31, 2024, March 31, 2023, March 31, 2022 the company has not entered into securitisation transactions for other than stressed asset.

52.2 **Transfer of financial assets that are derecognised:**
Assignment Deal:

After Date of Transition to Ind AS i.e Apr 1, 2019 ,the Company has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been decognised from the Company's balance sheet.
The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan, the Company business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition, per type of asset.

(₹ in Millions)

Particulars	**As at Jun 30, 2024**	**As at Mar 31, 2024**	**As at Mar 31, 2023**	**As at Mar 31, 2022**
Carrying value of derecognised financial asset	Nil	576.97	478.57	574.28
Gain from derecognition	Nil	151.87	121.46	136.55

Details of assignment transactions

Particulars	**As at Jun 30, 2024**	**As at Mar 31, 2024**	**As at Mar 31, 2023**	**As at Mar 31, 2022**
i) No. of Accounts	Nil	1572	1422	1316
ii) Aggregate value of accounts sold (Rs. In Millions)	Nil	641.08	531.75	638.09
iii) Aggregate consideration	Nil	576.97	478.57	574.28
iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	-	0	0
v) Aggregate gain / loss over net book value	Nil	138.74	112.97	129.38

53 Disclosure as per Ind AS-107 'Financial Instruments'

Financial Risk Managment

The Company's Principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations. At the other hand company's Principal financial assets include loans and cash and cash equivalents that derive directly from its operations.
As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. The Company's risk governance structure operates with a robust board and risk management committee with a clearly laid down charter and senior management direction and oversight. The board oversees the risk management process and monitors the risk profile of the company directly as well as through its sub committees including the Audit Committee, the Asset Liability Supervisory Committee and the Risk Management Committee. The key risks faced by the company are liquidity risk, credit risk, Concentration risk, market risk, interest rate risk and Operational Risk.

Company is exposed to following risk from the use of its financial instrument:
-Credit Risk
-Liquidity Risk
-Market Risk

A **Risk management framework**

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee. The risk management committee of board exercises supervisory power in connection with the risk management of the Company, developing and monitoring risk management policies, monitoring of the exposures, reviewing adequacy of risk management process, ensuring compliance with the statutory/regulatory framework of the risk management process. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

B **Credit risk**

Credit risk arises when a borrower is unable to meet financial obligations under the loan agreement to the Company. This could be either because of wrong assessment of the borrower's repayment capabilities or due to uncertainties in future. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes.

Loan Asset:

The company has comprehensive and well-defined credit policies across all products and segments, which are backed by analytics and technology for mitigating the risks associated with them. Company has developed "Credit scoring model" which uses quantitative measures of the performance and characteristics of past loans to predict the future performance of loans with similar characteristics. It is a statistical method of assessing the credit risk associated with new loan applications. Various Parameters or risk identifiers of this function are empirically designed; that is, they are developed entirely from information and experience gained through prior experience. It is the set of decision models and their underlying techniques that aid the company in determining to ascertain the credit worthiness of a potential customer and also fairly price credit risks. It is an objective risk assessment/identification tool, as opposed to subjective methods that rely on a credit underwriter's opinion. It helps the company in taking credit decisions in a consistent manner.

Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, cash flow analysis, physical verifications of a customer's business and residence and field visits and required term cover for insurance.

The company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals.

Carrying amount of maximum credit risk as on reporting date

(₹ in Millions)

Particulars	**Quarter ended June 30, 2024**	**Year ended Mar 31, 2024**	**Year ended Mar 31, 2023**	**Year ended Mar 31, 2022**
Loans	9,025.52	8,152.39	5,682.11	4,454.51
Total	**9,025.52**	**8,152.39**	**5,682.11**	**4,454.51**

(i) **Credit quality analysis**

Refer Note no. 5

(ii) **Collateral And Other Credit Enhancements**

The Company offers loan to customers which includes both unsecured loan and loans secured by collaterals. Although collateral can be an important mitigation of credit risk, it is the Company's policy to lend on the basis of the customer's ability & intention to meet the repayment obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements. The company obtains first and exclusive charge on all collateral for the loans given. MSME & LAP Loan are secured against immovable Property at the time of origination and Vehicle Loans are secured against Vehicles. The value of the property/Vehicle at the time of origination will be arrived by obtaining valuation report from Company's empanelled valuers. Security Interest in favor of the Company is created through deposit of title deed by equitable or registered Mortgage in case of Immovable Property and Registering Hypothecation in case of Vehicle. For Additional Security Purpose, Guarantee from third party also been taken in most cases.

The company does not obtain any other form of credit enhancement other than the above. All the loans are secured by way of tangible Collateral. Any surplus remaining after Settlement of outstanding debt by way of sale of collateral is returned to the borrower.

(iii) **Concentration of Risk/Exposure**

Concentration of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in same geographical area or industry sector so that collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions.

The Company is in retail lending business in western & central India.

Vehicle Finance segment (consisting of new and used Commercial Vehicles, Passenger Vehicles, Tractors and Construction Equipment) is lending against security of hypothecation on underlying vehicle and contributes to 18-20% approx of the loan book of the Company as of June 30, 2024, 20-22 % approx of the loan book of the Company as of March 31, 2024, 13-15 % approx of the loan book of the Company as of March 31, 2023 and 11-13% approx of the loan book of the Company as of March 31, 2022. Portfolio is reasonably well diversified across 4 states of the country i.e. Rajasthan, Gujarat ,Madhya Pradesh and Chattisgarh in year ended June 30, 2024 and March 31, 2024 and in 3 states of the country i.e. Rajasthan, Gujarat ,Madhya Pradesh in year ended March 31, 2023 and March 31, 2022 .Similarly, sub segments within Vehicle Finance like Heavy Commercial Vehicles, Light Commercial Vehicles, Car and Multi Utility Vehicles, three wheeler and Small Commercial Vehicles, Electric vehicle, Tractors and Construction Equipment have sufficient portfolio share leading to well diversified product mix.

MSME & Loan against Property segment is mortgage loan against security of immovable property (primarily self-occupied residential property) to self employed non-professional category of borrowers and contributes to 78-80% approx of the lending book of the company as of June 30, 2024, 77%-79% approx of the lending book of the company as of March 31, 2024, 83-85 % approx as of March 31, 2023 and 86-88% approx of the lending book of the company as of March 31, 2022. Portfolio is diversified and distributed sufficiently across 4 states of the country i.e. Rajasthan, Gujarat ,Madhya Pradesh and Chattisgarh. in year ended June 30, 2024 and March 31, 2024 and in 3 states of the country in year ended March 31, 2023 and March 31, 2022 i.e. Rajasthan, Gujarat ,Madhya Pradesh.

The Concentration of risk is managed by company for each product by its region and its sub segments. Company did not overly depend on few regions or sub-segments as of June 30, 2024 March 31, 2024, March 31, 2023, March 31, 2022.

(iv) **Amounts arising from ECL**

(a) **Inputs, assumptions and techniques used for estimating impairment**

Inputs considered in the ECL model:

In assessing the impairment of financial loans under expected credit loss (ECL) model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorizes loan assets into stages primarily based on the months past due status.
Stage 1 : 0-30 days past due
Stage 2 : 31-90 days past due
Stage 3 : More than 90 days past due

The Company applies the general approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for advances other than stage 1. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience and using forward looking economic variables of the Company.

Assessment of significant increase in credit risk (SICR):

The credit risk on a financial asset of the Company is assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Accordingly the financial assets shall be classified as stage 2, if on the reporting date, it has been past due for more than 30 days.

Definition of default

The Company considers a financial asset to be in "default" and therefore stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

Exposure at default

"Exposure at default" (EAD) represents the gross carrying amount of the assets subject to impairment.

Estimations and assumptions considered in the ECL model

The Company has made the following assumptions in the ECL Model:

a. "Loss given default" (LGD) is common for all three stages and is based on loss experiences in past. Actual cash flows on the past portfolio are discounted at contractual interest rate for arriving loss rate.
b. "Probability of Default" (PD) is applied on stage 1 and stage 2 on portfolio basis and for stage 3 PD at 100%. This is calculated as an average historical movement of default rates and future adjustment for macro economic factor

Policy for write-off of financial assets

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could not generate sufficient cash flows to repay the amounts.

(b) **An analysis of changes in gross carrying amount and related Impairment Loss Allowance (ECL) defined in note no. 5**

C 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 objective of Liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. Liquidity risk may arise because of the possibility that the company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances caused by a difference in the maturity profile of Company assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The company manages liquidity risk by maintaining adequate cash and bank balances and access to undrawn committed borrowing facilities.s, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in Millions)

Particulars	On Demand	0-1 year	1-5 years	More than 5 years	Total
Quarter ended June 30, 2024					
(a) Trade Payables	-	28.42	-	-	**28.42**
(b) Debt Securities	-	150.30	200.00	-	**350.30**
(c)Borrowings (Other than Debt Securities)	-	3,119.84	5,574.26	-	**8,694.10**
(d) Subordinated Liabilities	-	0.07	80.00	-	**80.07**
(e)Other Financial Liabilities	-	53.33	-	-	**53.33**
Total	**-**	**3,351.97**	**5,854.25**	**-**	**9,206.22**

Particulars	On Demand	0-1 year	1-5 years	More than 5 years	Total
Year ended Mar 31, 2024					
(a) Trade Payables	-	24.05	-	-	**24.05**
(b) Debt Securities	-	0.02	50.00	-	**50.02**
(c)Borrowings (Other than Debt Securities)	75.51	2,421.12	5,092.84	-	**7,589.46**
(d) Subordinated Liabilities	-	0.09	80.00	-	**80.09**
(e)Other Financial Liabilities	-	61.76	-	-	**61.76**
Total	**75.51**	**2,507.04**	**5,222.84**	**-**	**7,805.38**

Particulars	On Demand	0-1 year	1-5 years	More than 5 years	Total
Year ended Mar 31, 2023					
(a) Trade Payables		11.58	-	-	**11.58**
(b) Debt Securities		181.77	50.00	-	**231.77**
(c)Borrowings (Other than Debt Securities)	19.80	2,389.46	3,564.93	-	**5,974.19**
(d) Subordinated Liabilities		-	-	-	**-**
(e)Other Financial Liabilities		32.80	-	-	**32.80**
Total	**19.80**	**2,615.61**	**3,614.93**	**-**	**6,250.34**

Particulars	On Demand	0-1 year	1-5 years	More than 5 years	Total
Year ended Mar 31, 2022					
(a) Trade Payables		16.41	-		**16.41**
(b) Debt Securities		155.83	132.55		**288.38**
(c)Borrowings (Other than Debt Securities)	29.96	1,467.45	2,361.95		**3,859.36**
(d) Subordinated Liabilities		-	-		**-**
(e)Other Financial Liabilities		157.53	-		**157.53**
Total	**29.96**	**1,797.23**	**2,494.50**	**-**	**4,321.69**

D Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.The Company's exposure to market risk is primarily on account of interest rate risk and liquidity risk. The objective of the comapny is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest Rate Risk

The Company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity years that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk,the Company seek to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Change in interest rate affects Company's earnings (measured by NII or NIM) and corresponding net worth, Hence it is essential for the Company to not only quantify the interest rate risk but also to manage it proactively. The Company mitigates its interest rate risk by keeping a balanced mix of borrowings. The Company lends at fixed rate of interest thus, the company is not exposed to interest rate risk on loans.

Interest Rate Exposure: **(₹ in Millions)**

Particulars	Quarter ended June 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Financial Assets				
A. Fixed Rate Financial Assets	11,138.86	9,696.39	7,653.41	5,497.69
B. Floating Rate Financial Assets	-	-	-	-
Total Financial Assets	**11,138.86**	**9,696.39**	**7,653.41**	**5,497.69**
Financial Liabilities				
A. Fixed Rate Financial Liabilities	1,729.36	1,448.96	1,856.85	2,420.42
B. Floating Rate Financial Liabilities	7,412.38	6,303.62	4,342.40	1,867.07
Total Financial Liabilities	**9,141.74**	**7,752.57**	**6,199.25**	**4,287.50**

Fair Value Sensitivity analysis for Fixed rate -Instrument

The Company does not account for any Fixed rate -Financial Asset and Financial Liabilities at Fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash Flow Sensitivity analysis for Variable rate -Instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amount shown below

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

(₹ in Millions)

Particulars	Quarter ended June 30, 2024		Year ended Mar 31, 2024		Year ended Mar 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Liabilities (Floating)	7,412.38	7,412.38	6,303.62	6,303.62	4,342.40	4,342.40
Increase in basis points (+/- 1%)	(74.12)	(74.12)	(63.04)	(63.04)	(43.42)	(43.42)
Decrease in basis points (+/- 1%)	74.12	74.12	63.04	63.04	43.42	43.42

Particulars	Year ended Mar 31, 2022	
	Carrying Value	Fair Value
Borrowings (Floating)	1,867.07	1,867.07
Increase in basis points (+/- 1%)	(18.67)	(18.67)
Decrease in basis points (+/- 1%)	18.67	18.67

E Foreign Currency Risk

Company do not have foreign currency exposure during the period/year reported.

54 Capital Management

For the purpose of Company's Capital Management, Capital includes issued equity share capital & Borrowings. The primary objective of Company's Capital Management is to maximize shareholder's value and to maintain an appropriate capital structure of debt and equity. The company manages it's capital structure and makes adjustments in the light of changes in economic environment and the requirements of financial covenants. The company manages it's capital using Debt to Equity Ratio which is Net Debt/Total Equity. Net Debt is total borrowing (Non-current and current) less cash and cash equivalent.

(₹ in Millions)

Particulars	Quarter ended June 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Debt Securities	347.04	50.02	231.74	287.89
Borrowings	8,633.58	7,537.39	5,923.13	3,825.67
Subordinated Liabilities	79.36	79.36	-	-
Less: Cash and Cash Equivalents	929.19	422.70	952.84	468.80
Net Debt	**8,130.80**	**7,244.07**	**5,202.03**	**3,644.76**
Total Equity (Without deducting Fictitious Assets and	**2,083.49**	**2,017.34**	**1,525.47**	**1,266.41**
Gross Debt to Equity Ratio	4.35	3.80	4.03	3.25
Net Debt to Equity Ratio	3.90	3.59	3.41	2.88

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt & borrowing as may be appropriate. The Company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio of the Company. The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI), as per RBI, NBFCs are required to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of its aggregate risk weighted assets. Further, the total of Tier II capital cannot exceed 100% of Tier I capital at any point of time. The capital management process of the Company ensures to maintain the minimum CRAR at all the times. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with capital requirements required by regulator, maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

(₹ in Millions)

Particulars	Quarter ended June 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Tier I capital	1,879.84	1,783.73	1,352.98	1,144.10
Tier II capital	75.43	75.21	28.01	14.93
Total Capital Fund	**1,955.27**	**1,858.94**	**1,380.99**	**1,159.03**
Risk Weighted Assets	**9,393.24**	**8,522.69**	**5,982.12**	**4,950.63**
Tier I capital Ratio	**20.01%**	**20.93%**	**22.62%**	**23.11%**
Tier II capital Ratio	**0.80%**	**0.88%**	**0.47%**	**0.30%**

55 Disclosure as per Ind AS-113 'Fair Value Measurements'

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in an orderly transaction in the principal (or most advantageous) market at measurement date under the current market condition regardless of whether that price is directly observable or estimated using other valuation techniques.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Company has established the following fair value hierarchy that categorizes the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1-Level 1 hierarchy includes financial instruments measured using quoted prices. This Includes listed equity instruments that have quoted price. Listed and actively traded equity instruments are stated at the last quoted closing price on the National Stock Exchange of India Limited (NSE).

Level 2- The fair value of financial instruments that are not traded in active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of the financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

For assets and liabilities that are recognised in the 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 year.

Valuation Techniques :The management assessed that cash and cash equivalents, bank balances other than cash & cash equivalents, other financial assets, trade payables, lease liability and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Investment in security receipts, Mutual fund and ULIP Policies are valued using the closing NAV.

A **Financial Instruments by category**

(₹ in Millions)

Particulars	**As at Jun 30, 2024**				**As at Mar 31, 2024**			
	FVTPL	**FVOCI**	**Amortised Cost**	**Total**	**FVTPL**	**FVOCI**	**Amortised Cost**	**Total**
Financial Assets								
(a) Cash and Cash Equivalents	-	-	929.19	929.19	-	-	422.70	422.70
(b) Bank balance other than Cash and cash equivalents	-	-	834.83	834.83	-	-	729.63	729.63
(c) Receivables	-	-	2.71	2.71	-	-	3.13	3.13
(d) Loans	-	-	9,025.52	9,025.52	-	-	8,152.39	8,152.39
(e) Investments	136.62	-		136.62	145.11	-		145.11
(f) Other Financial Asset	-	-	209.99	209.99	-	-	243.43	243.43
Total	**136.62**	**-**	**11,002.23**	**11,138.85**	**145.11**	**-**	**9,551.27**	**9,696.38**
Financial Liabilities								
(a) Trade Payables	-	-	28.42	28.42	-	-	24.05	24.05
(b) Debt Securities	-	-	347.04	347.04	-	-	50.02	50.02
(c)Borrowings (Other than Debt Securities)	-	-	8,633.58	8,633.58	-	-	7,537.39	7,537.39
(d) Subordinated Liabilities	-	-	79.36	79.36	-	-	79.36	79.36
(e)Other Financial Liabilities	-	-	53.33	53.33	-	-	61.76	61.76
Total	**-**	**-**	**9,141.74**	**9,141.74**	**-**	**-**	**7,752.57**	**7,752.57**

(₹ in Millions)

Particulars	**As at Mar 31, 2023**				**As at Mar 31, 2022**			
	FVTPL	**FVOCI**	**Amortised Cost**	**Total**	**FVTPL**	**FVOCI**	**Amortised Cost**	**Total**
Financial Assets								
(a) Cash and Cash Equivalents	-	-	952.84	952.84	-	-	468.80	468.80
(b) Bank balance other than Cash and cash equivalents	-	-	737.93	737.93	-	-	160.61	160.61
(c) Receivables	-	-	0.70	0.70	-	-	-	-
(d) Loans	-	-	5,682.11	5,682.11	-	-	4,454.51	4,454.51
(e) Investments	76.66	-		76.66	203.47	-		203.47
(f) Other Financial Asset	-	-	203.17	203.17	-	-	210.30	210.30
Total	**76.66**	**-**	**7,576.75**	**7,653.42**	**203.47**	**-**	**5,294.23**	**5,497.70**
Financial Liabilities					-	-	16.41	
(a) Trade Payables	-	-	11.58	11.58	-	-	16.41	16.41
(b) Debt Securities	-	-	231.74	231.74	-	-	287.89	287.89
(c)Borrowings (Other than Debt Securities)	-	-	5,923.13	5,923.13	-	-	3,825.67	3,825.67
(d) Subordinated Liabilities	-	-	-	-	-	-	-	-
(e)Other Financial Liabilities	-	-	32.80	32.80	-	-	157.53	157.53
Total	**-**	**-**	**6,199.25**	**6,199.25**	**-**	**-**	**4,287.50**	**4,287.50**

B **Fair Value Hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosure fair value measurement hierarchy of assets & liabilities

(₹ in Millions)

Particulars	**As at Jun 30, 2024**				**As at Mar 31, 2024**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets								
Investments								
Security Receipts of ARC	-	131.91	-	131.91	-	142.04	-	142.04
Investment in Debt Oriented Mutual Fund	-	-	-	-	-	-	-	-
Investment in AIF	-	-	-	-	-	-	-	-
Investment in Equity Oriented Fund-ULIP	-	4.71	-	4.71	-	3.07	-	3.07
Total	**-**	**136.62**	**-**	**136.62**	**-**	**145.11**	**-**	**145.11**

Particulars	As at Mar 31, 2023				As at Mar 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments								-
Security Receipts of ARC	-	72.28	-	72.28	-	-	-	-
Investment in Debt Oriented Mutual Fund	-	4.12	-	4.12	-	103.44	-	103.44
Investment in AIF	-	-	-	-	-	100.03	-	100.03
Investment in Equity Oriented Fund-ULIP	-	0.26	-	0.26	-	-	-	-
Total	**-**	**76.66**	**-**	**76.66**	**-**	**203.47**	**-**	**203.47**

Financial instruments measured at amortised cost (₹ in Millions)

Particulars	As at Jun 30, 2024			As at Mar 31, 2024		
	Level	Carrying Value	Fair Value	Level	Carrying Value	Fair Value
Financial Assets at Amortised Cost						
(a) Cash and Cash Equivalents	3	929.19	929.19	3	422.70	422.70
(b) Bank balance other than Cash and cash equivalents	3	834.83	834.83	3	729.63	729.63
(c) Receivables	3	2.71	2.71	3	3.13	3.13
(d) Loans	3	9,025.52	9,025.52	3	8,152.39	8,152.39
(e) Other Financial Asset	3	209.99	209.99	3	243.43	243.43
Total		**11,002.23**	**11,002.23**		**9,551.27**	**9,551.27**
Financial Liabilities at Amortised Cost						
(a) Trade Payables	3	28.42	28.42	3	24.05	24.05
(b) Debt Securities	3	347.04	347.04	3	50.02	50.02
(c)Borrowings (Other than Debt Securities)	3	8,633.58	8,633.58	3	7,537.39	7,537.39
(d) Subordinated Liabilities	3	79.36	79.36	3	79.36	79.36
(e)Other Financial Liabilities	3	53.33	53.33	3	61.76	61.76
Total		**9,141.74**	**9,141.74**		**7,752.57**	**7,752.57**

Particulars	As at Mar 31, 2023			As at Mar 31, 2022		
	Level	Carrying Value	Fair Value	Level	Carrying Value	Fair Value
Financial Assets at Amortised Cost						
(a) Cash and Cash Equivalents	3	952.84	952.84	3	468.80	468.80
(b) Bank balance other than Cash and cash equivalents	3	737.93	737.93	3	160.61	160.61
(c) Receivables	3	0.70	0.70	3	-	-
(d) Loans	3	5,682.11	5,682.11	3	4,454.51	4,454.51
(e) Other Financial Asset	3	203.17	203.17	3	210.30	210.30
Total		**7,576.75**	**7,576.75**		**5,294.23**	**5,294.23**
Financial Liabilities at Amortised Cost						
(a) Trade Payables	3	11.58	11.58	3	16.41	16.41
(b) Debt Securities	3	231.74	231.74	3	287.89	287.89
(c)Borrowings (Other than Debt Securities)	3	5,923.13	5,923.13	3	3,825.67	3,825.67
(d) Subordinated Liabilities	3	-	-	3	-	-
(e)Other Financial Liabilities	3	32.80	32.80	3	157.53	157.53
Total		**6,199.25**	**6,199.25**		**4,287.50**	**4,287.50**

56 Disclosure as per Ind AS 115 - Revenue from Contract with Customers

I. The company has recognised following amount related to revenue in the Statement of Profit and Loss

(₹ in Millions)

Particulars	**Quarter ended June 30, 2024**	**Year ended Mar 31, 2024**	**Year ended Mar 31, 2023**	**Year ended Mar 31, 2022**
Fees Based Income	28.92	44.71	44.37	14.94
Other Income	4.19	18.81	11.39	6.51
Total	**33.11**	**63.52**	**55.76**	**21.45**

II. Disaggregation of Revenue

The table below presents disaggregated revenues from contracts with customers by nature of primary geographical market,major product service lines and timing of revenue recognition for the period/year. The Company believes

(₹ in Millions)

Particulars	**Quarter ended June 30, 2024**	**Year ended Mar 31, 2024**	**Year ended Mar 31, 2023**	**Year ended Mar 31, 2022**
Primary geographical market				
India	33.11	63.52	55.76	21.45
Total	**33.11**	**63.52**	**55.76**	**21.45**
Major products/ service lines				
Fees Based Income	28.92	44.71	44.37	14.94
Other Income	4.19	18.81	11.39	6.51
Total	**33.11**	**63.52**	**55.76**	**21.45**
Timing of revenue recognition				
At a Point of Time	33.11	63.52	55.76	21.45
Over a period of time	-	-	-	-
Total	**33.11**	**63.52**	**55.76**	**21.45**

57 Disclosure as per Ind AS 108: Operating Segments

a) The managing Director (MD) of the company has been identified as the chief operating decision maker (CODM) as defined by the Ind AS 108 "Operating Segments".The Company's Operating segments are established in the

b) Geographical Information

The Company operates in a single geographical area - India (country of domicile) .
All of the Company's non current assets are located in India

c) Information about major customers

During the period/year, there is no single customer contributes 10% or more to the Company’s revenue.

58 Disclosures regarding COVID-19 related measures:

The Company has considered the possible effects of the pandemic on the carrying amount of current assets and assessed the carrying amounts of property, plant and equipment, investments, receivables and other current assets.

Based on internal and external sources of information and economic forecasts, the Company expects the carrying amount of these assets will be recovered and sufficient liquidity would be available as and when required.

The Management does not see any risk to the company's ability to continue as a going concern and meet its liabilities as and when they become due based on the current indicators.

Going Concern:

The Company, at this juncture, is focused on capital preservation, balance sheet protection and operating expenses management. Given it’s healthy capital adequacy, strong liquidity position, lower gross NPA and net NPA, diversified portfolio mix, granular geographical distribution and strong risk metrics.

59 Analytical Ratios

Particulars	Quarter ended June 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Capital to risk weighted assets ratio(CRAR)	**20.82%**	**21.81%**	**23.09%**	**23.41%**
Tier I capital Ratio	20.01%	20.93%	22.62%	23.11%
Tier II capital Ratio	0.80%	0.88%	0.47%	0.30%

Particulars	Quarter ended June 30, 2024	Variance	Year ended Mar 31, 2024	Variance	Year ended Mar 31, 2023
Capital to risk weighted assets ratio(CRAR)	**20.82%**	**-1.00%**	**21.81%**	**-1.27%**	**23.09%**
Tier I capital Ratio	20.01%	-0.92%	20.93%	-1.69%	22.62%
Tier II capital Ratio	0.80%	-0.08%	0.88%	0.41%	0.47%
Particulars	**Year ended Mar 31, 2023**	**Variance**	**Year ended Mar 31, 2022**	**Variance**	**Year ended Mar 31, 2021**
Capital to risk weighted assets ratio(CRAR)	**23.09%**	**-0.33%**	**23.41%**	**-0.45%**	**23.86%**
Tier I capital Ratio	22.62%	-0.49%	23.11%	-0.45%	23.56%
Tier II capital Ratio	0.47%	0.17%	0.30%	0.00%	0.30%

60 Details Of The Code On Social Security, 2020 ('Code') Relating To Employee Benefits

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

61 Breach of covenant

The Company has no instances of breach of covenant in respect of loans availed and debt securities issued during the period/year

62 Divergence in asset classification and provisioning

RBI vide its circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022, has directed NBFCs shall make suitable disclosures, if either or both of the following conditions are satisfied:-

(a) the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or

(b) the additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period.

The NBFC has not been subjected to any assessment by the RBI during the period/year ended on June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.

63 Disclosure on modified opinion

The auditor have expressed an unmodified opinion for the period/year ended on June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.

64 Income and expenditure of exceptional nature

The Compnay has not booked any income or expenditure of exceptional nature during the period/year ended on June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.

65 Details of financing of parent company products

NA

66 Loans to directors, senior officers and relatives of directors

The Company has not provided any loans to directors, senior officers and relatives of directors during the period/year except as reported in note no. 48

67 During FY 2023-24 Company was implementing the new software for the purpose of Loan Originating System, Loan Management System and Accounting. New softwares already have inbuilt Audit trail feature and operating from April 01, 2024. Due to old software limitation during FY 2023-24 Audit trail was not in place for the purpose of books of accounts

68 Due to rounding off, numbers presented in financials may not add up precisely to the totals provided.

69 Details of Dues to Micro and Small Enterprises as Defined under the MSMED Act, 2006

Payment against the supplies from the undertakings covered under the Micro, Small & Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms. On the basis of information and record available with the management, the details of the outstanding balances of such suppliers and interest due on such accounts as on June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022 is Disclosed under Note No.15.2 .The Company has neither paid any interest nor such interest is payable to buyer covered under the MSMED Act, 2006.

70 Details of Ratings Assigned By Credit Rating Agencies and Migration Of Ratings during The Period/Year

Particulars	Rating Agencies	Date of Rating Agencies	Rating valid upto	June 30, 2024	2023-24
Bank Loan rating	Acuite Ratings & Research Limited	05-Jun-24	08-Mar-25	A-	A-
Non-Convertible Debentures	Acuite Ratings & Research Limited	05-Jun-24	01-Jun-25	A-	A-

Particulars	Rating Agencies	Date of Rating Agencies	Rating valid upto	2023-24	2022-23
Bank Loan rating	Acuite Ratings & Research Limited	12-Feb-24	08-Mar-25	A-	A-
Non-Convertible Debentures	Acuite Ratings & Research Limited	12-Feb-24	24-Nov-24	A-	A-

Particulars	Rating Agencies	Date of Rating Agencies	Rating valid upto	2022-23	2021-22
Bank Loan rating	Acuite Ratings & Research Limited	07-Dec-22	09-Mar-24	A-	A-
Bank Loan rating	Brickworks Ratings (India) Private	28-Oct-22	28-Oct-23	Withdrew	BBB+
Non-Convertible Debentures	Acuite Ratings & Research Limited	07-Dec-22	24-Nov-23	A-	A-
Non-Convertible Debentures	Brickworks Ratings (India) Private	28-Oct-22	28-Oct-23	Cancel*	BBB+

Particulars	Rating Agencies	Date of Rating Agencies	Rating valid upto	2021-22	2020-21
Bank Loan rating	Acuite Ratings & Research Limited	30-Mar-22	25-Feb-23	A-	BBB+
Bank Loan rating	Brickworks Ratings (India) Private	28-Oct-22	28-Oct-23	BBB+	BBB+
Non-Convertible Debentures	Acuite Ratings & Research Limited	30-Mar-22	25-Feb-23	A-	BBB+
Non-Convertible Debentures	Brickworks Ratings (India) Private	28-Oct-22	28-Oct-23	BBB+	BBB+

* 1. As per directions of SEBI and RBI company management decided to not get rating surveillance through brickworks. Further all the instrument rated by brickworks is cover with acuite.
2. RBI also removed brickworks from ACCREDITED credit rating agency list.

71 Remuneration of non-executive directors

(₹ in Millions)

Name of Director	Nature of Payment	Quarter ended June 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Anil B Patwardhan	Sitting Fees	0.09	0.69	0.52	0.20
Yaduvendra Mathur	Sitting Fees	-	0.52	0.40	-
Mr. Kishore Kumar Sansi	Sitting Fees	0.09	0.42	-	-
Mr. Surendra Mehta	Sitting Fees	0.15	0.66	-	-

72 Disclosure on Liquidity Risk:

1. Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	Number of Significant Counterparties	Amount (₹ In Millions)	% of Total deposits	% of Total Liabilities
As at Jun 30, 2024	43	9,059.99	0.00%	98.20%
As at Mar 31, 2024	43	7,666.77	0.00%	97.90%
As at Mar 31, 2023	41	6,154.87	0.00%	98.30%
As at Mar 31, 2022	38	4,113.56	0.00%	95.27%

2. Top 20 large deposits (amount in ₹ Millions and % of total deposits) : Nil

3. Top 10 borrowings (amount in ₹ Millions and % of total borrowings)

Particulars	Amount (₹ In Millions)	%
As at Jun 30, 2024	5666.272	62.54%
As at Mar 31, 2024	4,774.21	62.27%
As at Mar 31, 2023	3,218.68	52.29%
As at Mar 31, 2022	2,320.09	56.40%

4. Funding Concentration based on significant instrument/product :

Name of the instrument/ product	Quarter ended June 30, 2024		Year ended Mar 31, 2024	
	Amount (₹ In Millions)	% of Total Liabilities	Amount (₹ In Millions)	% of Total Liabilities
a) Term Loan	8,545.22	92.62%	7,366.48	94.07%
b) Non-Convertible Debenture	347.04	3.76%	50.02	0.64%
c) Cash Credit/OD	-	0.00%	75.51	0.96%
d) Unsecured Loans	88.36	0.96%	95.40	1.22%
e) Subordinated Liability	79.36	0.86%	79.36	1.01%
Total	**9,059.99**	**98.20%**	**7,666.77**	**97.90%**

Name of the instrument/ product	Year ended Mar 31, 2023		Year ended Mar 31, 2022	
	Amount (₹ In Millions)	% of Total Liabilities	Amount (₹ In Millions)	% of Total Liabilities
a) Term Loan	5,903.33	94.28%	3,741.34	86.65%
b) Non-Convertible Debenture	231.74	3.70%	287.89	6.67%
c) Cash Credit/OD	19.80	0.32%	29.96	0.69%
d) Unsecured Loans	-	0.00%	54.36	1.26%
e) Subordinated Liability	-	0.00%	-	0.00%
Total	**6,154.87**	**98.30%**	**4,113.56**	**95.27%**

5. Stock Ratios:

Particulars	Quarter ended June 30, 2024			Year ended Mar 31, 2024		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
a) Commercial papers	NA	Nil	Nil	NA	Nil	Nil
b) Non-convertible debentures (original maturity of less than one year)	NA	Nil	Nil	NA	Nil	Nil
c) Other short-term liabilities, if any	NA	1.03%	0.84%	NA	1.31%	1.04%

Particulars	Year ended Mar 31, 2023			Year ended Mar 31, 2022		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
a) Commercial papers	NA	Nil	Nil	NA	Nil	Nil
b) Non-convertible debentures (original maturity of less than one year)	NA	Nil	Nil	NA	Nil	Nil
c) Other short-term liabilities, if any	NA	0.89%	0.72%	NA	4.20%	3.25%

6. Laxmi India Finance Limited (LIFL) has an Assets Liability Management Committee (ALCO), a Board level sub-Committee to oversee liquidity risk management. ALCO consists of Managing Director, Executive Director and Independent Director and Chief Financial Officer attends the meeting as an Invitee. The ALCO Meetings are held once in every Quarter. LIFL has a Risk Management Committee (RMC) a sub-committee of the Board, which oversee overall risks to which the company s exposed including risk management. The ALCO and RMC also updates the Board at regular intervals.

73 Capital Adequacy Ratio **(₹ in Millions)**

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Tangible Net worth(1)	2,083.48	2,017.32	1,525.46	1,266.41
Less: Deferred Tax Asset, Intangible	203.64	233.59	172.48	122.31
Tier 1 Capital (1-2)= (3)	1,879.84	1,783.73	1,352.98	1,144.10
Tier 2 Capital (Provision on Asset less 50% of Credit Enhancment) (4)	75.43	75.21	28.01	14.93
Total Capital Fund (3+4)= (5)	1,955.27	1,858.94	1,380.99	1,159.03
Adjusted value of funded risk assets (on balance sheet item) (6)	9,372.94	8,485.06	5,939.52	4,847.07
Adjusted value of non-funded risk	20.30	37.62	42.60	103.55
Total Risk Weighted assets (6+7)= (8)	9,393.24	8,522.69	5,982.12	4,950.63
CRAR/CAR(5/8)	**20.82%**	**21.81%**	**23.09%**	**23.41%**
CRAR (Tier-I Capital)	20.01%	20.93%	22.62%	23.11%
CRAR (Tier-II Capital)	0.80%	0.88%	0.47%	0.30%

*Liquidity Coverage Ratio not Applicable

74 NPA Movement **(₹ in Millions)**

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Net NPA's to Net Advance %	**0.63%**	**0.33%**	**0.32%**	**1.90%**
Movement of NPAs (Gross)				
Opening Balances	59.71	33.28	128.61	140.17
Add: Additions during year and change in existing	62.41	68.05	27.23	76.53
Less: Reductions during year	(25.59)	(39.44)	(66.34)	(88.10)
Less: Sold to ARC	-	(2.16)	(56.22)	-
Closing Balance	96.53	59.71	33.28	128.61
Movement of NPAs (Net)				
Opening Balances	27.22	18.10	85.74	125.75
Add: Additions during year	35.31	35.80	17.07	35.47
Add: Reductions during year	(5.19)	(25.25)	(41.23)	(75.49)
Less: Sold to ARC	-	(1.43)	(43.48)	-
Closing Balance	57.33	27.22	18.09	85.74
Movement of provision for NPAs				
Opening Balances	32.49	15.18	42.87	14.42
Provision made during the year	27.10	32.25	10.16	41.06
Write-off/Write back of excess	(20.40)	(14.20)	(25.11)	(12.61)
Sold to ARC	-	(0.73)	(12.74)	-
Closing Balance	39.21	32.49	15.18	42.87

75 Disclosure in the notes to accounts in respect of securitisation transactions as required under revised guidelines On securitisationtransactions issued by RBI vide circular no. DNBS.PD.No.301/3.10.01/2012-13 dated 21.08.2012.

(₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
1. No of SPVs sponsored by the NBFC for securitisation transactions	Nil	Nil	Nil	1.00
2. Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	Nil	Nil	Nil	61.07
3. Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	Nil	Nil	Nil	
a) Off-balance sheet exposures				
· First loss	Nil	Nil	Nil	Nil
· Others	Nil	Nil	Nil	Nil
b) On-balance sheet exposures				
· First loss	Nil	Nil	Nil	13.47
· Others	Nil	Nil	Nil	31.44
4. Amount of exposures to securitisation transactions other than MRR				
a) Off-balance sheet exposures				
i) Exposure to own securitisations				
· First loss	Nil	Nil	Nil	Nil
· loss	Nil	Nil	Nil	Nil
ii) Exposure to third party securitisations				
· First loss	Nil	Nil	Nil	Nil
· Others	Nil	Nil	Nil	Nil
b) On-balance sheet exposures				
i) Exposure to own securitisations				
· First loss	Nil	Nil	Nil	Nil
· Others	Nil	Nil	Nil	Nil
ii) Exposure to third party securitisations				
· First loss	Nil	Nil	Nil	Nil
· Others	Nil	Nil	Nil	Nil

76 Disclosure In The Notes To Accounts In Respect Of Assignment Transactions As Required Under Revised Guidelines On Securitisation Transactions Issued By RBI Vide Circular No. Dnbs.Pd.No.301/3.10.01/2012-13 Dated 21.08.2012.

(₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
1. No of SPVs sponsored by the NBFC for assignment transactions		0	1	Nil
2. Total amount of assigned assets as per books of the SPVs sponsored by the NBFC	1,041.39	1,156.83	964.98	728.24
3. Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet				
a) Off-balance sheet exposures				
· First loss		Nil	Nil	Nil
· Others		Nil	Nil	Nil
b) On-balance sheet exposures				
· First loss		Nil	Nil	Nil
· Others	117.86	131.26	114.24	128.37
4. Amount of exposures to assignment transactions other than MRR				
a) Off-balance sheet exposures				
i) Exposure to own securitisations				
· First loss		Nil	Nil	Nil
· loss		Nil	Nil	Nil
ii) Exposure to third party securitisations				
· First loss		Nil	Nil	Nil
· Others		Nil	Nil	Nil
b) On-balance sheet exposures				
i) Exposure to own securitisations				
· First loss		Nil	Nil	Nil
· Others		Nil	Nil	Nil
ii) Exposure to third party securitisations				
· First loss		Nil	Nil	Nil
· Others		Nil	Nil	Nil

77 In accordance with the RBI notification dated April 7, 2021 the company is required to refund/adjust 'Interest on interest' to borrowers. As required by RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Bank's Association. The company has not recorded the liability towards estimated interest relief

(₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
Interest on interest to be adjusted/refunded	-	-	-	-
Total	-	-	-	-

78 Detail of Impairement Loss Allowance Reserve

As at Jun 30, 2024 **(₹ in Millions)**

Asset Classification as per RBI Norm	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Standard	Stage 1	8,581.33	11.38	8,569.95	36.14	(24.76)
	Stage 2	408.57	10.32	398.24	1.63	8.69
	Subtotal	**8,989.90**	**21.70**	**8,968.20**	**37.77**	**(16.07)**
Non-Performing Assets (NPA)#						
Substandard	Stage 3	89.93	37.90	52.02	9.03	28.87
Doubtful						
upto 1 year	Stage 3	4.63	0.88	3.75	0.81	0.07
1 to 3 years	Stage 3	1.97	0.40	1.57	0.59	(0.18)
More than 3 years	Stage 3	-	-	-		-
	Subtotal for doubtful	6.60	1.29	5.32	1.40	(0.11)
Loss	Stage 3		-			
	Subtotal for NPA	**96.53**	**39.19**	**57.34**	**10.43**	**28.76**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition,	Stage 1		-	-	-	-
	Stage 2		-	-	-	-
	Stage 3		-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**
Total	Stage 1	8,581.33	11.38	8,569.95	36.14	(24.76)
	Stage 2	408.57	10.32	398.24	1.63	8.69
	Stage 3	96.53	39.19	57.34	10.43	28.76
	Total	**9,086.42**	**60.89**	**9,025.53**	**48.20**	**12.69**

The Company is now classified as Systemiacally Important Non Deposit taking Non Banking Financial Company w.e.f. Apr 1,2022. Hence now company is required to recognise NPA on 90 days basis

As at Mar 31, 2024 (₹ in Millions)

Asset Classification as per RBI Norm	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Standard	Stage 1	7,801.39	11.13	7,790.26	31.94	(20.81)
	Stage 2	342.22	7.30	334.92	1.51	5.79
	Subtotal	**8,143.61**	**18.43**	**8,125.18**	**33.45**	**(15.02)**
Non-Performing Assets (NPA)#						
Substandard	Stage 3	56.74	31.65	25.09	5.47	26.18
Doubtful						
upto 1 year	Stage 3	2.97	0.84	2.13	0.50	0.33
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-		-
	Subtotal for doubtful	2.97	0.84	2.13	0.50	0.33
Loss	Stage 3		-			
	Subtotal for NPA	**59.71**	**32.49**	**27.22**	**5.97**	**26.51**
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	7,801.39	11.13	7,790.26	31.94	(20.81)
	Stage 2	342.22	7.30	334.92	1.51	5.79
	Stage 3	59.71	32.49	27.22	5.97	26.51
	Total	**8,203.32**	**50.92**	**8,152.40**	**39.43**	**11.49**

The Company is now classified as Systemiacally Important Non Deposit taking Non Banking Financial Company w.e.f. Apr 1,2022. Hence now company is required to recognise NPA on 90 days basis

As at Mar 31, 2023 **(₹ in Millions)**

Asset Classification as per RBI Norm	**Asset classification as per Ind AS 109**	**Gross Carrying Amount as per Ind AS**	**Loss Allowances (Provisions) as required under Ind AS 109**	**Net Carrying Amount**	**Provisions required as per IRACP norms**	**Difference between Ind AS 109 provisions and IRACP norms**
Standard	Stage 1	5,525.32	27.31	5,498.01	22.67	4.65
	Stage 2	169.88	3.87	166.01	0.73	3.13
	Subtotal	**5,695.20**	**31.18**	**5,664.02**	**23.40**	**7.78**
Non-Performing Assets (NPA)						
Standard/ Substandard*	Stage 3	24.23	10.15	14.08	4.44	5.70
Doubtful						
upto 1 year	Stage 3	7.44	4.07	3.37	3.38	0.69
1 to 3 years	Stage 3	1.60	0.95	0.65	1.60	(0.65)
More than 3 years	Stage 3	-	-	-		-
	Subtotal for doubtful	9.04	5.02	4.02	4.98	0.04
Loss	Stage 3		-			
	Subtotal for NPA	**33.27**	**15.17**	**18.10**	**9.42**	**5.74**
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		-	-		-
	Stage 2		-	-		-
	Stage 3		-	-		-
	Subtotal	**-**	**-**	**-**	**-**	**-**
Total	Stage 1	5,525.32	27.31	5,498.01	22.67	4.65
	Stage 2	169.88	3.87	166.01	0.73	3.13
	Stage 3	33.27	15.17	18.10	9.42	5.74
	Total	**5,728.47**	**46.36**	**5,682.11**	**32.82**	**13.52**

As at Mar 31, 2022 (₹ in Millions)

Asset Classification as per RBI Norm	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Standard	Stage 1	4240.54	21.30	4219.24	20.06	1.24
	Stage 2	153.59	4.04	149.55	0.64	3.40
	Subtotal	**4,394.13**	**25.34**	**4,368.79**	**20.71**	**4.64**
Non-Performing Assets (NPA)						
Standard/ Substandard*	Stage 3	72.55	34.92	37.63	13.80	21.12
Doubtful						
upto 1 year	Stage 3	29.11	5.86	23.26	11.51	(5.65)
1 to 3 years	Stage 3	26.94	2.09	24.85	19.24	(17.15)
More than 3 years	Stage 3		-	-		-
	Subtotal for doubtful	56.06	7.95	48.11	30.75	(22.80)
Loss	Stage 3		-			
	Subtotal for NPA	**128.61**	**42.87**	**85.74**	**44.55**	**(1.68)**
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		1.14	(1.14)		1.14
	Stage 2		0.01	(0.01)		0.01
	Stage 3		-	-		-
	Subtotal	-	1.15	(1.15)	-	1.15
Total	Stage 1	4,240.54	22.44	4,218.10	20.06	2.38
	Stage 2	153.59	4.05	149.55	0.64	3.40
	Stage 3	128.61	42.87	85.74	44.55	(1.68)
	Total	**4,522.74**	**69.36**	**4,453.38**	**65.26**	**4.10**

79 Details of penalties imposed by RBI and other regulators:

No penalties have been imposed by RBI or any other regulator on the Company during the Quarter ended June 30, 2024.

No penalties have been imposed by RBI But BSE imposed following penalty on the Company during the FY 2023-24.

S. No	Penalty for the Month	Applicable Regulation	Amount of Fine (including GST) (₹ absolute value))	Status/Reason of Fine
1	Sep-21	Reg-52(1)	**525,100.00**	Penalty paid and penalty was imposed due to delay Submission of Financials as per regulation 52 (1).
2	Sep-21	Reg-52(4)	**105,020.00**	Penalty paid and penalty was imposed due to delay Submission of report under Regulation 52(4)
3	Sep-21	Reg-54(2)	**105,020.00**	Penalty paid and penalty was imposed due to delay Submission of report under Regulation 54(2)

No penalties have been imposed by RBI But BSE imposed following penalty on the Company during the FY 2022-23.

S. No	Penalty for the Month	Applicable Regulation	ISIN	Amount of Fine (including GST) (₹ absolute value)	Status/Reason of Fine
1	Aug-21	Regulation 60(2)	**INE06WU07023**	**11,800.00**	Penalty paid and penalty was imposed due to delay in intimation of record date by 1 day.
2	Nov-21			**11,800.00**	Penalty paid and penalty was imposed due to delay in intimation of record date by 1 day.
3	Mar-21	Regulation 50(1)		**1,180.00**	Under Consideration for waive off with BSE as compliance was on time.

No penalties have been imposed by RBI or any other regulator on the Company during the year ended March 31, 2022.

80 Disclosure as required under RBI notification no.RBI/2020-21/16/DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6,2020 on "Resolution Framework for COVID-19-related Stress" for the period/ Year ended June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022

Type of borrower (A)	(A) No's of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Add. funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

81 Disclosure as required under RBI notification no.RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6,2020 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances for the period/ Year ended June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022

No. of accounts restructured	Amount (₹ in Millions)
0	0

*During the year, the company has not restructure account under scheme

82 Exposure to Capital Market

The Company has no exposure to capital market as on the period/ Year ended June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022

83 Exposure to Real Estate Sector

The Company has following exposure to Real Estate Sector as on the period/year :

(₹ in Millions)

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
A. Direct Exposure (Fund and Non Fund Based)				
i) Residential Mortgages-	154.88	365.21	381.77	348.75
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented				
ii) Commercial Real Estate-		-	-	-
Lending fully secured by commercial real estates (Office buildings, retail space, multi- purpose commercial purpose commercial premises, multi family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels land acquisition, development and construction etc.).				
iii) Investment is mortgage Backed Securities(MBS) and other securitized exposures-				
a) Residential		-	-	-
b) Commercial Real Estate		-	-	-
Total Exposure to Real Estate		-	-	-
B. Indirect Exposure (Fund and Non Fund Based)		-	-	-
Fund based and non fund based exposures on National Housing and Housing Finance companies.				

84 Derivatives

a) The Company has not dealt in any market linked or non market linked derivative

b) The Company has not entered into any forward Rate Agreement / Interest Rate Swap for derivative

c) The Company has not entered into any exchange traded derivative

85 Details of financial assets sold to securitization / reconstruction Company for asset reconstruction

The Company has not sold any financial assets except as reported in Note no. 97 to securitization / reconstruction Company for asset reconstruction during the period/year ended on June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.

86 The Company has not purchased any non-performing financial assets during the period/year. Company had sold stress loan assets to ARC during the FY 2023-24 and FY 2022-23.

87 The Company has not restructured any non-performing financial assets during the period/ Year ended June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022

88 There is no financing of parent Company products during the period/ Year ended June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022

89 The Company has not exceeded the single borrower limits / group borrowers limits during the period/ Year ended June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022 as set as RBI

90 The Company has not given any unsecured advances against intangible securities such as charge over the rights licenses, authority, etc. during the period/ Year ended June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.

91 The Company is not registered under any other regulator other than Reserve Bank of India and Ministry of Corporate Affairs during the period/ Year ended June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.

92 Concentration of advances, exposures and NPA's (Stage III)

a) Concentration of advances

(₹ in Millions)

Particulars	Quarter ended June 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Total advance to twenty largest borrowers	95.329	73.22	104.709	113.47
Percentage of advances to twenty largest borrowers to total advances of the NBFC	1.05%	0.89%	1.83%	2.51%

b) Concentration of exposures

(₹ in Millions)

Particulars	Quarter ended June 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Total exposure to twenty largest borrowers	95.33	73.22	104.71	113.47
Percentage of exposures to twenty largest borrowers to total advances of the NBFC	1.05%	0.89%	1.83%	2.51%

c) Concentration of NPA(STAGE III)

(₹ in Millions)

Particulars	Quarter ended June 30, 2024	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Total exposure to Top 4 NPA	11.41	9.43	8.77	18.84

d) Sector wise NPA

Sector	Quarter ended June 30, 2024			Year ended Mar 31, 2024		
	Total Exposure	Gross NPAs (in Millions)	Percentage of Gross NPA to total exposure	Total Exposure	Gross NPAs (in Millions)	Percentage of Gross NPA to total exposure
Agriculture & allied activities						
MSME**						
Corporate borrowers						
Services						
Unsecured personal loans	197.26	3.05	1.55%	203.04	0.68	0.33%
Auto loans	1728.79	26.19	1.52%	1631.15	20.08	1.23%
Other personal loans*	7160.36	67.28	0.94%	6369.12	38.96	0.61%

*Other personal loans includes loans against property, construction loans etc.

Sector	Year ended Mar 31, 2023			Year ended Mar 31, 2022		
	Total Exposure	**Gross NPAs (in Millions)**	**Percentage of Gross NPA to total exposure**	**Total Exposure**	**Gross NPAs (in Millions)**	**Percentage of Gross NPA to total exposure**
Agriculture & allied activities						
MSME**						
Corporate borrowers						
Services						
Unsecured personal loans	164.50	3.45	2.10%	105.81	1.18	1.12%
Auto loans	803.04	6.88	0.86%	496.00	5.24	1.06%
Other personal loans*	4760.92	22.95	0.48%	3,920.93	122.19	3.12%

*Other personal loans includes loans against property, construction loans etc.

The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption. The same has been relied upon by auditors

93 Overseas assets (for those with Joint ventures and subsidiaries abroad)

There are no overseas assets owned by the Company.

94 Off-balance sheet SPVs sponsored

There are no SPVs which are required to be consolidated as per accounting norms during the period/year ended on June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.

95 a) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No		Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023
	Complaints received by the NBFC from its customers				
1		Number of complaints pending at beginning of the year	15	0	2
2		Number of complaints received during the year	86	123	18
3		Number of complaints disposed during the year	99	108	20
	3.1	Of which, number of complaints rejected by the NBFC	0	0	0
4		Number of complaints pending at the end of the year	2	15	0

	Maintainable complaints received by the NBFC from Office of Ombudsman				
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman		0	12	9
	5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of	0	12	9
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0	0
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0	0
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

* It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

b)Top five grounds of complaints received by the NBFCs from customers

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**
As at Jun 30, 2024					
Ground - 1 Credit Information Companies reports related	0	57	-11%	10	0
Ground - 2 Staff behaviour	0	0	-100%	1	0
Ground - 3 Loan Documents/NOC Required	0	9	-10%	0	0
Ground - 4	0	0	0%	0	0
Ground - 5	0	0	0%	0	0
Others	0	20	-57%	4	0
Total	0	86		15	0

As at Mar 31, 2024					
Ground - 1 Credit Information	0	64	482%	10	0
Ground - 2 Staff behaviour	0	2	-33%	1	0
Ground - 3 Loan Documents/NOC	0	10	43%	0	0
Ground - 4	0	0	0%	0	0
Ground - 5	0	0	0%	0	0
Others	0	47	683%	4	0
Total	0	123		15	0
As at Mar 31, 2023					
Ground - 1 Credit Information Companies reports related	2	11	57%	0	0
Ground - 2 Staff behaviour	0	3	200%	0	0
Ground - 3 Loan Documents/NOC Required	0	7	-56%	0	0
Ground - 4	0	0	0%	0	0
Ground - 5	0	0	0%	0	0
Others	0	6	-40%	0	0
Total	2	27		0	0

96 Frauds amounting to Rs.0.69 Millions reported during the year ended March 31, 2024 and no frauds were reported during the period/year June 30, 2024, March 31, 2023, March 31, 2022

97 Disclosure pursuant to RBI notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

a) Details of transfer through assignment in respect of loans not in default during the Period/Year:

Particulars	**During Quarter ended June 30, 2024**	**During Year ended March 31, 2024**	**During Year ended March 31, 2023**	**During Year ended March 31, 2022**
No of Loan account Assigned	-	1572	1422	1316
Total Amount of Loan (Rs in Millions)	-	641.08	531.75	638.09
Assigned Part of Loan Assigned (Rs in Millions)	-	576.97	478.57	574.28
Retention of beneficial economic interest (MRR) (Rs. In Millions)	-	64.11	53.17	63.81
Weighted average maturity (Residual Maturity)	-	51 Months Approx	52 Months Approx	74 Months approx
Weighted average holding period	-	13 Months Approx	17 Months Approx	24 Months approx
Coverage of tangible security coverage	-	100%	100%	100%
Rating-wise distribution of rated loans	-	Unrated	Unrated	Unrated

b) Details of acquired through assignment in respect of loans not in default during the Period/Year:

Particulars	**During Quarter ended June 30, 2024**	**During Year ended March 31, 2024**	**During Year ended March 31, 2023**	**During Year ended March 31, 2022**
No of Loan account Assigned	-	192	-	-
Total Amount of Loan (Rs in Millions)	-	48.00	-	-
Assigned Part of Loan Accquired (Rs in Millions)	-	43.20	-	-
Retention of beneficial economic interest (MRR) (Rs. In Millions)	-	4.80	-	-
Weighted average maturity (Residual Maturity)	-	22 Months Approx	-	-
Weighted average holding period	-	16 Months Approx	-	-
Coverage of tangible security coverage	-	100%	-	-
Rating-wise distribution of rated loans	-	Unrated	-	-

c) Details of stressed loan transferred during the period/year

(₹ in Millions)

Particulars	**During Quarter ended June 30, 2024**		**During the FY 23-24**		**During the FY 22-23**		**During the FY 21-22**	
	To Asset Reconstruction Companies (ARC)		**To Asset Reconstruction Companies (ARC)**		**To Asset Reconstruction Companies (ARC)**		**To Asset Reconstruction Companies (ARC)**	
	NPA	**SMA**	**NPA**	**SMA**	**NPA**	**SMA**	**NPA**	**SMA**
No. of accounts	-	-	150	68	425	-	-	-
Aggregate principal outstanding of loans transferred*	-	-	50.15	22.50	121.48	-	-	-
Weighted average residual tenor of the loans transferred	-	-	Less than 4 years	Less than 4 years	Less than 5 years	-	-	-
Net book value of loans transferred (at the time of transfer)	-	-	38.74	22.50	61.87	-	-	-
Aggregate consideration	-	-	40.12	18.00	85.03	-	-	-
**Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-	-	-	-

*Company had sold Stress loan assets in which write off assets was ₹ 7.10 Millions and ₹ 14.10 Millions in FY 2023-24 and FY 2022-23 respectively.

** Company is yet to realize additional consideration on a pool level hence this figure is Nil

Details of rating of Security receipt of ARC('SR's')

Particulars	**Rating Agency**	**Recovery Rating**	**Gross Value of SR(Company share)**			
			Quarter ended June 30, 2024	**Year ended Mar 31, 2024**	**Year ended Mar 31, 2023**	**Year ended Mar 31, 2022**
RARC Trust 078	Infomerics Valuation And Rating Pvt. Ltd.	more than 150%	82.77	92.64	72.28	0
Ratings			IVR RR 1+ (IVR Double R One Plus)	IVR RR 1+ (IVR Double R One Plus)	Unrated	NA
RARC Trust 087	NA	NA	49.14	49.40	0	0
Ratings			Unrated	Unrated	NA	NA

98 Non-convertible Debenture are fully secured by first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 100% of the amount outstanding and Debt Securities issued to Edge Credit Opportunities Fund I secured by personal guarantee given by Mr. Deepak Baid, Mrs. Aneesha Baid. and Northern Arc Capital Limited are further secured by personal guarantee given by Mr. Deepak Baid, Mrs. Aneesha Baid and Prem Devi Baid.

99 Ratio Disclosures:

Particulars	As at Jun 30, 2024	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022
1. Debt-Equity ratio [Debt securities+Borrowings (other than debt securities)] / Total Equity	4.35	3.80	4.04	3.25
2. Net Worth(Rs. In Millions) [Total Equity]	2081.53	2016.18	1525.11	1266.05
3. Net Profit after tax (Including OCI)	66.16	226.21	160.28	145.72
4. Earnings per share				
Basic (Rs.)	3.34	12.22	10.04	9.99
Dilluted (Rs.)	3.34	11.31	10.03	9.99
5.Total debts to total assets ratio [Debt securities+Borrowings (other than debt securities)] / Total Assets	80.11%	77.85%	79.04%	73.66%
6.Net profit margin [Profit after tax / Total Income]	12.91%	12.92%	12.27%	14.83%
7. Current Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable
8. Current Liability Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable
9. Debt Service Coverage Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable
10. Interest Service Coverage Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable
11. Outstanding Reedemable Preference Shares (Qty and Amount)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
12. Capital Redemption Reserve/ Debenture Redemption Reserve	Not Applicable	Not Applicable	Not Applicable	Not Applicable
13. Long Term Debt to Working Capital	Not Applicable	Not Applicable	Not Applicable	Not Applicable
14. Bad Debts to Accounting Receivable Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable
15. Inventory Turnover Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable
16. Debtor Turnover Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable
17. Operating Margin	Not Applicable	Not Applicable	Not Applicable	Not Applicable
18. Sector specific equivalent ratio, as applicable				
(a) Gross stage 3 asset ratio (Gross Stage-3 / Total Loans)	1.06%	0.73%	0.58%	2.84%
(b) Net stage 3 asset ratio	0.63%	0.33%	0.32%	1.90%
(c) Capital to risk-weighted assets ratio (Calculated as per RBI guidelines)	20.82%	21.81%	23.09%	23.41%
(d) Liquidity coverage Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable

100 Pursuant to the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications', the Company has aligned its definition of default from number of instalments outstanding approach to Days Past Due approach. On 15 February 2022, RBI allowed deferment till 30 September 2022 of Para 10 of this circular pertaining to upgradation of Non performing accounts. However, the Company has not opted for this deferment and such alignment does not have any significant impact on the financial results for the year ended 31 March 2022.

101 Direction issued by Reserve Bank of India vide Circular DBOD. No. BP.BC. 85/21.06.200/2013-14 dated January 15, 2014, as amended from time to time, we would like to declare the same in the prescribed format provided by the RBI:

The company do not have any Foreign Currency Exposure during the period/year June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.

Since there is no foreign exposure, hence requirement of hedging contracts`s conformity iln line with pronouncement of the Institute of Chartered Accountants in respect of their hedge effectiveness vis-a-vis the underlying exposure is not applicable
Since there is no foreign exposure , hence requirement under Unhedged Foreign Currency Exposure is not applicable to the company.

102 Additional notes

a) Earnings in foreign currency during the period/year- Nil (June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.)

b) Expenditure in foreign currency on account of professional fees during the period/year - Nil (June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.)

c) Expenditure in foreign currency on account of payment of interest during the period/year - Nil (June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022.)

103 Draw Down from Reserves

No reserves have been draw down during the period/year June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022. except as disclosed in the part (b) of statement of changes in equity

104 STATEMENT OF ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS

Summarized below the restatement adjustment made to the audited financial statements for the period/year ended June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022

1 Reconciliation of the opening balance of equity

Particulars	**Year ended Mar 31, 2022**
Opening Balance as per Audited Financials	853.53
Adjustment in SOCIE	
Change in accounting Policy	(5.11)
ECL on Interest differential on Direct Assignment	(0.82)
Financial Guarantee booked (Net of ECL)	(0.80)
Intangible Asset Balance written off	(0.23)
Deferred tax impact of above items	1.49
Restated Opening balance April 1, 2021	848.07

2 Statement of Impact of restatement adjustments on statement of profit and loss

Reconciliation between Audited profit and Restated profit

Particulars	**As at Mar 31, 2024**	**As at Mar 31, 2023**	**As at Mar 31, 2022**
Total comprehensive income as per audited financial statements	224.70	154.49	148.04
Interest Income	(23.54)	(9.74)	(0.14)
Fees and commission Income	(21.41)	21.43	0.52
Net Gain/(Loss) On Fair Value Changes	32.91	-	-
Finance Costs	11.27	10.24	(1.63)
Impairment on financial instruments	0.77	0.06	(1.04)
Depreciation & Amortisation Expense	0.53	0.34	0.34
Other Expenses	2.46	(1.00)	(0.79)
Deferred Tax	(1.48)	(15.55)	0.39
Total Comprehensive Income for the year (IX+X]	**226.21**	**160.27**	**145.72**

3 Summary of changes due to regrouping and errors

The below table summarises the cumulative effect of changes due to regrouping and errors to the restated financial

Particulars	**31 March 2024 (as previously reported)**	**Increase/ (decrease) due to Restatement**	**Increase/ (decrease) due to Regrouping**	**31 March 2024 (restated)**	**Refer Note for Changes due to errors**
Income:					
Interest Income	1,671.39	(15.35)	(8.18)	1,647.85	**(a)**
Fees and commission Income	66.12	(29.59)	8.18	44.71	**(e) and c(1).**
Net Gain/(Loss) On Fair Value Changes	5.90	32.91	-	38.81	**c.(2)**
Expense:					
Finance Costs	845.47	(11.36)	0.10	834.20	**(a)**
Impairment on financial instruments	19.52	(0.77)	-	18.75	**(b)**
Depreciation & Amortisation Expense	15.84	(0.54)	-	15.30	**(d)**
Other Expenses	155.98	(2.33)	(0.10)	153.52	**c.(3) and (d)**
Deferred Tax:					
Deferred Tax	8.92	1.48	-	10.40	**Effect of above adjustments on Deferred tax expenses**

Particulars	**31 March 2023 (as previously reported)**	**Increase/ (decrease) due to Restatement**	**Increase/ (decrease) due to Regrouping**	**31 March 2023 (restated)**	**Refer Note for Changes due to errors**
income:					
Interest Income	1,257.96	(5.22)	(4.52)	1,248.22	**(a)**
Fees and commission Income	22.94	16.91	4.52	44.37	**(e) and c(1).**
Net Gain/(Loss) On Fair Value Changes	2.70	-	-	2.70	**c.(2)**
Expense:					
Finance Costs	638.81	(10.24)	-	628.57	**(a)**
Impairment on financial instruments	16.42	(0.06)	-	16.36	**(b)**
Depreciation & Amortisation Expense	11.14	(0.33)	-	10.80	**(d)**
Other Expenses	110.70	0.99	-	111.70	**c.(3) and (d)**
Deferred Tax:					
Deferred Tax	9.23	15.55	-	24.77	**Effect of above adjustments on Deferred tax expenses**

Particulars	31 March 2022 (as previously reported)	Increase/ (decrease) due to Restatement	Increase/ (decrease) due to Regrouping	31 March 2022 (restated)	Refer Note for Changes due to errors
income:					
Interest Income	952.93	(0.11)	(0.03)	952.79	**(a)**
Fees and commission Income	14.42	0.49	0.03	14.94	**(e) and c(1).**
Net Gain/(Loss) On Fair Value Changes	8.21	-	-	8.21	**c.(2)**
Expense:					
Finance Costs	498.67	0.69	0.94	500.30	**(a)**
Impairment on financial instruments	4.71	1.04	-	5.75	**(b)**
Depreciation & Amortisation Expense	8.83	(0.35)	-	8.49	**(d)**
Other Expenses	74.24	1.74	(0.94)	75.03	**c.(3) and (d)**
Deferred Tax:					
Deferred Tax	23.07	(0.40)	-	22.67	**Effect of above adjustments on Deferred tax expenses**

Notes for Changes due to material errors:

(a) The company has identified and corrected an error in accounting treatment of business correspondence transaction considering the substance of transaction as per the provisions of IND AS.

(b) The company has created an expected credit loss (ECL) on the receivable i.e. the excess interest spread (EIS) of Direct assignment which was not earlier created by the company

(c) Correction in the accounting of ARC:

c.(1) The company had not recognized upfront gain on the ARC done in earlier years due to some gap in interpretation of the RBI-Transfer of loan exposure guidelines and IND AS 109 provisions. The same has been rectified as per IND AS 8.

c.(2) The Company had some disparity in measuring the Investment in ARC Security Receipts in terms of subsequent measurement required as per IND AS 109 and disclosures made thereto. The same has been rectified and now the company is subsequently measuring the same at FVTPL and giving proper disclosures in that respect as required by IND AS 109/107. The rectification has been done as per the provisions of IND AS 8.

c.(3) The company had incorrectly booked management fees and other expenditure of the RARC, which now stands rectified as per the provisions of IND AS 8.

(d) Correction in the accounting of Intangible asset:
The company had incorrectly capitalized the payments for software license of Synoriq as Intangible assets, though the payments were in nature of software as a service as per the contractual terms and accordingly should have been expensed in the statement of profit and loss. The same has been rectified as per IND AS 8.

(e) During the period, the entity has changed the accounting method of certain incomes from accrual basis to cash basis. This change aligns the entity’s accounting policy with the general industry practice, thereby enhancing the comparability of the entity’s financial statements with those of other market participants within the industry.

The change in accounting policy and correction of errors has resulted in restatement of the comparative information for the preceding periods as per the provisions of IND AS 8 and resultant tax adjustments made thereto considering the provisions of Tax laws and IND AS 12.

105 Disclosure as per INDAS-8

During the period, the entity has changed the accounting method of certain incomes from accrual basis to cash basis. This change aligns the entity's accounting policy with the general industry practice, thereby enhancing the comparability of the entity's financial statements with those of other market participants within the industry. Further the company has identified and corrected some accounting errors, majorly in respect of business correspondence transaction, ARC transaction and Intangible Asset capitalization. This voluntary change in accounting policy and correction of errors have been accounted for by restating the comparative information for the preceding period as per the requirement of IND AS 8.The change in accounting policy/correction of errors has impacted the financial statements as follows:

Balance sheet	**31 March 2024 (Without considering effect of Change is accounting policy/correction of errors)**	**Increase/ (decrease) due to change is accounting policy/ correction of errors**	**Increase/ (decrease) due to Regrouping**	**31 March 2024 (After considering effect of change in accunting policy/correction of errors**	**31 March 2023 (Without considering effect of Change is accounting policy/correction of errors)**	**Increase/ (decrease) due to change is accounting policy/ correction of errors**	**Increase/ (decrease) due to Regrouping**	**31 March 2023 (After considering effect of change in accunting policy/correction of errors**	**31 March 2022 (Without considering effect of Change is accounting policy/correction of errors)**	**Increase/ (decrease) due to change is accounting policy/ correction of errors**	**Increase/ (decrease) due to Regrouping**	**31 March 2022 (After considering effect of change in accunting policy/correction of errors**
Receivables	36.09	(32.98)	0.02	3.13	-	(5.98)	6.69	0.70	-	(5.84)	5.84	-
Loans	8,291.11	(138.72)	-	8,152.39	5,782.62	(100.52)	-	5,682.11	4,462.31	(7.79)	-	4,454.51
Investments	100.14	45.00	(0.02)	145.11	60.01	16.65	-	76.66	203.47	-	-	203.47
Other Financial Asset	247.17	(0.64)	(3.10)	243.43	212.95	(1.84)	(7.94)	203.17	218.92	(1.46)	(7.16)	210.30
Total Financial Assets	**9,826.83**	**(127.35)**	**(3.10)**	**9,696.38**	**7,746.36**	**(91.69)**	**(1.26)**	**7,653.42**	**5,514.10**	**(15.09)**	**(1.32)**	**5,497.70**
Intangible Assets under development	3.13	(2.37)	-	0.76	2.07	(2.07)	-	(0.00)	1.08	(1.08)	-	-
Other Intangible Assets	2.12	(1.73)	-	0.40	0.55	(0.20)	-	0.36	0.88	(0.53)	-	0.36
Other non-financial assets	37.07	-	(18.48)	18.66	31.18	-	(17.12)	14.09	23.50	-	(13.27)	10.24
Total Non-financial Assets	**153.05**	**(4.10)**	**3.10**	**152.10**	**134.64**	**(2.27)**	**1.26**	**133.67**	**85.78**	**(1.61)**	**2.43**	**86.62**
Total Assets	**9,979.88**	**(131.45)**	**-**	**9,848.48**	**7,881.00**	**(93.96)**	**-**	**7,787.09**	**5,599.88**	**(16.70)**	**1.11**	**5,584.32**
Trade Payables	24.05	-	-	24.05	-	-	11.58	11.58	-	-	16.41	16.41
Borrowings (Other than Debt Securities)	7,762.81	(146.06)	(79.36)	7,537.39	6,028.73	(105.60)	-	5,923.13	3,833.48	(7.81)	-	3,825.67
Subordinated Liabilities	-	-	79.36	79.36	-	-	-	-	-	-	-	-
Other Financial Liabilities	61.76	-	-	61.76	44.38	-	(11.58)	32.80	172.03	0.80	(15.30)	157.53
Total Financial Liabilities	**7,898.64**	**(146.06)**	**-**	**7,752.57**	**6,304.85**	**(105.60)**	**-**	**6,199.25**	**4,293.39**	**(7.01)**	**1.11**	**4,287.50**
Deferred Tax Liabilities (Net)	34.58	15.14	-	49.72	25.15	13.66	-	38.81	15.73	(1.89)	-	13.84
Provisions	12.00	-	(0.64)	11.36	11.93	-	(0.64)	11.29	9.20	-	(0.64)	8.57
Total Non- Financial Liabilities	**63.43**	**15.14**	**-**	**78.57**	**48.70**	**13.66**	**-**	**62.36**	**32.28**	**(1.89)**	**-**	**30.40**
Total liabilities	**7,962.07**	**(130.92)**	**-**	**7,831.14**	**6,353.55**	**(91.94)**	**-**	**6,261.61**	**4,325.67**	**(8.90)**	**1.11**	**4,317.90**
Other Equity	1,819.18	(0.52)	-	1,818.71	1,344.28	(1.98)	-	1,342.30	1,115.31	(7.80)	-	1,107.51
Total Equity	**2,017.81**	**(0.52)**	**-**	**2,017.34**	**1,527.46**	**(1.98)**	**-**	**1,525.47**	**1,274.21**	**(7.80)**	**-**	**1,266.41**
Total Equity and Liabilities	**9,979.88**	**(131.44)**	**-**	**9,848.48**	**7,881.01**	**(93.92)**	**-**	**7,787.08**	**5,599.88**	**(16.70)**	**1.11**	**5,584.31**

Statement of profit and loss	31 March 2024 (Without considering effect of Change is accounting policy/correction of errors)	Increase/ (decrease) due to change is accounting policy/ correction of errors	Increase/ (decrease) due to Regrouping	31 March 2024 (After considering effect of change in accunting policy/correction of errors	31 March 2023 (Without considering effect of Change is accounting policy/correction of errors)	Increase/ (decrease) due to change is accounting policy/ correction of errors	Increase/ (decrease) due to Regrouping	31 March 2023 (After considering effect of change in accunting policy/correction of errors	31 March 2022 (Without considering effect of Change is accounting policy/correction of errors)	Increase/ (decrease) due to change is accounting policy/ correction of errors	Increase/ (decrease) due to Regrouping	31 March 2022 (After considering effect of change in accunting policy/correction of errors
Interest Income	1,671.39	(15.35)	(8.18)	1,647.85	1,257.96	(5.22)	(4.52)	1,248.22	952.93	(0.11)	(0.03)	952.79
Fees and commission Income	66.12	(29.59)	8.18	44.71	22.94	16.91	4.52	44.37	14.42	0.49	0.03	14.94
Net Gain/(Loss) On Fair Value Changes	5.90	32.91	-	38.81	2.70	-	-	2.70	8.21	-	-	8.21
Total Revenue from Operations	**1,743.41**	**(12.03)**	**-**	**1,731.37**	**1,283.59**	**11.70**	**-**	**1,295.29**	**975.55**	**0.38**	**-**	**975.94**
Other Income	18.82	-	-	18.81	11.39	-	-	11.39	6.51	-	-	6.51
Total Income (I+II)	**1,762.23**	**(12.03)**	**-**	**1,750.18**	**1,294.98**	**11.70**	**-**	**1,306.68**	**982.06**	**0.38**	**-**	**982.45**
Finance Costs	845.47	(11.36)	0.10	834.20	638.81	(10.24)	-	628.57	498.67	0.69	0.94	500.30
Impairment on financial instruments	19.52	(0.77)	-	18.75	16.42	(0.06)	-	16.36	4.71	1.04	-	5.75
Depreciation & Amortisation Expense	15.84	(0.54)	-	15.30	11.14	(0.33)	-	10.80	8.83	(0.35)	-	8.49
Other Expenses	155.98	(2.33)	(0.10)	153.52	110.70	0.99	-	111.70	74.24	1.74	(0.94)	75.03
Total Expenses (IV)	**1,468.85**	**(15.00)**	**-**	**1,453.81**	**1,096.14**	**(9.64)**	**-**	**1,086.49**	**784.30**	**3.12**	**-**	**787.41**
Profit/(Loss) before Exceptional Items & Tax (III-IV)	**293.38**	**2.97**	**-**	**296.37**	**198.84**	**21.34**	**-**	**220.19**	**197.76**	**(2.74)**	**-**	**195.04**
Profit/(Loss) Before Tax (V-VI)	**293.38**	**2.97**	**-**	**296.37**	**198.84**	**21.34**	**-**	**220.19**	**197.76**	**(2.74)**	**-**	**195.04**
Deferred Tax	8.92	1.48	-	10.40	9.23	15.55	-	24.77	23.07	(0.40)	-	22.67
Total Tax Expenses (VIII)	**70.20**	**1.48**	**-**	**71.68**	**44.93**	**15.55**	**-**	**60.48**	**48.92**	**(0.40)**	**-**	**48.52**
Profit/(loss) for the year (VII-VIII)	**223.18**	**1.49**	**-**	**224.69**	**153.91**	**5.79**	**-**	**159.71**	**148.84**	**(2.34)**	**-**	**146.52**
Total Comprehensive Income for the year (IX+XI)	**224.70**	**1.49**	**-**	**226.21**	**154.49**	**5.79**	**-**	**160.29**	**148.04**	**(2.34)**	**-**	**145.72**
Earnings per Equity Share:	-	-	-	-	-	-	-	-	-	-	-	-
Basic (in ₹)	12.11	0.08	-	12.22	9.67	0.36	-	10.04	10.15	(0.16)	-	9.99
Diluted (in ₹)	11.24	0.08	-	11.31	9.67	0.36	-	10.03	10.15	(0.16)	-	9.99
Nominal Value of Equity Shares	10.00	10.00	-	10.00	10.00	10.00	-	10.00	10.00	10.00	-	10.00

106 **ASSET LIABILITY MANAGEMENT (ALM)**

As at Jun 30, 2024

(₹ in Millions)

Particulars	1 day To 7 days	8 day To 14 days	15 day To 30/31 days	Over1 Month To 2 Months	Over2 Months To 3 Months	Over 3 Months To 6 Months	Over 6 Months To 1 Year	Over 1 Year To 3 Years	3 to 5 years	Over 5 years
Asset										
Advances	83.32	35.17	87.72	213.19	214.57	650.80	1,320.13	3,946.76	2,302.18	171.66
Fixed Asset/ Intangible asset	-	-	-	-	-	-	-	-	-	111.69
Investments	-	-	-	-	-	-	-	-	-	136.62
Cash & bank	429.58	1.14	150.06	151.16	136.87	165.09	425.98	272.23	31.91	-
other assets	8.52	5.99	6.33	11.19	15.00	68.06	48.35	89.83	12.31	6.42
Total	**521.42**	**42.30**	**244.11**	**375.54**	**366.45**	**883.95**	**1,794.46**	**4,308.82**	**2,346.40**	**426.39**
Liabilities										
Borrowings	103.97	18.49	105.83	248.79	268.74	766.89	1,720.71	4,255.66	1,570.90	-
Other Liabilities	8.44	2.85	53.75	3.61	37.35	6.26	15.99	-	12.03	26.14
Total	**112.40**	**21.34**	**159.58**	**252.41**	**306.08**	**773.15**	**1,736.69**	**4,255.66**	**1,582.92**	**26.14**

As at Mar 31, 2024

(₹ in Millions)

Particulars	1 day To 7 days	8 day To 14 days	15 day To 30/31 days	Over1 Month To 2 Months	Over2 Months To 3 Months	Over 3 Months To 6 Months	Over 6 Months To 1 Year	Over 1 Year To 3 Years	3 to 5 years	Over 5 years
Asset										
Advances	70.59	51.58	102.68	220.82	222.30	582.28	986.04	3,298.88	2,110.87	506.33
Fixed Asset/ Intangible asset	-	-	-	-	-	-	-	-	-	111.88
Investments	-	-	-	-	-	-	-	-	-	145.11
Cash & bank	298.47	51.16	125.08	111.77	58.20	49.26	210.99	220.22	27.16	-
other assets	8.63	5.24	6.29	12.15	12.88	55.16	55.39	107.36	16.93	6.71
Total	**377.69**	**107.98**	**234.05**	**344.74**	**293.38**	**686.71**	**1,252.43**	**3,626.46**	**2,154.96**	**770.04**
Liabilities										
Borrowings	97.77	18.05	116.75	174.94	268.60	623.65	1,175.19	3,483.30	1,708.43	0.10
Other Liabilities	12.35	2.35	59.16	4.21	3.79	5.06	16.46	-	11.28	49.73
Total	**110.12**	**20.40**	**175.91**	**179.14**	**272.39**	**628.71**	**1,191.65**	**3,483.30**	**1,719.71**	**49.83**

As at Mar 31, 2023

(₹ in Millions)

Particulars	1 day To 7 days	8 day To 14 days	15 day To 30/31 days	Over1 Month To 2 Months	Over2 Months To 3 Months	Over 3 Months To 6 Months	Over 6 Months To 1 Year	Over 1 Year To 3 Years	3 to 5 years	Over 5 years
Asset										
Advances	41.87	50.24	108.02	202.53	206.58	576.98	798.13	2,108.55	1,334.70	254.51
Fixed Asset/ Intangible asset	-	-	-	-	-	-	-	-	-	101.20
Investments	-	-	-	-	-	-	-	-	-	76.66
Cash & bank	294.14	150.52	165.54	453.29	53.01	34.18	434.64	60.79	44.67	-
other assets	3.15	3.24	2.79	31.28	7.25	21.29	50.02	87.98	20.71	8.60
Total	**339.16**	**204.01**	**276.35**	**687.10**	**266.85**	**632.45**	**1,282.78**	**2,257.32**	**1,400.08**	**440.97**
Liabilities										
Borrowings	75.91	32.35	151.76	278.19	242.87	584.42	1,209.95	2,190.55	1,368.31	20.56
Other Liabilities	0.00	25.86	14.95	0.77	-	-	15.76	-	10.59	38.81
Total	**75.91**	**58.21**	**166.71**	**278.96**	**242.87**	**584.42**	**1,225.71**	**2,190.55**	**1,378.90**	**59.37**

As at Mar 31, 2022

(₹ in Millions)

Particulars	1 day To 7 days	8 day To 14 days	15 day To 30/31 days	Over1 Month To 2 Months	Over2 Months To 3 Months	Over 3 Months To 6 Months	Over 6 Months To 1 Year	Over 1 Year To 3 Years	3 to 5 years	Over 5 years
Asset										
Advances	35.21	38.33	36.83	110.08	109.28	351.74	626.93	1,429.29	1,122.64	594.18
Fixed Asset/ Intangible asset	-	-	-	-	-	-	-	-	-	60.67
Investments	-	-	-	93.44	10.00	100.03	-	-	-	-
Cash & bank	335.77	88.39	-	-	53.20	34.82	17.70	55.30	44.24	-
other assets	1.46	1.57	4.33	16.17	6.42	34.32	53.83	85.58	27.78	4.78
Total	**372.44**	**128.30**	**41.16**	**219.68**	**178.90**	**520.91**	**698.45**	**1,570.17**	**1,194.66**	**659.63**
Liabilities										
Borrowings	28.91	53.56	72.42	197.36	148.64	486.67	652.51	1,436.07	750.81	286.60
Other Liabilities	38.19	51.34	74.88	4.03	14.03	0.64	-	7.38	-	13.84
Total	**67.10**	**104.90**	**147.29**	**201.39**	**162.67**	**487.31**	**652.51**	**1,443.45**	**750.81**	**300.44**

107 Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification/ disclosure.

As per our Report of even date attached
For S.C. Bapna & Associates
Chartered Accountants
Firm Registration No.- 115649W

For and on Behalf of the Board of Directors of
Laxmi India Finance Limited

Deepak Baid
Managing Director
DIN: 03373264

Aneesha Baid
Whole Time Director
DIN: 07117678

CA Rupal Kumbhat
Partner
Membership No.- 401084

Place: Jaipur
Date: 13/11/2024

Gopal Krishan Sain
Chief Financial Officer

Sourabh Mishra
Company Secretary
Membership No. - 51872

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	For the quarter ended June 30, 2024	For the Fiscal March 31, 2024	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Net Profit for the year before OCI (A) (₹ in million)	66.26	224.69	159.71	146.52
Weighted average number of Equity Shares outstanding during the year (in number)	39.73	36.76	31.82	29.33
Weighted average number of Equity Shares outstanding during the year for basic EPS (in number) (B)	39.73	36.76	31.82	29.33
Weighted average number of Equity Shares outstanding during the year for diluted EPS (C)	39.73	39.73	31.85	29.33
Basic Earnings per equity share (in ₹) (D = A/B) (1)	*1.67	6.11	5.02	4.99
Diluted Earnings per equity share (in ₹) (E = A/C)(2)	*1.67	5.66	5.02	4.99
Total Equity(F) (₹ in million)	2079.18	2012.15	1523.27	1261.87
Net profit for the year After OCI (G) (₹ in million)	66.16	226.21	160.28	145.72
Return on net worth (H = G/F) (3)	*3.18%	11.24%	10.52%	11.55%
Total Equity(I) (₹ in million)	2079.18	2012.15	1523.27	1261.87
Number of Equity Shares outstanding as at year end (J)	39.73	39.73	39.73	31.78
Net Asset Value per Equity Share (in ₹) (K = I/J) (in ₹) (4)	52.34	50.65	38.34	39.71
Net Profit for the year before OCI (L) (₹ in million)	66.26	224.69	159.71	146.52
Total tax expense (M) (₹ in million)	20.72	71.68	60.48	48.52
Finance costs (N) (₹ in million)	240.63	834.20	628.57	500.30
Depreciation and amortization expense (O) (₹ in million)	3.68	15.30	10.80	8.49
EBITDA (P = L+M+N+O) (₹ in million) (5)	331.29	1145.87	859.56	703.83
Total income (₹ in million) (Q)	512.55	1750.18	1306.68	982.45
EBITDA to Total Income (R = P/Q)	64.64%	65.47%	65.78%	71.64%

** Not annualized*

Notes: The ratio has been computed as below:

1. *Basic Earnings per Equity Share (₹) = net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year after share split.*
   Pursuant to resolution passed by our Board at their meeting dated November 13, 2024 and the Shareholders at their EGM dated November 16, 2024 the share capital of the Company was sub-divided from 20,907,150 equity shares of face value of ₹10 each to 41,814,300 Equity Shares of face value of ₹5 each
2. *Diluted Earnings per Equity Share (₹) = net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares outstanding during the year after share split.*
   Pursuant to resolution passed by our Board at their meeting dated November 13, 2024 and the Shareholders at their EGM dated November 16, 2024 the share capital of our Company was sub-divided from 20,907,150 equity shares of face value of ₹10 each to 41,814,300 Equity Shares of face value of ₹5 each

3. *Return on Net Worth (%) = Net profit for the year divided by Total Equity as at and for the end of the year (Here, **Total Equity = 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, as per the restated financial statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
4. *Net Asset Value per share = Net Asset Value (Total Equity / Net-worth), as restated / Number of equity shares outstanding after share split.*
   ***Total Equity / Net worth / Net Asset Value**' 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, as per the restated financial statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
5. *EBITDA stands for earnings before interest, taxes, depreciation, and amortization. EBITDA is calculated as net profit for the year plus total tax expenses, depreciation and amortization expenses, and finance costs.*

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at June 30, 2024 derived from our Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Restated Financial Statements*" beginning on pages 35, 429 and 316, respectively

(In millions, except ratios)

	Pre-Offer as at June 30,2024	As adjusted for the Offer#
Total equity		
Equity share capital*	198.63	[●]
Other equity*	1884.86	[●]
Total Equity (A)	2083.49	[●]
Total borrowings		
Current borrowings*	-	[●]
Non-current borrowings (including current maturity and interest accrued and due on borrowings)*	9059.98	[●]
Total Borrowings (B)	**9059.98**	**[●]**
Total (A+B)	11143.47	[●]
Non-current borrowings (including current maturity and interest accrued and due on borrowings)/Total Equity ratio	4.35	[●]
Total borrowings/ Total equity ratio	4.35	[●]

** These terms shall carry the meaning as per Schedule III of the Companies Act 2013 (as amended).*
#To be populated upon finalization of the Offer Price.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 24 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 35, 316 and 429, 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.

The industry-related information contained in this section is derived from the industry report titled "Research report on NBFC Industry" dated December 2024 which is exclusively prepared for the purposes of the Offer and issued by CARE Analytics and Advisory Private Limited (CareEdge Research) (the "CARE Report"). We commissioned and paid for the CARE Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Issue, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, like the CARE Report. CARE is an independent agency and is not a related party of our Company, Directors, Key Managerial Personnel, Senior Management or the Book Running Lead Manager.

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, 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, hence a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating our operating performance.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Statements included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Statements" beginning on page 316. Our Financial Year ends on March 31 of each year, so all references to a particular FY, Fiscal, Financial or Financial Year are to the 12 months ended March 31 of that year. Unless the context otherwise requires, in this section, references to "we", "us", "our", "Laxmi Finance," "our Company" or "the Company", refers to Laxmi India Finance Limited.

Overview

We are a non-deposit taking non-banking financial company focused on serving the financial needs of underserved customers in India's lending market. As on September 30, 2024, our operational network spans across 139 branches in rural, semi-urban and urban areas in the states of Rajasthan, Gujarat, Madhya Pradesh and Chhattisgarh. Laxmi Finance has the widest reach in Rajasthan in terms of being the company with highest number of branches amongst its peers for the period ending FY24 *(Source: CARE Report)*. Our product portfolio includes MSME loans, vehicle loans, construction loans and other lending products catering to the diverse financial needs of our customers. Our MSME lending fuels economic growth and promotes financial inclusion by supporting small businesses and entrepreneurs, with over 80% of our MSME loans qualifying as Priority Sector Lending under RBI guidelines.

Building on a legacy that began in early 1990s with Deepak Finance & Leasing Company (a proprietorship concern founded by our Promoter's father) (DFL), our Promoter acquired the shares and control of our Company in 2010. Subsequently, in 2011, our Company consolidated the business by acquiring and integrating the business and operations of DFL, leveraging the expertise and strengths of both entities. As of June 30, 2024, our assets under management (AUM) stood at ₹10,355.35 million with our MSME and vehicle loan verticals contributing 75.49% and 17.46%, respectively. As on June 30, 2024, our customer base comprises 26,065 customers, including 15,732 active MSME customers and 6,146 active vehicle loan customers, demonstrating a growth of 78.92% from 14,568 customers as on March 31, 2022.

We have been systematically expanding our branch network over the years by focusing on deepening our reach in the existing markets, entering new geographies, and increasing penetration in potential regions. Our branch network has grown steadily from 93 branches as of March 31, 2022 to 119 as of March 31, 2023 and further to 135 as of June 30, 2024. Our AUM increased from ₹5,316.02 million as of March 31, 2022 to ₹10,355.35 million as of June 30, 2024, representing a CAGR of 34.49%. Our MSME AUM grew at a CAGR of 30.73% between March 31, 2022 and June 30, 2024 and our vehicle financing AUM grew at a CAGR of 78.55%. The following table provides a break-up of our AUM and customer base by business vertical:

(₹ in million)

Particulars	**June 2024**			**Fiscal 2024**			**Fiscal 2023**			**Fiscal 2022**		
	No. of Customers	**AUM (in ₹)**	**% of AUM**	**No. of Customers**	**AUM (in ₹)**	**% of AUM**	**No. of Customers**	**AUM (in ₹)**	**% of AUM**	**No. of Customers**	**AUM (in ₹)**	**% of AUM**
MSME Loans	15732	7817.33	75.49	14456	7108.45	73.94	10513	5230.25	76.16	8818	4277.91	80.47
Vehicle Loans	6146	1807.56	17.46	5706	1764.43	18.35	3906	949.77	13.83	3914	490.47	9.23
Construction Loans	1911	524.85	5.07	1754	534.68	5.56	1500	517.35	7.53	1181	442.13	8.32
Others:												
(c) Business Loans	437	85.84	0.83	449	97.04	1.01	442	117.11	1.71	315	53.76	1.01
(d) Personal Loans	1839	119.77	1.16	1541	109.09	1.13	490	53.19	0.77	340	51.75	0.97
Total	**26065**	**10355.35**	**100**	**23906**	**9613.69**	**100**	**16851**	**6867.67**	**100**	**14568**	**5316.02**	**100**

Our extensive distribution network which comprises of our on-ground sales teams (supported by a tele-marketing team), direct sales associates and digital channels, enables us to provide last-mile coverage and financial support to underserved customers, bridging the financial inclusion gap in these regions.

We offer a diversified range of lending products to meet the distinct needs of our customers. Our business verticals comprise:

(a) **MSME Finance**. We offer secured loans to MSME customers in the form of loans against property, to support their business operations, expansion and working capital needs.
(b) **Vehicle Finance**. We provide secured loans to our customers for purchasing used commercial vehicles, used personal vehicles, used tractors, two-wheelers, electric two-wheelers and electric three-wheelers.
(c) **Construction Loans**. We offer secured loans to retail customers for purchasing residential property or constructing, renovating or extending their homes.
(d) **Others**. We provide small-ticket unsecured business and personal loans to MSME and retail customers for their working capital requirements and personal use, respectively.

We have leveraged technology across our operations and throughout the customer life cycle, including loan origination, underwriting, collections, post- disbursement monitoring and customer service.

The share of retail credit in total systemic credit has been steadily increasing from 21.6% in FY19 to an expected 30.7% in FY24E. This growth reflects the rising demand for consumer loans, including home loans, personal loans, and auto loans, driven by factors such as increased income levels, higher consumer spending, and greater access to financing. *(Source: CARE Report)*. This favorable market environment, combined with our technology-driven approach, positions us well to capitalize on the growing demand for retail and MSME credit.

We have witnessed consistent improvement in our balance sheet position in the last three Fiscals, and our net worth as of March 31, 2022, March 31, 2023, March 31, 2024 and June 30, 2024 was ₹1,261.87 million, ₹1,523.27 million, ₹2,012.15 million and ₹2,079.18 million, respectively. In Fiscal 2022, 2023 and 2024 and for the period ended June 30, 2024, our revenue from operations were ₹975.94 million, ₹1295.29 million, ₹1731.37 million and ₹508.36 million, respectively.

We have diversified sources of funding and have access to funds from 43 lenders, including 7 public sector banks, 10 private banks, 5 small finance banks, 21 non-banking financial companies and financial institutions as of June 30, 2024. We raise debt through several instruments such as term loans from public sector banks and private banks, non-convertible debentures (NCDs), working capital demand loans and overdrafts against fixed deposits.

As a tech-driven NBFC, we have integrated technology throughout our operations to boost efficiency and customer experience. Our digital ecosystem covers onboarding, underwriting, loan fulfilment, collections, and servicing. This integration allows us to efficiently manage our distribution and collections network, delivering a customized customer experience through a digitally enabled journey. We have digitized the loan origin and disbursal process using our loan origination software (LOS) and loan management system (LMS), resulting in faster disbursal times and enhanced fraud protection. Additionally, our customer relationship management (CRM) software enhances customer engagement and retention. To enhance customer onboarding, our sales team utilizes a mobile application, enabling instant information capture at customer locations, real-time query resolution, guided loan application process and reduced paperwork. This mobility accelerates onboarding, allowing for quicker approvals and a seamless experience for clients. Our IT infrastructure facilitates swift disbursal ensuring timely access to capital to our customers.

We cater to a diverse customer base across various demographics, income levels, occupations, geographic regions, and credit histories. Our customer base includes 38.19% of first-time borrowers, demonstrating our focus on financial inclusion and providing opportunities for underserved population. Our customer acquisition model supports this broad reach through a multi-channel distribution network consisting of a strategic mix of our on-ground sales team for direct sourcing, our network of direct sales associates and referrals generated through our in-house developed Laxmi Mitra app. Leveraging our significant operational experience, we have set up stringent credit quality checks and customised operating procedures that exist at each stage for risk management.

We have comprehensive systems to optimize our lending operations, covering underwriting and collection processes. Our credit underwriting process leverages information technology for document verification such as Know Your Customer (KYC) checks. We also utilize CIBIL scores to ensure a thorough evaluation of creditworthiness. By leveraging automation, we reduce processing time and costs associated with traditional underwriting methods. This enhancement enables faster loan approvals and improved customer satisfaction, while increasing operational efficiency. Our system-driven approach allows for more accurate risk assessments, enabling informed lending decisions.

We have a centralised, technology-enabled collections infrastructure that spans all our business verticals. As on September 30, 2024, a dedicated collections team of 255 personnel tracks repayment schedules, payments, and loan defaults, ensures timely collections, and reviews customer accounts. All loan repayment statuses and overdue payments are tracked and recorded directly on our collections app on a real time basis. Our collection efficiency for the period Fiscals 2022, 2023, 2024 and for the three months period ended June 30, 2024 stood at 103.87%, 98.92%, 96.69% and 96.06%, during Fiscals, respectively, representing the ratio of collected amounts to total current dues for the relevant period.

Our credit rating has improved to 'A- with a stable outlook' by Acuite Ratings as of the date of this Draft Red Herring Prospectus from 'BBB+' by Acuite Ratings during Fiscal 2022. Our average cost of borrowing has reduced from 12.46% as of March 31, 2022 to 11.49% for the period ended June 30, 2024 which is driven by credit rating upgrades and expanded PSU partnerships.

Our management team is led by our Promoter, Deepak Baid who has over 20 years' experience in the financial services sector. We have an experienced and dedicated management team, and we rely on their experience and commitment to help us drive the growth of our business and maintain the continuity of our organisational culture. Our management team is supported by qualified and independent directors, which provides us with robust corporate governance oversight. Our KMPs and SMPs have extensive experience in the banking or related industry such as finance, commercial operations, strategy, audit, business development, human resources, compliance and public relations.

Non-GAAP Measures

We use certain supplemental non-generally accepted accounting principles measures ("Non-GAAP Measures") to review and analyse our financial and operating performance from period to period, and to evaluate our business, and for forecasting purposes. Although these Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us because they are widely used measures to evaluate a company's operating and financial performance. Further, our management believes that when taken collectively with financial measures prepared in accordance with Ind AS, these Non-GAAP Measures may be helpful to investors because they provide an additional tool for investors to use in evaluating our ongoing results and trends. Presentation of these Non GAAP Measures should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our Restated Consolidated Financial Information set out in this Draft Red Herring Prospectus.

These Non-GAAP Measures are not defined under Ind AS, are not presented in accordance with Ind AS and have limitations as analytical tools which indicate, among other things, that they do not reflect our cash expenditures or future requirements for capital expenditure or contractual commitments; changes in, or cash requirements for, our working capital needs; and the finance cost, or cash requirements. Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements. These Non-GAAP Measures may differ from similar titled information used by other companies, including peer companies, who may calculate such information differently and hence their comparability with those used by us may be limited. Therefore, these NonGAAP Measures should not be viewed as substitutes for performance or profitability measures under Ind AS or as indicators of our operating performance, cash flows, liquidity or profitability.

Key Performance Indicators

The table below sets forth the details of the key performance indicators ("KPIs") that our Company considers have a bearing for arriving at the basis for Offer Price. These KPIs have been used historically by our Company to understand and analyse business performance, which in result, help us in analysing the growth of various vertical segments. The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational key financial and operational metrics, to make an assessment of our Company's performance in various business verticals and make an informed decision.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 15, 2024 and the Audit Committee has confirmed that the KPIs pertaining to our Company that have been disclosed to investors at any point of time during the three years period prior to the date of this Draft Red Herring Prospectus have been disclosed in this section and have been subject to verification and certification by M/s. UCC & Associates LLP, Chartered Accountants, bearing firm registration number 010585N/N500017, pursuant to certificate dated December 15, 2024, which has been included as part of the "Material Contracts and Documents for Inspection" on page 502.

The table below sets forth certain Key Performance Indicators for the periods indicated:

(₹ in million, except percentages and per share data)

Particulars	June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022

Number of Branches (1)	135	135	119	93
Number of Employees (2)	1213	1144	906	605
AUM (3)	10355.35	9613.69	6867.67	5316.02
AUM Growth (4)	30.86%*	39.98%	29.19%	15.04%
Disbursements (5)	1535.10	5254.28	3432.91	2366
Disbursement Growth (%) (6)	16.86%*	53.04%	45.10%	48.06%
Average ticket size on Disbursement (7)	0.55	0.48	0.57	0.51
Average LTV (%) ON AUM Secured (8)	48.62%	48.85%	47.49%	46.52%
Product Wise AUM (9)	10355.35	9613.69	6867.67	5316.02
MSME Loans	7817.33	7108.45	5230.25	4277.91
Construction loan	524.85	534.68	517.35	442.13
Vehicle Loans	1807.56	1764.43	949.77	490.47
Other Loans	205.60	206.13	170.30	105.51
Product Wise Disbursement (10)	-	-	-	-
MSME Loans	1,174.83	3,496.52	2,387.55	1,828.55
Construction loan	69.13	167.60	188.72	158.58
Vehicle Loans	262.79	1,463.36	728.75	330.40
Other Loans	28.35	126.80	127.88	48.48
AUM per branch (11)	76.71	71.21	57.71	57.16
AUM per employee (12)	8.54	8.40	7.58	8.79
Net Worth (13)	2,079.18	2,012.15	1,523.27	1,261.87
CRAR (%) (14)	20.82%	21.81%	23.09%	23.41%
Average Cost of borrowings (15)	11.49%*	12.06%	12.24%	12.46%
Total Income (in ₹ million) (16)	512.55	1750.18	1306.68	982.45
Net Interest Income (17)	238.81	813.65	619.65	452.49
Profit for the period/year (PAT) (18)	66.16	226.21	160.28	145.72
Yield on average Gross Loans (%) (19)	21.74%	20.87%	21.34%	18.06%
Spread (%) (20)	10.25%	8.81%	9.10%	5.60%
Interest Margin (%) (21)	9.03%	9.23%	9.27%	8.46%
Impairment on financial instruments / Average Total Assets (22)	0.55%	0.21%	0.24%	0.11%
Return on average Total Assets (RoTA) (%) (23)	2.50%	2.57%	2.40%	2.72%
Return on Average Net worth (RoNW) (%) (24)	12.94%	12.80%	11.51%	12.94%
Gross Non-Performing Assets Ratio(%) (25)	1.06%	0.73%	0.58%	2.84%
Net NPAs to net advances (Net NPA Ratio) (%) (26)	0.63%	0.33%	0.32%	1.91%
Provision Coverage Ratio on Gross Non-Performing Assets (%) (27)	40.60%	54.41%	45.60%	33.33%
Disbursement per branch per month (28)	3.79*	3.24	2.40	2.12
Disbursement per employee per month (29)	0.42*	0.38	0.32	0.33
PAT per Employee (30)	0.22*	0.20	0.18	0.24
PAT per Branch (31)	1.96*	1.68	1.35	1.57

(*) Annualized

Notes:

[1] Number of branches represents aggregate number of branches as of the last day of relevant period/ year.
[2] Number of employees represents aggregate number of employees as of the last day of relevant period/ year.
[3] AUM is the aggregate of (i) Loan Assets (Loans), which is aggregate amount of loan receivable from customer and includes future principal outstanding and overdue principal outstanding and (ii) Assigned Assets & business correspondence assets (Off Book), which represents aggregate amount of future principal outstanding and overdue principal outstanding for off book loan assets as at the last day of the relevant fiscal year/cut off date.
[4] AUM growth represents the growth percentage in AUM as of the last day of the relevant period/ year over AUM as of the last day of the previous period/ year.
[5] Disbursements is the aggregate of all loan amounts extended to customers in the relevant period/ year.
[6] Disbursement growth represents the percentage growth in disbursement for the relevant period/ year over disbursement for the previous peri od/ year.
[7] Average ticket size on disbursement represents the aggregate of all loan amounts extended to our customers in the relevant period/ year divided by number of loan accounts extended in the relevant period/ year.
[8] Average LTV is Property/ asset value mortgaged for AUM outstanding as of the last day of relevant period/ year.
[9] Product wise AUM represents AUM split between loan products (Vehicle, MSME, Construction and Others) of the company outstanding as of last day of the relevant period/ year.
[10] Product wise Disbursement represents Disbursement split between loan products (Vehicle, MSME, Construction and Others) of the company in the relevant period/ year.
[11] AUM per branch represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.
[12] AUM per employee represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our employees as of the last day of relevant period/ year.
[13] 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, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation,.
[14] CRAR is computed by dividing our Tier I and Tier II capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.
[15] Average cost of borrowing is Adjusted finance cost divided by average Total borrowings. Average Total Borrowings is the simple average of our total Borrowings outstanding as at the end of the previous year and the last day of the relevant year. Total borrowing represents the aggregate of debt securities, borrowing (other than debts securities) and subordinated liabilities. Adjusted finance cost represents the finance costs reduced by interest on lease liability for the relevant period/ year.
[16] Total Income represents the Total Income for the relevant period/ year.
[17] Net interest income represents the difference between interest income and finance costs for the period/ year. Interest income represents the sum of interest income on financial assets measured at amortized cost, interest on deposits with Bank and income on investment, for the relevant period/ year.
[18] Profit for period/ year represents the profit after OCI for relevant period/ year.
[19] Yield on average gross loans is Interest income on financial assets measured at amortised cost divided by average gross loans.
[20] Spread is the difference between yield on average gross loans and average cost of borrowing.
[21] Net Interest Margin represents the difference between interest income and finance costs for the period/ year to the average total assets for the period/ year.
[22] Impairment on financial instruments to average total assets represents impairment on loans, bad debts written off (net of recoveries) for the relevant period/ year to the average total assets for the relevant period/ year.
[23] Return on Average Total assets (RoTA) represent profit for the period/ year divided by average of total assets as at the end of the relevant period/ year and our total assets as at the end of the previous year.
[24] Return on Average Net Worth (RoNW) is calculated as the profit for the period/ year as a percentage of Average Total Net Worth for such period/ year.
[25] Gross non-performing assets ratio is Gross non-performing assets divided by Gross Loans outstanding as of the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as of the end of the relevant period/year.
[26] Net NPAs to net advances (Net NPA Ratio) represents our Net Non-performing assets to our Gross Loans reduced by impairment loss allowance on Gross Non-performing assets as of the end of the relevant period/ year. Net NPA

represents Gross non-performing assets reduced by provisions for NPAs (excluding provisions on standard assets) as at the end of relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year

(27) *Provision Coverage Ratio on Gross non-performing assets (%) is calculated as provisions for NPAs (excluding provisions on standard assets) divided by Gross Non-Performing Assets as at the end of the relevant period/ year. Gross non-performing assets is the aggregate of Gross Loans - Stage 3 and Gross Loans – Regulatory Stage 3 as at the end of the relevant period/ year.*

(28) *Disbursement per branch per month represents Disbursement as of the last day of the relevant period/ year divided by the aggregate number of our branches divided by number of months as of the relevant period/ year*

(29) *Disbursement per employee per month represents Disbursement as of the last day of the relevant period/ year divided by the aggregate number of our employee divided by number of months as of the relevant period/ year*

(30) *PAT per employee represents PAT as of the last day of the relevant period/ year divided by the aggregate number of our employee as of the last day of relevant period/ year.*

(31) *PAT per branch represents PAT as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.*

Significant Factors Affecting our Financial Condition and Results of Operations

Availability of cost-effective sources of funding We have historically secured financing from diversified sources of funding such as banks, financial institutions, monetization of loans through securitizations to financial institutions and co-lending to non-banking financial institutions. We raise debt through several instruments such as term loans from public sector banks and private banks, non-convertible debentures, overdrafts against fixed deposits, PTCs and direct assignments of loan pools. As a result, the availability of cost effective funding sources affects our results of operations. The availability for funding as well as the overall cost of borrowing depends on many external factors, including developments in the Indian and global economy and credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. Internal factors that affect availability of funding and our cost of borrowing include our current and future results of operations and financial condition, our risk management policies, our brand equity, our credit ratings and available credit limits. See “Our Business – Description of our Business and Operations - Credit Ratings” on page 103 as well as “Risk Factors –Any downgrade of our credit ratings could increase borrowing costs and constrain our access to capital and lending markets and, as a result, could negatively affect our net interest margin and our business.” on page 43.

The following table sets forth details of our total borrowings, average cost of borrowing and incremental cost of borrowings as of and for the periods / years indicated:

Particulars (Rs. In millions)	**As of and for the three months ended June 30,**	**As of and for the year ended March 31,**		
	2024	**2024**	**2023**	**2022**
Debt securities (A)	347.04	50.02	231.74	287.89
Borrowings (other than debt securities) (B)	8633.58	7537.39	5923.13	3825.67
Subordinated liabilities (C)	79.36	79.36	0	0
Total Borrowings (D=A+B+C) (1)	9059.98	7666.77	6154.87	4113.56
Finance costs	240.33	833.49	628.25	500.05
Average Cost of Borrowings (2) *	11.49%	12.06%	12.24%	12.46%
Incremental Cost of Borrowings (3)	11.16%	11.58%	12.04%	12.20%

annualized for the period ended June 30, 2024

Note:

(1) *Total Borrowings represents the aggregate of debt securities and borrowings (other than debt securities) and subordinated liability as of the last day of the relevant period.*

(2) *Average cost of borrowing is Adjusted finance cost divided by average Total borrowings. Average Total Borrowings is the simple average of our total Borrowings outstanding as at the end of the previous year and the last day of the relevant year. Total borrowing represents the aggregate of debt securities, borrowing (other than debts securities) and subordinated liabilities. Adjusted finance cost represents the finance costs reduced by interest on lease liability for the relevant period/ year.*

(3) *Incremental Cost of Borrowings represents the weighted average cost of fresh borrowings during the relevant period/ year.*

Our average cost of borrowings reduced from 12.46% in Fiscal 2022 to 12.24%% in Fiscal 2023, further reduced to 12.06% in Fiscal 2024, and reduced to 11.49% in three months ended June 30, 2024. Average cost of borrowings, which is a Non-GAAP measure, is adjusted finance costs for the relevant period/ year divided by average total borrowings, see *"Selected Statistical Information - Non-GAAP Reconciliation"* on page *312* for details of reconciliation. Our incremental cost of borrowings reduced from 12.20% in Fiscal 2022 to 12.04% in Fiscal 2023 and further reduced to 11.58% in Fiscal 2024 and further to 11.16% in three months ended June 30, 2024. We were able to maintain competitive borrowing costs because of our improved credit ratings. See "*Our Business – Description of our Business and Operations – Credit Ratings*" on page 221 for further details.

Our ability to continue to meet customer demand for new loans will depend primarily on our ability to borrow from various external sources on suitable terms and in a timely manner. We aim to maintain a diversified debt profile to ensure that we are not overly dependent on any one type or source of funding. For further details in relation to our borrowings, see *"Financial Indebtedness"* on page 468. Our ability to maintain our finance costs at optimum levels will continue to have a crucial impact on our profitability, results of operations and financial condition. Any changes in the regulatory environment in relation to the ability of banks to provide funding to NBFCs will also have an adverse impact on our sources of funding. For details, see "*Key Regulations and Policies*" on page 225.

Volatility in borrowing and lending rates

Our results of operations depend substantially on our interest income. Any change in interest rates would affect our interest income and our finance costs, and directly impact our results of operations because our core business is based on achieving a spread between the cost at which we can obtain funds and the yields we can achieve in extending loans. Our interest income constitutes the largest component of our revenue from operations.

The following table sets forth details of our interest income as a percentage of total revenue from operations and finance costs as a percentage of total revenue from operations for the periods / years indicated:

Particulars	**As of and for the three months ended June 30, 2024**	**As of and for the year ended March 31,**		
		2024	**2023**	**2022**
Interest income (A)	479.44	1647.85	1248.22	952.79
Total revenue from Operations (B)	508.36	1731.37	1295.29	975.94
Interest income as % of Total revenue from Operations (C=A/B)	94.31%	95.18%	96.37%	97.63%
Finance costs (D)	240.33	833.49	628.25	500.05
Finance costs as % of Total revenue from Operations (E=D/B)	47.28%	48.14%	48.50%	51.24%

Finance costs represent the finance costs reduced by interest on lease liability for the relevant period/ year.

Volatility in interest rates could be a result of many factors beyond our control, including the monetary policies of the RBI , deregulation of the financial services sector in India, domestic and international economic and political conditions and competition among various lending institutions in India. Moreover, interest rates in India are typically correlated with the inflation rate, and as the inflation rate increases, the RBI has historically sought to raise interest rates. While declining interest rates may lead to greater demand for additional borrowings as borrowers seek to take advantage of lower interest rates, when interest rates conversely rise, there are typically less prepayments and less demand for new funds. In a rising interest rate scenario, our profit margin is therefore primarily dependent on our ability to attract new business, either through existing customers or new customers. If we are not successful in increasing the volume of our business in such a scenario, our profit margin may deteriorate.

In addition, changes in interest rates also affect the interest rates we pay on our interest-bearing liabilities. As there are varying maturity periods applicable to our interest-bearing assets and interest-bearing liabilities, an increase in interest rates may result in an increase in finance cost relative to interest income leading to a reduction in our interest margin, which is an important measure of our profitability, whereas a decrease in interest rates may result in a decrease in our finance cost relative to interest income leading to an increase in our interest margin. Furthermore, as part of our growth strategy, we aim to increase our share of MSME financing business, which has higher yields in general as compared to our vehicle financing loans and which may positively impact our interest margin. For further information on our interest margin, see "*Selected Statistical Information –Products Offering – Product Wise Key Metrics – Business vertical wise yields (at the time of origination)"* on page 303 For further details, see *"Risk Factors – Our financial performance is highly sensitive to interest rate volatility and fluctuations in interest rates could affect our business, cash flows and results of operations.*" and *"Our Business – Description of our Business and Operations - Risk Management – Interest Rate Risk"* on pages 37 and 215

Credit quality and provisioning:

Our ability to manage the credit quality of our loan portfolio, which we measure in part through our gross stage 3 assets and non-performing assets, is a key driver of our results of operations and financial condition. Credit quality is the outcome of the credit appraisal mechanism and recovery system followed by us. We classify our Gross Loans – Stage 3 in accordance with the applicable Ind AS rules, and non-performing assets in accordance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023. Defaults by our customers for a period more of 90 days result in such loans being classified as gross stage 3 assets and non-performing assets. For further details, see "*Risk Factor No.3 - A majority of our business operations involve transactions with mid to low-income customers in rural and semi-urban areas of India who are susceptible to adverse economic conditions."* on page 24. Our Company records allowance for expected credit losses for all loans, other debt financial assets not held at fair value through profit and loss, together with loan commitments, in this section all referred to as 'financial instruments'. The expected credit loss ("**ECL**") allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or "**LTECL**"), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss ("**12mECL**"). The 12mECL is the portion of LTECLs that represent the ECLs resulting from default events on a financial instrument that are possible within the 12 months after the reporting date.. We have established policies and processes to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. For further details of the composition of our loans across classification stages, as well as the provisioning thereof, see *"Selected Statistical Information – V. Asset Quality – Stage Wise Loans and Impairment Loss Allowance"* on page 303.

Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023, clarified that the classification of borrower accounts as special mention accounts or non-performing assets will be on a day-end position basis and accounts can only be upgraded from an nonperforming asset to a 'standard' asset after the clearance of all outstanding over dues (in other words, only if the entire arrears of interest and principal are paid by the borrower).

Various factors, such as a deterioration in macro-economic factors (including a rise in unemployment, a sharp and sustained rise in interest rates, negative developments in the Indian economy, movements in global commodity markets and exchange rates), regulatory hurdles and competition, as well as customer specific factors, such as wilful default and mismanagement of a customer's operations or changes in borrower behaviour and demographic patterns, may cause a further increase in the level of non-performing assets and have an adverse impact on the quality of our loan portfolio. If our non-performing assets increase, we will be required to increase our provisions, which would reduce our net profit and would adversely affect our financial condition.

Financial performance and growth across key metrics

Our financial performance and growth across key metrics are significant drivers of our results of operation. The following table sets forth details of our key metrics as of the dates and for the periods / years indicated:

Particulars	***As of and for the three months ended June 30, 2024***	***As of and for the year ended March 31,***		
		2024	***2023***	***2022***
Debt securities (A)	*347.04*	*50.02*	*231.74*	*287.89*
Borrowings (other than debt securities) (B)	*8633.58*	*7537.39*	*5923.13*	*3825.67*
Subordinated liabilities (C)	*79.36*	*79.36*	*Nil*	*Nil*
Total Borrowings (D=A+B+C) (1)	*9059.98*	*7666.77*	*6154.87*	*4113.56*
Finance costs (2)	*240.33*	*833.49*	*628.25*	*500.05*
Total assets (3)	*11309.88*	*9848.49*	*7787.08*	*5584.31*
Return on Assets (%) (4)	*2.50**	*2.57*	*2.40*	*2.72*
Return on Average Net Worth (%) (5)	*12.94**	*12.80*	*11.51*	*12.94*
Impairment on financial instruments / Average Total Assets (6)	*0.55*	*0.21*	*0.24*	*0.11*
Net Interest margin (%) (7)	*9.03**	*9.23*	*9.27*	*8.46*

** Annualized for the period ended June 30, 2024*

Note:

(1) *Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant period.*

(2) *Adjusted Finance Costs represent the aggregate of finance costs as per Restated Financial Information reduced by interest on lease liabilities.*

(3) *Total Assets represent the total of our financial assets and non-financial assets.*

(4) *Return on Average Total assets (RoTA) represent profit for the period/ year divided by average of total assets as at the end of the relevant period/ year and our total assets as at the end of the previous year.*

(5) *Return on Average Net Worth (RoNW) is calculated as the profit for the period/ year as a percentage of Average Total Net Worth for such period/ year.*

(6) *Impairment on financial instruments to average total assets represents impairment on loans, bad debts written off (net of recoveries) for the relevant period/ year to the average total assets for the relevant period/ year.*

(7) *Net Interest Margin represents the difference between interest income and finance costs for the period/ year to the average total assets for the period/ year.*

Investment in technology

Laxmi India Finance Limited has embraced a forward-thinking approach by heavily investing in cutting-edge IT infrastructure. This strategic move not only strengthens operational efficiency but also enhances customer experience across every touchpoint. With an array of advanced applications such as Loan Origination System (LOS), Loan Management System (LMS), Customer Relationship Management (CRM), and digital payment solutions, the company has transformed how customers are onboarded and serviced.

Recognizing the importance of convenience in financial transactions, Laxmi India Finance Limited has introduced digital payment solutions, including QR code-based collections. Customers can now make payments from anywhere at any time using their preferred mobile wallets or UPI apps. This digital initiative reduces dependency on cash, enhances security, and simplifies payment tracking.

(₹ million, except otherwise stated)

Particulars	As of and for the three months ended June 30,	As of and for the year ended March 31,		
	2024	2024	2023	2022
Investment in information technology and digital systems	4.6	6.41	3.01	2.83
% of Revenue from Operations	0.91%	0.37%	0.23%	0.29%

The integration of LOS, LMS, CRM, and digital payment solutions underscores Laxmi India Finance Limited's commitment to leveraging technology for customer-centric growth. These applications not only streamline internal processes but also empower customers with convenience, speed, and transparency. The result is a holistic financial ecosystem where customers feel valued and supported at every step. Through strategic IT investments, Laxmi India Finance Limited is not just keeping pace with the digital era but is setting new benchmarks in customer service and operational excellence.

Our ability to maintain operational efficiencies while expanding our branch network

We have experienced significant growth in recent years while maintaining our operating expenditure notwithstanding the impact of the COVID-19 pandemic. The following table sets forth details of our AUM and Operating Expenditure / Average Total Assets as of and for the periods / years indicated:

(₹ million, except otherwise stated)

Particulars	As of and for the three months ended June 30, 2024	As of and for the year ended March 31,		
		2024	2023	2022
AUM(1)	10355.35	9613.69	6867.67	5316.02
AUM per branch (2)	76.71	71.21	57.71	57.16
Total assets	11309.88	9848.49	7787.08	5584.31
Operating Expenditure /Average Total Assets (3) (%)*	1.58%	6.81%	6.60%	5.26%

** Not annualized for the period ended June 30, 2024*

Note:

(1) AUM is the aggregate of (i) Loan Assets (Loans), which is aggregate amount of loan receivable from customer and includes future principal outstanding and overdue principal outstanding and (ii) Assigned Assets & business correspondence assets (Off Book), which represents aggregate amount of future principal outstanding and overdue principal outstanding for off book loan assets as at the last day of the relevant fiscal year/cut off date.

(2) AUM per branch represents AUM as of the last day of the relevant period/ year divided by the aggregate number of our branches as of the last day of relevant period/ year.

(3) Operating expenditure to average total assets represents aggregate of employee benefits expense, depreciation and amortization expense, other expenses for the relevant period/ year divided by the average total assets for the relevant period/ year.

(4) Operating expenditure, which is a non-GAAP measure, represents the aggregate of employee benefits expenses, depreciation and amortization and other expenses for the relevant period/ year.

(5) Average total assets is the simple average of total assets as of the last day of the relevant period/ year and total assets as at the end of the previous year. For details on reconciliation, see "Selected Statistical Information - Non-GAAP Reconciliation" on page 312.

As part of our growth strategy, we aim to further deepen our reach, expand our presence in new geographies, and increase penetration in high potential states where our presence is relatively new in a calibrated and systematic manner, thereby enabling us to further diversify geographically in India. For further details, see "*Our Business – Strategies – Increase penetration and distribution network in existing markets and diversifying into contiguous markets*" on page 206. Our results of operations will be affected by our ability to manage operating expenditure as we expand, in particular, our employee benefits expenses. As we have expanded our branch network, we have increased our employee headcount. As we further expand our branch network, we will need to increase headcount. However, as our operations expand, we also expect to derive benefits from economies of scale, which should assist us in optimizing our operating expenditure. The following table sets forth the number of our branches and employees and details of our employee benefits expenses for the periods / years indicated:

Particulars	**As of and for the three months ended June 30, 2024**	**As of and for the year ended March 31,**		
		2024	**2023**	**2022**
Number of Branches	135	135	119	93
Number of Employees	1213	1144	906	605
Employee benefits expenses (₹ million) (A)	130.58	432.04	319.06	197.84
Total revenue from operations (₹ million) (B)	508.36	1731.37	1295.29	975.94
Employee benefits expenses as a % of Total revenue from Operations (C=A/B)	25.69%	24.95%	24.63%	20.27%
% of Average AUM*	1.31%	5.24%	5.24%	3.98%

**Not annualized for June 30, 2024*

Government policy and regulations

We operate in a highly regulated industry, and we have to adhere to various laws, rules and regulations. Any changes in the regulatory environment under which we operate could adversely affect our results of operations and financial condition. Our financial condition, results of operations and continued growth also depend on stable government policies and regulations. Our Company has a certificate of registration from the RBI to operate as an NBFC-ICC, has been categorized as a 'NBFC – Middle Layer' as per the NBFC Scale Based Directions and is regulated by the RBI. prudential norms for income recognition, asset classification, and norms for creation of special reserves as well as minimum capital adequacy requirements. Any significant change by the Government or the RBI in their various policy initiatives may affect the demand for our products and services which in turn could impact our results of operations and financial condition. For further details, see *"Key Regulations and Policies"* on page 225.

General economic conditions in India

Our results of operations are affected by the general economic conditions prevalent in India, as well as the perception of those conditions and future economic prospects. Overall economic growth and an increase in GDP are likely to result in an increase in incomes and spending on business expansion in India, which may lead to an increase in demand for our loan products. Conversely, a slowdown in the Indian economy could adversely affect our business and our borrowers, especially if such a slowdown were to be continued and prolonged. Several factors beyond our control, such as developments in the Indian economy, population growth and increase in households in India, urbanization and financial literacy across India, conditions in the world economy, fluctuations in interest rates, movements in global commodity markets and exchange rates could have either a positive or an adverse impact on the quality of our loan portfolio. Any trends or events, which have a significant impact on the economic situation in India could have an adverse impact on our business. In particular, economic conditions of agricultural and rural business income and other factors affecting the economic situation in India may materially impact our results of operations. The COVID-19 pandemic had significant repercussions across local, national and global economies and financial markets, including in India. Any further waves of the pandemic may also have consequences on the domestic and global economies. In the past, as a result of the implementation of lockdowns and other restrictive measures by the Government of India in response to the spread of the COVID-19 pandemic, the Indian economy, including the financial services sector, faced significant disruptions. During the COVID-19 pandemic, we involved our sales team to work on collections thus allowing a quick return to normalcy after the lifting of COVID-19 restrictions and worked with our customers to educate them on the need for restructuring their loans as well as finding alternative uses of their assets to continue income generation. For further details, see "Risk Factors – The resurgence of the COVID-19 pandemic or the future outbreak of another highly infectious or contagious disease may affect our business and operations in the future." on page .

Value of collateral

We focus on collateral-backed lending and as of June 30, 2024, 98.01% of our loan portfolio was secured. As of June 30, 2024, our secured MSME loans have an average Loan-to-Value (LTV) ratio of 43.60% while our secured vehicle loans have an average LTV ratio of 72.60%.

Our credit underwriting process is designed to evaluate loan applications thoroughly, determine disbursement amounts, and calculate Loan-to-Value (LTV) ratios. We lend to income-generating activities, assessing whether the borrower's income exceeds the loan's collateral value, evaluate customer intent through credit bureau checks and reference checks, and ensure assets pledged as collateral act as a safeguard against default.

The following table sets forth the break-up of disbursement contributed by our MSME financing vertical based on type of collateral for the periods/ years indicated:

Particulars	For three months ended on June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Disbursement (₹ in million)	% of Disbursement	Disbursement (₹ in million)	% of Disbursement	Disbursement (₹ in million)	% of Disbursement	Disbursement (₹ in million)	% of Disbursement
Residential Property	1524.86	99.33	5226.99	99.48	3410.29	99.34	2357.33	99.63
Commercial Property	10.30	0.67	27.29	0.52	22.62	0.66	8.67	0.37

For further details in relation to the risks relating to recovery of collateral, see *"Risk Factors No. 11 - Our inability to assess and recover the full value of collateral or amounts outstanding under defaulted loans in a timely manner or at all could adversely affect our business, financial condition, cash flows and results of operations.*" on page 44.

Increasing Competition

The NBFC industry in India is highly competitive. We face competition from other NBFCs and scheduled commercial banks on the range of product offerings, interest rates, fees and customer service, as well as for skilled employees. Our primary competitors include SBFC Finance Limited, Akme Fintrade (India) Limited, Ugro Capital Limited, Moneyboxx Finance Limited, Consolidated Securities Limited, Five Star Business Finance Limited and MAS Financial Services Limited. For further details, see "Industry Overview" on page 143.

Critical accounting policies and significant judgments and estimates

The preparation of the Restated Financial Statements requires our management use certain estimates and assumptions to report amounts of assets and liabilities (including contingent liabilities) as on the date of the Restated Financial Statements and to report income and expenses during the reported period. While our management believes that the estimates used in preparation of the Restated Financial Statements are prudent and reasonable, actual results could differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Accounting estimates and judgements that are used for various line items in the Restated Financial Statements are as follows:

Determination of estimated useful lives of property, plant and equipment and intangible assets:

Useful life of all Property, Plant and Equipment and Intangible assets are in accordance with Schedule II of the Companies Act, 2013.

Measurement of defined benefit obligations:

The cost of defined benefit plan and present value of such obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

Recognition of deferred tax:

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

Recognition and measurement of provisions and contingencies:

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigation against the company as it is not possible to predict the outcome of pending matters with accuracy.

Fair value of share-based payments:

The ESOP Scheme provides for grant of the equity shares of the Company to employees. The scheme provides that employees are granted an option to subscribe to the equity shares of the Company that vest in the graded manner. The option may be exercised within the specified period.

Equity-settled share-based payments to employees are recognized as an expense at the fair value of equity stock options at the grant date. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the graded vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Fair value of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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 objectives. The company considers the frequency, volume and timing of disbursements in prior years, the reason for such disbursement, and its expectations about future business activities. However, information about business activity is not considered in isolation, but as part of an holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flow are realized. Therefore, the company considers information about past disbursement in the context of the reason for those disbursements, and the conditions the existed at that time as compared to current conditions. Based on this assessment and the future business plans of the company, the management has measured its financial assets at amortized cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principle and interest (the SPPI criterion).

Effective Interest Rate (EIR) method:

The Company's EIR methodology, recognizes interest income using a internal rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans and other characteristics of the product life cycle (including prepayments). This estimation, by nature, requires an element of judgment regarding the expected behaviour and life-cycle of the instruments, as well other fee income/expense that are integral parts of the instruments.

Impairment of financial assets:

The Company recognizes loss allowances for Expected Credit Losses (ECL) on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVOCI). At each reporting date, the Company assesses whether the above financial assets are credit- impaired.

A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Determination of lease term:

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Discount rate for lease liability and right of use assets:

The discount rate is generally based on the weighted incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. And discount rate of security deposits is generally based on the SBI deposit rate at the time of deposit.

Our critical accounting policies are as follows:

(A) <u>Financial instruments</u>

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

<u>Initial recognition and measurement</u>

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities measured at FVTPL are recognized immediately in the statement of profit and loss.

If the transaction price differs from fair value at initial recognition, the Corporation will account for such difference as follows:

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognized in the statement of profit and loss on initial recognition;
- In all other cases, the fair value will be adjusted to bring it in line with the transaction price.
- After initial recognition, the deferred gain or loss will be recognized in the statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.
- The Company recognizes a financial asset and Financial Liabilities when it becomes party to the contractual provisions of the instrument. Financial assets, with the exception of loans and advances to customers, are initially recognized on the transaction date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognized when funds are disbursed.

The Company's financial assets include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with banks, loans and advances, other financial assets and investments. The Company's financial liabilities include loans and borrowings including bank overdrafts and trade & other payables.

<u>Classification</u>

The Company classifies financial assets as subsequently measured at amortized cost, Fair Value through Other Comprehensive Income ("FVOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

(i) The entity's business model for managing the financial assets and
(ii) The contractual cash flow characteristics of the financial asset.

<u>Business model assessment</u>

- The Company determines its Business Model at the level that best reflects how it manages groups of financial assets to achieve its business objectives. The company considers the frequency, volume and timing of disbursements in prior years, the reason for such disbursement, and its expectations about future business activities. However, information about business activity is not considered in isolation, but as part of an holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flow are realized. Therefore the company considers information about past disbursement in the context of the reason for those disbursements, and the conditions the existed at that time as compared to current conditions. Based on this assessment and the future business plans of the company, the management has measured its financial assets at amortized cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principle and interest (the SPPI criterion).

Assessment whether contractual cash flows is solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Subsequent measurement and gains and losses

(i) Financial Assets at Amortized Cost

A financial asset is measured at the amortized cost if both the following conditions are met:

(a) It is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

In case of financial assets classified and measured at amortized cost, any interest income, foreign exchange gains or losses and impairment are recognized in the Statement of Profit and Loss.

(ii) Financial Assets at fair value through other comprehensive income (FVTOCI)

A Financial Asset is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

For equity instruments not held for trading, the Company has an irrevocable option to designate them as FVTOCI. The Company has not designated investments in any equity instruments as FVTOCI.

(iii) Fair value through profit and loss (FVTPL)

Any financial asset which is not classified in any of the above categories is subsequently measured at FVTPL.

For financial assets at FVTPL, net gains or losses, including any interest or dividend income, are recognized in the Statement of Profit and Loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognized at the proceeds received, net of direct issue costs..

Financial liabilities

(i) Initial recognition and measurement

The Company recognizes a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense are recognized in Statement of profit and loss. Any gain or loss on derecognition is also recognized in Statement of profit and loss.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

(B) Derecognition of financial assets and financial liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is de-recognized when the rights to receive cash flows from the financial asset have expired. The Company also de-recognized the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition. The Company has transferred the financial asset if, and only if, either:
• It has transferred its contractual rights to receive cash flows from the financial asset or
• It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement. Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'),but assumes

a contractual obligation to pay those cash flows to one or more entities ('eventual recipients'), when all of the following three conditions are met:

• The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
• The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
• The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.
In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the year between the collection date and the date of required remittance to the SPV

A transfer only qualifies for derecognition if either:

• The Company has transferred substantially all the risks and rewards of the asset or
• The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

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 recognized only to the extent of the Company's continuing involvement, in which case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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. If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in the statement of profit and loss, with the exception of equity investment designated as measured at FVOCI, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to the statement of profit and loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Corporation retains an option to repurchase part of a transferred asset), the Corporation allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain/loss allocated to it that had been recognized in OCI is recognized in the statement of profit and loss. A cumulative gain/loss that had been recognized in OCI is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVOCI, as the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to the statement of profit and loss.

Financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

(C) Modification of financial assets and financial liabilities

Financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the entity recalculate the gross carrying amount of the financial asset and recognize a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

Financial liabilities

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Restated Statement of Profit and Loss (including Other Comprehensive Income).

(D) Impairment of financial assets

Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortized cost and FVOCI.

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance has been measured at 12 month ECL.

At each reporting date, we assess whether any financial asset carried at amortized cost and FVOCI is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired includes the observable data such as Days Past Due ("DPD") or default event.

The Corporation's ECL for financial guarantee is estimated based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs.

ECL is a probability weighted estimate of credit losses, measured as follows:

The Company recognizes loss allowances for Expected Credit Losses on the following financial instruments that are not measured at FVTPL:
- Loans and advances to customers;
- Other financial assets; and
- Loan commitments.

Equity instruments are measured at fair value and not subject to an impairment loss.

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. loss allowance on default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

The Company presents the ECL charge or reversal (where the net amount is a negative balance for a particular period) in the Statement of Profit and Loss as "Impairment on financial instruments".

The impairment requirements for the recognition and measurement of ECL are equally applied to loan asset at FVTOCI except that ECL is recognized in Other Comprehensive Income and is not reduced from the carrying amount in the Balance Sheet.

For trade receivables, the Company applies a simplified approach. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL is measured at an amount equal to the 12-month ECL.

The Corporation has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments.

When making the assessment of whether there has been a SICR since initial recognition, the Company considers reasonable and supportable information, that is available without undue cost or effort. If the Company measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Company again measures the loss allowance based on 12-month ECL.

ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is generally measured on collective basis using homogenous groups.

Criteria used for determination of movement from stage 1 (12-month ECL) to stage 2 (lifetime ECL) and stage 3 (Credit impaired)

Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition. For classification of its borrowers into various stages, the Company uses the following basis:

Stage 1

When loans are first recognized, the Corporation recognizes an allowance based on 12 months ECL.. The company classifies all standard advances and advances upto 30 days default under this category.

Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2

When a loan has shown a significant increase in credit risk since origination, the Corporation records an allowance for the life time expected credit losses.30 Days Past Due is considered as significant increase in credit risk. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3

When loans are considered credit-impaired, the Corporation records an allowance for the life time expected credit losses. For exposures that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

Definition of default

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. As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

Determination of Expected Credit Loss ("ECL")

At each reporting date, the company assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

e) The disappearance of an active market for a security because of financial difficulties.

<u>Method used to compute ECL:</u>

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive. ECL is the product of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

The brief methodology of computation of ECL is as follows:

(1) Probability of default (PD)

The Probability of Default 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 derecognized and is still in the portfolio.

PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary.

For Stage I accounts, 12 months PD is used.

For Stage II significantly increased credit risk accounts, Lifetime PD is used which is computed based on survival analysis.

For Stage III credit impaired accounts, 100% PD is taken.

(2) Loss Given Default (LGD)

The Loss Given Default 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 Company would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD. LGD is the loss factor which the Company may experience in case the default occurs.

(3) Exposure at Default (EAD)

- The Exposure at Default is an estimate of the exposure at a future default date. It is outstanding exposure on which ECL is computed. EAD includes principal outstanding and accrued interest in respect of the loan.
- 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 months ECL.
- For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown

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 12m ECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

<u>Manner in which forward looking assumptions are incorporated in ECL estimates:</u>

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Consumer Price Index, Unemployment rates, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably

(E) Write-offs

Financial assets are written off in their entirety only when the Company has no reasonable expectation of recovery. The amount written off recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

(F) Revenue recognition

<u>Interest income</u>

Interest income, for all financial instruments measured either at amortized cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR).

The EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation of the effective interest rate takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes transaction costs and fees that are an integral part of the contract but not future credit losses. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized 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 under stage 3.When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3,' the Company recognizes interest income on the gross carrying amount (i.e. carrying amount net off loss allowance)

Fees and commission income

Revenue (other than those to which Ind AS 109 applies) is measured at the fair value of consideration received or receivable.

Income from other financial charges are recognized on accrual basis, except in case of File Cancellation Charges, Collection Charges, Pre-Closure Charges ,late payment interest, duplicate document charges, file login charges, Instrument return charges, seizing charges, Repossession charges, legal and notice charges and statement charges which are accounted as and when received due to significant uncertainties involved.

The new revenue recognition model prescribed by Ind AS 115 consists of below five steps:

Step 1: Identify the contract(s) with a customer: A contract is an agreement between the two or more parties that creates enforceable right and legal obligations set out the criteria for every contract that must be met. A contract can be either oral or written. However, oral contracts are more challenging to enforce and should be avoided, if possible.

Step 2: Identify the separate performance obligations in the contract: Performance obligations are promises in a contract to transfer to a customer goods or services that are distinct.

Step 3: Determine the transaction price :The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, an entity must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer.

Step 4: Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract.

Step 5: Recognize revenue when (or as) each performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer)

Net gain on fair value changes

We classify certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). We recognize gains on fair value change of financial assets measured at FVTPL and realized gains on de-recognition of financial asset measured at FVTPL and FVOCI on net basis in profit or loss.

Income from other support services is accounted on an accrual basis.

Net gain/(loss) on de-recognition of financial instruments under amortized cost category

Income from direct assignment transactions includes the following-

The difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the assets derecognized) and the consideration received (including any new asset obtained and any new liability assumed).

Gain arising out of direct assignment transactions which comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment has been entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the scheduled cash flows, on the execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the profit and loss.

Key components of Income and Expenses

We report our income and expenditure in the following manner:

Income

Revenue from operations. Our revenue from operations primarily comprises interest income, fees and commission income, net gain on fair value changes and net gain on de-recognition of financial instruments under amortized cost category (being the de-recognition of assigned assets at direct assignment). Interest income includes interest income on financial assets measured at amortized cost, interest on deposits with banks and income on investment.

Other income. Other income primarily comprises income from support services (provision of space for advertisement and branding at our branches, awareness campaigns to our customers), net gain on derecognition of property, plant and equipment,

Expenses

Finance costs. Our finance costs Broadly comprise interest on debt securities, interest on borrowings, interest on subordinated liabilities, interest on lease liability, Interest payment under Co-lending, Bank charges and Loan processing charges.

Impairment on financial instruments. Impairment on financial instruments primarily comprises loans and bad debts written-off (net of recoveries).

Employee benefits expense. Our employee benefits primarily comprise salaries and wages, contribution to provident and other funds, staff welfare expenses, gratuity.

Depreciation and amortization. Depreciation and amortization include depreciation on property, plant and equipment, depreciation on right of use assets and amortization of intangible assets.

Other expenses. Our other expenses primarily comprise Rent charges, Printing and Stationery, legal and professional fee, travelling expenses, communication costs, collection expenses and other expenditure which include technology expenses and bank charges.

Tax expense

Our tax expense primarily comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and provisions of the applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. We measure our deferred tax based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Other comprehensive income

Other comprehensive income comprises remeasurements of the defined benefit plans.

Segment reporting

We are engaged primarily in the business of financing and there are no reportable segments as per Ind AS 108. Further, our operations are predominantly confined to India.

Our Results of Operations:

The following table sets forth select financial data from our restated statement of profit and loss for the three months ended June 30, 2024, and for the fiscal years ended on March 31, 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income for such periods / years:

Particulars	***As of and for the three months ended June 30, 2024***		***As of and for the year ended March 31,***					
			2024		***2023***		***2022***	
	(₹ in million)	*(% of Total Income)*	*(₹ in million)*	*(% of Total Income)*	*(₹ in million)*	*(% of Total Income)*	*(₹ in million)*	*(% of Total Income)*
Revenue from Operation:								
Interest Income (A)	*483.18*	*94.84%*	*1509.11*	*86.23%*	*1135.25*	*86.88%*	*823.41*	*83.81%*
Fees and commission income (B)	*28.92*	*5.68%*	*44.71*	*2.55%*	*44.37*	*3.40%*	*14.94*	*1.52%*
Net gain on fair value changes (C)	*-3.06*	*-0.60%*	*38.81*	*2.22%*	*2.7*	*0.21%*	*8.21*	*0.84%*
Net gain on derecognition of Financial instruments under amortized cost category (D)	*-3.74*	*-0.74%*	*138.74*	*7.93%*	*112.97*	*8.65%*	*129.38*	*13.17%*
(I) Total Revenue from operations (A+B+C+D)	*505.3*	*99.18%*	*1731.37*	*98.93%*	*1295.29*	*99.13%*	*975.94*	*99.34%*
(II) Other income	*4.19*	*0.82%*	*18.81*	*1.07%*	*11.39*	*0.87%*	*6.51*	*0.66%*
(III) Total income (I+II)	*509.49*	*100.00%*	*1750.18*	*100.00%*	*1306.68*	*100.00%*	*982.45*	*100.00%*
Expenses:								
Finance costs (A)	*240.63*	*47.23%*	*834.2*	*47.66%*	*628.57*	*48.10%*	*500.3*	*50.92%*
Impairment on financial instruments (B)	*14.45*	*2.84%*	*18.75*	*1.07%*	*16.36*	*1.25%*	*5.75*	*0.59%*
Employee benefits expenses (C)	*130.58*	*25.63%*	*432.04*	*24.69%*	*319.06*	*24.42%*	*197.84*	*20.14%*
Depreciation and amortization (D)	*3.68*	*0.72%*	*15.3*	*0.87%*	*10.8*	*0.83%*	*8.49*	*0.86%*
Other expenses(E)	*33.17*	*6.51%*	*153.52*	*8.77%*	*111.7*	*8.55%*	*75.03*	*7.64%*

(IV) Total expenses (A+B+C+D+E)	*422.51*	*82.93%*	*1453.81*	*83.07%*	*1086.49*	*83.15%*	*787.41*	*80.15%*
(V) Profit before tax (III-IV)	*86.98*	*17.07%*	*296.37*	*16.93%*	*220.19*	*16.85%*	*195.04*	*19.85%*
(VI) Tax expense:								
Current tax (A)	*44.28*	*8.69%*	*60.95*	*3.48%*	*35.47*	*2.71%*	*26.5*	*2.70%*
Tax related to earlier years (B)	*0*	*0.00%*	*0.33*	*0.02%*	*0.24*	*0.02%*	*-0.64*	*-0.07%*
Deferred tax (C)	*-23.56*	*-4.62%*	*10.4*	*0.59%*	*24.77*	*1.90%*	*22.67*	*2.31%*
Total Tax Expense (A+B+C)	*20.71*	*4.07%*	*71.68*	*4.10%*	*60.48*	*4.63%*	*48.52*	*4.94%*
(VII) Profit for the period/ year (V-VI)	*66.26*	*13.01%*	*224.69*	*12.84%*	*159.71*	*12.22%*	*146.52*	*14.91%*
Remeasurements of the defined benefit plans (i)	*-0.13*	*-0.02%*	*2.04*	*0.12%*	*0.77*	*0.06%*	*-1.07*	*-0.11%*
Income tax relating to items that will not be reclassified to profit or loss (ii)	*0.03*	*0.01%*	*-0.51*	*-0.03%*	*-0.19*	*-0.01%*	*0.27*	*0.03%*
Other comprehensive income (i+ii)	*-0.1*	*-0.02%*	*1.52*	*0.09%*	*0.58*	*0.04%*	*-0.8*	*-0.08%*
VIII) Total comprehensive income for the period/ year (comprising profit and other comprehensive income for the period/ year) (VII + VIII)	*66.16*	*12.99%*	*226.21*	*12.92%*	*160.28*	*12.27%*	*145.72*	*14.83%*
IX) Earnings per equity share par value of ₹ 5 each:								
Basic (₹)	*3.34*		*12.19*		*10.04*		*9.99*	
Diluted (₹)	*3.34*		*11.31*		*10.03*		*9.99*	

Fiscal 2024 compared to Fiscal 2023

Total Income:

Our total income increased by 33.94 % to ₹ 1750.18 million for Fiscal 2024 from ₹ 1306.68 million for Fiscal 2023, which was primarily attributable to an increase in our total revenue from operations.-

Our total revenue from operations increased by 33.67 % to ₹ 1731.37 million for Fiscal 2024 from ₹ 1295.29 million for Fiscal 2023, primarily due to:

- an increase in interest income to ₹ 1509.11 million for Fiscal 2024 from ₹ 1135.25 million for Fiscal 2022. This was primarily due to:

    - an increase in interest income on financial assets measured at amortized cost to ₹ 1453.52 million for Fiscal 2024 from ₹ 1093.85 million for Fiscal 2023, which was primarily attributable to a growth in our AUM to ₹ 9613.68 million as of March 31, 2024 from ₹ 6867.66 million as of March 31, 2023. The growth in our AUM was primarily driven by an increase in volume of our loans due to increase in our disbursement ₹ 5254.28 in March 2024 and ₹ 3432.91 in March 2023 and also increase in our branch network to 135 branches as of March 31, 2024 from 119 branches as of March 31, 2023; and

    - an increase in income on investment to ₹ 55.59 million in Fiscal 2024 from ₹ 22.45 million in Fiscal 2023 primarily due to higher average investments in Fiscal 2024 as compared to Fiscal 2023; and

    - an increase in the net gain on de-recognition of financial instruments under amortized cost category to ₹ 138.74 million for Fiscal 2024 from ₹ 112.97 million for Fiscal 2023. This was primarily attributable to an increase in the proportion of assigned loans as a percentage of AUM to 12.03 % as of March 31, 2024 from 14.05 % as of March 31, 2023.

Other income. Our other income increased by 65.14 % to ₹18.81 million for Fiscal 2024 from ₹ 11.39 million for Fiscal 2023, which was primarily attributable to an increase in other income from infra to ₹17.09 million for Fiscal 2024 from ₹ 10.91 million for Fiscal 2023 due to higher marketing activities in respect of our arrangements with dealers to provide space for infrastructure to set up their activities.

Expenses

Finance costs:
Our finance costs increased by 32.67 % to ₹833.49 million for Fiscal 2024 from ₹628.25 million for Fiscal 2023, primarily due to an increase in interest on borrowings to ₹826.14 million for Fiscal 2024 from ₹618.33 million for Fiscal 2023. The increase in interest on borrowings was primarily attributable to an increase in total borrowings to ₹7666.77 million for Fiscal 2024 from ₹6154.87 million for Fiscal 2023. The increase in interest on borrowings was primarily attributable to an increase in total borrowings volumes as we required additional capital as a result of growth in our AUM

Impairment on financial instruments.
Our impairment on financial instruments increased by 14.61% to ₹ 18.75 million for Fiscal 2024 from ₹ 16.36 million for Fiscal 2023, primarily due an increase in our total gross loans to ₹ 8203.31 million in Fiscal 2024 as compared to total gross loans of ₹ 5728.46 million in Fiscal 2023.

Employee benefits expenses*:*
Employee benefits expenses increased by 35.41% to ₹ 432.04 million for Fiscal 2024 from ₹319.06 million for Fiscal 2023, primarily due to an increase in salaries and wages to ₹ 405.37 million for Fiscal 2024 from ₹ 296.45 million for Fiscal 2023. This was primarily attributable to an increase in the number of our employees as a result of growth in our business and annual increments given to our existing employees. The number of our employees increased to 1144 employees as of March 31, 2024, from 906 employees as of March 31, 2023.

Depreciation and amortization:
Our depreciation and amortization increased by 41.67% to ₹ 15.30 million for Fiscal 2024 from ₹ 10.80 million for Fiscal 2023, primarily due to an increase in the depreciation on property, plant and equipment and ROU assets to ₹ 14.98 million for Fiscal 2024 from ₹ 10.48 million for Fiscal 2023.The increase was primarily attributable to an increase in our branches to 135 as of March 31, 2024 from 119 branches as of March 31, 2023.

Other expenses:

Our other expenses increased by 37.44% to ₹ 153.52 million for Fiscal 2024 from ₹ 111.70 million for Fiscal 2023, primarily due to increased business activity in Fiscal 2024, with an increase in:

- Travelling expenses to ₹ 15.81 million for Fiscal 2024 from ₹ 10.41 million for Fiscal 2023; and
- Legal, Professional and Technical Charges to ₹ 39.18 million for Fiscal 2024 from ₹ 24.81 million for Fiscal 2023.
- Printing & Stationery to ₹ 6.29 million for Fiscal 2024 from ₹ 2.46 million for Fiscal 2023; and
- Business/Sales Promotion Expenses to ₹ 6.35 million for Fiscal 2024 from ₹ 2.77 million for Fiscal 2023

Tax Expense:

Our total tax expense increased by 18.52 % to ₹ 71.68 million for Fiscal 2024 from ₹ 60.48 million for Fiscal 2023. For Fiscal 2024, we primarily had a total current tax expense of ₹60.95 million, tax income related to earlier years of ₹0.33 million and a deferred tax of ₹ 10.40 million which was on account of deferred tax liabilities. For Fiscal 2023, we primarily had a current tax of ₹ 35.47 million, tax income related to earlier years of ₹ 0.24 million and a deferred tax of ₹24.77 million which was on account of deferred tax liabilities. We had a higher tax expense in Fiscal 2024 due to an increase in our revenue from operations and other income.

Profit for the year:

As a result of the foregoing, our profit for the year increased by 40.68 % to ₹ 224.69 million for Fiscal 2024 from ₹ 159.71 million for Fiscal 2023.

Other comprehensive income:

Our other comprehensive income increased by 164.58% to ₹1.52 million for Fiscal 2024 from ₹ 0.58 million for Fiscal 2023, primarily on account of remeasurements of the defined benefit plans as a result of gratuity assumptions based on the actuary report.

Total comprehensive income for the year (comprising profit and other comprehensive income for the year)

Our total comprehensive income for the year (comprising profit and other comprehensive income for the year) increased by 41.13% to ₹ 226.21 million for Fiscal 2024 from ₹ 160.28 million for Fiscal 2023.

Fiscal 2023 compared to Fiscal 2022

Total Income:

Our total income increased by 33.00% to ₹ 1306.68 million for Fiscal 2023 from ₹ 982.45 million for Fiscal 2022, which was primarily attributable to an increase in our total revenue from operations.

Our total revenue from operations increased by 32.72 % to ₹ 1295.29 million for Fiscal 2023 from ₹ 975.94 million for Fiscal 2022, primarily due to:an increase in interest income to ₹ 1135.25 million for Fiscal 2023 from ₹ 823.41 million for Fiscal 2022. This was primarily due to:

- Increase in interest income on financial assets measured at amortized cost to ₹ 1093.85 million for Fiscal 2023 from ₹ 790.39 million for Fiscal 2022, which was primarily attributable to a growth in our AUM to ₹ 6867.68 million as of March 31, 2023 from ₹ 5316.02 million as of March 31, 2022.
- Growth in our AUM was primarily driven by an increase in volume of our loans due to an increase in our disbursement ₹ 3433.10 million in March 2023 and ₹ 2366.00 millions in March 2022 and also increase in our branch network to 119 branches as of March 31, 2023 from 93 branches as of March 31, 2022;
- Increase in income on investment to ₹22.45 million in Fiscal 2023 from ₹16.76 million in Fiscal 2022 primarily due to higher average investments in Fiscal 2023 as compared to Fiscal 2022;
- Increase in the net gain on de-recognition of financial instruments under amortized cost category to ₹ 112.97 million for Fiscal 2023 from ₹ 129.38 million for Fiscal 2022. This was primarily attributable to a decrease in the proportion of assigned loans as a percentage of AUM to 14.05 % as of March 31, 2023 from 14.26 % as of March 31, 2022.

Other income:

- Our other income increased by 74.96% to ₹ 11.39 million for Fiscal 2023 from ₹ 6.51 million for Fiscal 2022, which was primarily attributable to an increase in the other income from infra to ₹10.91 million for Fiscal 2023 from ₹6.00 million for Fiscal 2022 due to higher marketing activities in respect of our arrangements with dealers to provide space for infrastructure to set up their activities.

Expenses

Finance costs:
Our finance costs increased by 25.64 % to ₹628.25 million for Fiscal 2023 from ₹500.05 million for Fiscal 2022, primarily due to an increase in interest on borrowings to ₹618.33 million for Fiscal 2023 from ₹495.64 million for Fiscal 2022. The increase in interest on borrowings was primarily attributable to an increase in total borrowings to ₹6154.87 million for Fiscal 2023 from ₹4113.56 million for Fiscal 2022.

Impairment on financial instruments.
Our impairment on financial instruments increased by 184.52 % to ₹ 16.36 million for Fiscal 2023 from ₹5.75 million for Fiscal 2022, primarily due to an increase in our total gross loans to ₹ 5728.46 million in Fiscal 2023 as compared to total gross loans of ₹ 4522.73 million in Fiscal 2022.

Employee benefits expenses.
Employee benefits expenses increased by 61.27 % to ₹ 319.06 million for Fiscal 2023 from ₹ 197.84 million for Fiscal 2022, primarily due to an increase in salaries and wages to ₹ 296.45 million for Fiscal 2023 from ₹ 186.24 million for Fiscal 2022. This was primarily attributable to an increase in the number of our employees as a result of growth in our business and annual increments given to our existing employees. The number of our employees increased to 906 employees as of March 31, 2023 from 605 employees as of March 31, 2022.

Depreciation and amortization.
Our depreciation and amortization increased by 27.21 % to ₹ 10.80 million for Fiscal 2023 from ₹ 8.49 million for Fiscal 2022, primarily due to an increase in the depreciation on property, plant and equipment and Rou Assets to ₹ 10.48 million for Fiscal 2023 from ₹ 8.15 million for Fiscal 2022. The increase was primarily attributable to an increase in our branches to 119 as of March 31, 2023 from 93 branches as of March 31, 2022.

Other expenses.
Our other expenses increased by 48.87 % to ₹ 111.70 million for Fiscal 2023 from ₹ 75.03 million for Fiscal 2022, primarily due to increased business activity in Fiscal 2023, with an increase in:
- Travelling expenses to ₹ 10.41 million for Fiscal 2023 from ₹ 5.59 million for Fiscal 2022; and
- Legal, Professional and Technical Charges to ₹ 24.81 million for Fiscal 2023 from ₹ 21.74 million for Fiscal 2022.
- Printing & Stationery to ₹ 2.46 million for Fiscal 2023 from ₹ 1.67 million for Fiscal 2022; and
- Business/Sales Promotion Expenses to ₹ 2.77 million for Fiscal 2023 from ₹ 1.78 million for Fiscal 2022

Tax Expense
Our total tax expense increased by 24.64 % to ₹ 60.48 million for Fiscal 2023 from ₹ 48.52 million for Fiscal 2022. For Fiscal 2023, we primarily had a total current tax expense of ₹35.47 million, tax income related to earlier years of ₹0.24 million and a deferred tax of ₹ 24.77 million which was on account of deferred tax liabilities. For Fiscal 2022, we primarily had a current tax of ₹ 26.50 million, tax income related to earlier years of ₹ -0.64 million and a deferred tax of ₹22.67 million which was on account of deferred tax liabilities. We had a higher tax expense in Fiscal 2023 due to an increase in our revenue from operations and other income.

Profit for the year
As a result of the foregoing, our profit for the year increased by 9.00% to ₹ 159.71 million for Fiscal 2023 from ₹ 146.52 million for Fiscal 2022.

Other comprehensive income

Our other comprehensive income increased by 172.50 % to ₹ 0.58 million for Fiscal 2023 from ₹-0.80 million for Fiscal 2022, primarily on account of remeasurements of the defined benefit plans as a result of gratuity assumptions based on the actuary report.

Total comprehensive income for the year (comprising profit and other comprehensive income for the year)
Our total comprehensive income for the year (comprising profit and other comprehensive income for the year) increased by 9.99 % to ₹ 160.29 million for Fiscal 2023 from ₹ 145.72 million for Fiscal 2022.

Assets
The following table sets forth the principal components of our assets as of June 30, 2024, March 31,2024, March 31, 2023 and March 31, 2022:

(₹ million, except otherwise stated)

Particular	As of and for the three months ended June 30, 2024	As of and for the year ended March 31,		
		2024	2023	2022
ASSETS				
Financial assets				
Cash and cash Equivalents	929.19	422.70	952.84	468.80
Bank balance other than cash and cash equivalents	834.83	729.63	737.93	160.61
Derivative financial Instruments				
Receivables	2.71	3.13	0.70	-
Other receivables				
Loans	9,025.52	8,152.39	5,682.11	4,454.51
Investments	136.62	145.11	76.66	203.47
Other financial assets	209.99	243.43	203.17	210.30
Total financial assets	**11,138.86**	**9,696.39**	**7,653.41**	**5,497.69**
Non-financial assets				
Current tax assets (net)	18.98	21.58	18.38	15.70
Deferred tax assets (net)	-	-	-	-
Property, plant and Equipment	109.70	110.70	100.84	60.32
Property, Plant and Equipment under development				
Intangible assets under Development	0.23	0.76	-0.00	-
Other intangible assets	1.73	0.40	0.36	0.36
Other non-financial Assets	40.38	18.66	14.09	10.24
Total non-financial assets	171.02	152.10	133.67	86.62
Total assets	**11,309.88**	**9,848.49**	**7,787.08**	**5,584.31**

As of June 30, 2024, we had total assets of ₹11309.88 million, compared to ₹9848.49 million as of March 31, 2024, ₹7787.08 million as of March 31, 2023 and ₹5584.31 million as of March 31, 2022. The increase in our total assets was primarily on account of:

- Growth in the origination of our loans and loan portfolio. The growth was primarily on account of the growth in our AUM as a result of an increase in our branch network, and increase in our disbursement.

- An increase in cash and cash equivalents, and bank balance other than cash and cash equivalents primarily due to an increase in borrowing and equity infusion.

Financial Assets

Cash and cash equivalents

As of June 30, 2024, we had cash and cash equivalents of ₹929.19 million, compared to ₹ 422.70 million as of March 31, 2024, ₹ 952.84 million as of March 31, 2023 and ₹ 468.80 million as of March 31, 2022. The increases in cash and cash equivalents as of June 30, 2024 as compared to cash and cash equivalents as of March 31, 2024 was primarily due to raising the term loan of Rs. 2130.00 million and increase in cash and cash equivalents to March 31, 2024 from March 31, 2022 was primarily due to an increase in borrowings and equity infusion by promoter and Others.

Bank balances other than cash and cash equivalents

As of June 30, 2024, we had bank balance other than cash and cash equivalents of ₹ 834.83 million, compared to ₹ 729.63 million as of March 31, 2024, ₹ 737.93 million as of March 31, 2023 and ₹ 160.61 million as of March 31, 2022.The variations in bank balance other than cash and cash equivalents were primarily due to increase in borrowings and taking FD OD facility.

Receivables

As of June 30, 2024, we had receivables of ₹ 2.71 million, compared to ₹3.13 million as of March 31, 2024, ₹ 0.70 million as of March 31, 2023 and ₹0.00 million as of March 31, 2022. The variations in receivables between June 30, 2024 and March 31, 2022 were due to the pattern of invoice, realization and collections in the normal course of business.

Loans

As of June 30, 2024, we had loans of ₹9025.52 million, compared to ₹ 8152.39 million as of March 31, 2024, ₹ 5682.11 million as of March 31, 2023 and ₹ 4454.51 million as of March 31, 2022. The increases in loans from June 30,2024 to March 31, 2022 were primarily due to higher disbursements on account of increase in branches and customers.

Investments

As of June 30, 2024, we had investments of ₹ 136.62 million, compared to ₹145.11 million as of March 31, 2024, ₹ 76.66 million as of March 31, 2023 and ₹ 203.47 million as of March 31, 2022. Our investments majorly consist of mutual fund units and security receipt of ARC (i.e. asset reconstruction companies). Our investments as of June 30, 2024 decreased from investments as of March 31, 2022 mostly on account of redemption of investments in mutual fund and security receipt of ARC.

Other financial assets

As of June 30, 2024, we had other financial assets of ₹ 209.99 million, compared to ₹243.43 million as of March 31, 2024, ₹ 203.17 million as of March 31, 2023 and ₹ 210.30 million as of March 31, 2022. The other financial assets as of June 30, 2024 slightly decreased from other financial assets as of March 31, 2022 were primarily due to operation business activities.

Non-financial Assets; -

Current tax assets (Net)

As of June 30, 2024, we had current tax assets (net) of ₹18.98 million, compared to ₹ 21.58 million as of March 31, 2024, and ₹18.38 million as of March 31, 2023 and ₹15.70 million as of March 31, 2022. The current tax assets (net) increased from March 31, 2022 to June 30, 2024 due to increase in operational activities.

Deferred Tax Liability (net)

As of June 30, 2024, we had deferred tax liability (net) of ₹26.13 million, compared to ₹ 49.72 million as of March 31, 2024, ₹38.81 million as of March 31, 2023 and ₹ 13.84 million as of March 31, 2022.

Property, plant and equipment

As of June 30, 2024, we had property, plant and equipment of ₹109.70 million, compared to ₹110.70 million as of March 31, 2024, ₹100.84 million as of March 31, 2023 and ₹60.32 million as of March 31, 2022. The increase in property, plant and equipment to June 30, 2024 from March 31, 2022 was primarily due to addition of branches and purchase of building and equipment's.

Property, Plant and Equipment under development:
We did not have Property, Plant and Equipment under development progress as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 respectively.

Intangible assets under development
As of June 30, 2024, we had intangible assets under development of ₹ 0.23 million, compared to ₹ 0.76 million as of March 31, 2024, ₹ 0.00 million as of March 31, 2023 and ₹ 0.00 million as of March 31, 2022.

Other Intangible Assets
As of June 30, 2024, we had other intangible assets of ₹1.73 million, compared to ₹0.40 million as of March 31, 2024, ₹0.36 million as of March 31, 2023 and ₹0.36 million as of March 31, 2022.

Other non-financial assets
As of June 30, 2024, we had other non-financial assets of ₹ 40.38 million, compared to ₹ 18.66 million as of March 31,2024, ₹ 14.09 million as of March 31, 2023 and ₹ 10.24 million as of March 31, 2022. The other non-financial assets majorly consist of prepaid expenses and Advance for Expense.

Liabilities and equity
The following table sets forth the principal components of our liabilities and equity as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022:

(₹ million, except otherwise stated)

LIABILITIES AND EQUITY	**As of and for the three months ended June 30, 2024**	**As of and for the year ended March 31,**		
		2024	**2022**	**2021**
LIABILITIES				
Financial Liabilities:				
Derivative financial instruments				
Trade Payables	28.42	24.05	11.58	16.41
Debt securities	347.04	50.02	231.74	287.89
Borrowings (other than debt securities)	8633.58	7537.39	5923.13	3825.67
Subordinated liabilities	79.36	79.36	0.00	0.00
Other financial liabilities	53.33	61.76	32.80	157.53
Total financial liabilities	**9141.74**	**7752.57**	**6199.25**	**4287.50**
Non-Financial Liabilities:				
Current tax liabilities (net)	33.51	0.64	0.64	0.64
Provisions	12.08	11.36	11.29	8.57
Deferred Tax Liabilities (Net)	26.13	49.72	38.81	13.84
Other non-financial liabilities	12.93	16.85	11.62	7.35
Total non-financial liabilities	**84.65**	**78.57**	**62.36**	**30.40**
EQUITY				
Equity share capital	198.63	198.63	183.17	158.90
Other equity	1884.86	1818.71	1342.30	1107.51

Total equity	2083.49	2017.34	1525.47	1266.41
Total equity and liabilities	**11309.88**	**9848.49**	**7787.08**	**5584.31**

Financial Liabilities

Trade Payables
As of June 30, 2024, we had trade payable of ₹ 28.42 million, compared to ₹ 24.05 million as of March 31, 2024, ₹ 11.58 million as of March 31, 2023 and ₹ 16.41 million as of March 31, 2022.

Debt Securities
As of June 30, 2024, we had debt securities of ₹347.04 million, compared to ₹50.02 million as of March 31, 2024, ₹231.74 million as of March 31, 2023 and ₹287.89 million as of March 31, 2022. The increases in debt securities to June 30, 2024 from March 31, 2023 were primarily due to issuance of non-convertible debentures. The decrease in debt securities to March 31, 2023 from March 31, 2022 was primarily due to maturity and repayment of our non-convertible debentures.

Borrowings (other than debt securities)
As of June 30, 2024, we had borrowings (other than debt securities) of ₹8633.58 million, compared to ₹ 7537.39 million as of March 31, 2024, ₹ 5923.13 million as of March 31, 2023 and ₹ 3825.67 million as of March 31, 2022. The increase in borrowings (other than debt securities) to June 30, 2024 from March 31, 2022 was primarily due to increases in our borrowings through term loans.

Subordinated Liabilities
As of June 30, 2024 we had subordinated liabilities of ₹79.36 million, compared to ₹79.36 million as of March 31, 2024 and we did not have any subordinated liabilities as of March 2023 and March 2022. The subordinated liabilities pertain to term loan subordinate to the extent that they do not qualify as equity and subordinated debts from FI. These are in the nature of Tier II- Capital and are subordinate to other creditors of our Company. The increase in subordinated liabilities to June 30, 2024 from March 31, 2022 was primarily due to our issuance of first tier II loan constituting subordinated liabilities.

Other Financial Liabilities
As of June 30, 2024, we had other financial liabilities of ₹ 53.33 million, compared to ₹ 61.76 million as of March 31, 2024, ₹ 32.80 million as of March 31, 2023 and ₹ 157.53 million as of March 31, 2022.

Non-Financial Liabilities

Current tax liabilities (net)
As of June 30, 2024, we had a Current tax liabilities of ₹ 33.51 million, compared to ₹ 0.64 million as of March 31, 2024, ₹ 0.64 million as of March 31, 2023 and ₹ 0.64 million as of March 31, 2022. The increase in Current tax liabilities in June 30, 2024 from March 31, 2022 was primarily due to Provision for Taxation (Net of Advance Tax).

Provisions
As of June 30, 2024, we had provisions of ₹ 12.08 million, compared to ₹ 11.36 million as of March 31, 2024, ₹ 11.29 million as of March 31, 2023 and ₹ 8.57 million as of March 31, 2022. The increase in provisions to June 30, 2024 from March 31, 2022 was primarily due to remeasurements of the defined benefit plans as a result of gratuity assumptions based on the actuary report.

Deferred Tax Liabilities (Net)
As of June 30, 2024, we had Deferred Tax Liabilities (Net)of ₹ 26.13 million, compared to ₹ 49.72 million as of March 31, 2024, ₹ 38.81 million as of March 31, 2023 and ₹ 13.84 million as of March 31, 2022. The movement of deferred tax liabilities and deferred tax assets depend upon business activities and tax implications thereon.

Other non-financial liabilities

As of June 30, 2024, we had other non-financial liabilities of ₹ 12.93 million, compared to ₹ 16.85 million as of March 31, 2024, ₹ 11.62 million as of March 31, 2023 and ₹ 7.35 million as of March 31, 2022. The variations in other non-financial liabilities between June 30, 2024 and March 31, 2022 was primarily due to movements in the statutory dues payable, which are majorly the Goods and Services Tax and TDS payable for the relevant periods / years.

Equity

Our equity share capital was ₹ 198.63 million, ₹198.63 million, ₹183.17 million and ₹158.90 million, representing 1.76 % , 2.02% , 2.35 % and 2.85% of our total assets as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, respectively. Our Other Equity was ₹ 1884.86 million, ₹1818.71 million, ₹1342.30 million and ₹1107.51 million, representing 16.67% , 18.47%, 17.24% and 19.83% of our total assets as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, respectively. The increase in other equity was primarily due to infusion of equity capital and increase in our retained earnings.

As of June 30, 2024, our retained earnings was ₹ 771.75 million, compared to ₹ 718.85 million as of March 31, 2024, ₹ 537.58 million as of March 31, 2023 and ₹ 412.36 million as of March 31, 2022. The increase in retained earnings- was primarily due to the increase in our profit.

Cash flows and cash and cash equivalents

The following table sets forth our cash flows and cash and cash equivalents for the periods/ years indicated:

(₹ million, except otherwise stated)

Particulars	**As of and for the three months ended June 30,**	**As of and for the year ended March 31,**		
	2024	**2024**	**2023**	**2022**
Net cash (used in) operating activities	(887.91)	(2237.54)	(1694.14)	(187.93)
Net cash generated from / (used in) investing activities	1.93	(67.96)	51.41	(196.95)
Net cash generated from financing activities	1392.47	1775.36	2126.77	331.87
Net increase/(decrease) in cash and cash equivalents	506.49	(530.14)	484.04	(53.02)
Cash and cash equivalents as at the beginning of the period// year	422.7	952.84	468.8	521.82
Cash and cash equivalents as at the end of the period /Year	929.19	422.7	952.84	468.8

Operating activities:

- Net cash used in operating activities was ₹887.91 million for the three months ended June 30, 2024. While our profit before tax was ₹86.98 million, we had cash generated from operations before working capital changes of ₹112.75 million. This change was primarily due to adjustments for interest income of ₹ 479.44 million, offset by adjustments for finance costs of ₹ 240.63 million and impairment on financial instruments of ₹ 14.45 million. Working capital for the three months ended June 30, 2024 primarily consisted of an increase in loans of ₹ 887.58 million on account of increased loan disbursals to our customers.
- Net cash used in operating activities was ₹2237.54 million for Fiscal 2024. While our profit before tax was ₹ 296.37 million, we had cash generated from operation before working capital changes of ₹162.97 million. This change was primarily due to adjustments for interest income of ₹ 1647.85 million, offset by adjustments for finance costs of ₹ 834.20 million and impairment on financial instruments of ₹ 18.75 million. Working Capital

for Fiscal 2024 primarily consisted of an increase in loans of ₹2485.16 million on account of increased loan disbursals to our customers.

- Net cash used in operating activities was ₹1694.14 million for Fiscal 2023. While our profit before tax was ₹220.19 million, we had cash generated from operation before working capital changes of ₹121.02 million. This change was primarily due to adjustments for interest income of ₹ 1248.22 million, offset by adjustments for finance costs of ₹ 628.57 million and impairment on financial instruments of ₹ 16.36 million. Working Capital for Fiscal 2023 primarily consisted of an increase in loans of ₹1203.20 million on account of increased loan disbursals to our customers.
- Net cash used in operating activities was ₹187.93 million for Fiscal 2022. While our profit before tax was ₹195.04 million, we had cash generated from operation before working capital changes of ₹83.18 million. This change was primarily due to adjustments for interest income of ₹ 952.79 million, offset by adjustments for finance costs of ₹ 500.30 million and impairment on financial instruments of ₹ 5.75 million. Working Capital for Fiscal 2022 primarily consisted of an increase in loans of ₹305.18 million on account of increased loan disbursals to our customers.

Investing activities:

- Net cash used generated in investing activities was ₹1.93 million for the three months ended June 30, 2024, primarily due to purchase of investments of ₹3.5 million–This was offset by proceeds from redemptions of investments of ₹5.43 million
- Net cash used from investing activities was ₹67.96 million for Fiscal 2024, primarily due to purchase of investments of ₹ 67.96 million
- Net cash generated from investing activities was ₹51.41 million for Fiscal 2023, primarily due to-purchase of investments and ₹51.33 million. These cash outflows were partially offset by proceeds from redemptions of investments of ₹102.74 million.
- Net cash used in investing activities was ₹196.95 million for Fiscal 2022, primarily due to purchase of investments of ₹196.95 million.

Financing activities:

- Net cash generated from financing activities was ₹1392.47 million for the three months ended June 30, 2024, primarily due to ₹1096.16 million proceeds from borrowings (other than debt securities), and ₹297.02 million from proceeds from issue of debt securities. This was partially offset by repayment of lease liabilities of 0.75 million.
- Net cash generated from financing activities was ₹1775.36 million for Fiscal 2024, primarily due to ₹ 1693.62 million from proceeds from borrowings (other than debt securities) and ₹266.61 million from proceeds from issue of Equity shares including Security premium. This was partially offset by repayment of Debt securities of ₹ 181.72 million, Capital issuance expenses of 0.95 million and repayment of Lease liability of ₹ 2.19 million.
- Net cash generated from financing activities was ₹2126.77 million for Fiscal 2023, due to ₹2097.46 million proceeds from borrowings (other than debt securities), ₹98.87 million from proceeds from issue of shares including securities premium. This was partially offset by repayment Securities of ₹56.14 million, repayment of Lease liabilities of ₹13.30 million and Capital issue expenses of ₹0 .12 million.
- Net cash generated from financing activities was ₹ 331.87 million for Fiscal 2022, primarily due to ₹ 308.39 million from proceeds from borrowings (other than debt securities) and ₹ 130 million from proceeds from issue of shares including securities premium. This was partially offset by repayment of Debt securities of ₹104.74 million, repayment of lease liability of ₹ 1.29 million and capital issue expenses of ₹0 .5 million

Indebtedness

The following table sets forth certain information relating to outstanding indebtedness as of June 30, 2024, and our repayment obligations in the periods indicated:

(in ₹ million)

	Payment due by period as of June 30, 2024

Particulars	Total	Less than one year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities					
Debt securities	347.04	147.04	200	0	0
Borrowings (other than debt securities)	8266.58	3086.31	4055.66	1491.6	0
Subordinated Liabilities	79.36	0.07	0	79.29	0
Other financial liabilities	81.75	81.75	0	0	0

Our Company has issued non-convertible debentures which are listed on the debt segment of BSE. For further details of our indebtedness as of June 30, 2024 and our listed non-convertible debentures, see "*Financial Indebtedness*" on page 468.

Liquidity and capital resources

Our funding requirements historically have been met from various sources, including secured and unsecured loans, such as rupee-denominated term loans, cash credit facilities and working capital demand loans from banks and financial institutions, non-convertible debentures, assignment of designated loans assets receivables and securitization of loan proceeds, and subordinate debt instruments.

As of June 30, 2024, June 30, 2023, March 31, 2024, March 31, 2023 and March 31, 2022, our total borrowings were ₹9059.98 million, ₹6016.01 million, ₹7666.77 million, ₹6154.87 million and ₹4113.56 million, respectively.

We actively manage our liquidity and capital position by raising funds periodically. We regularly monitor our capital levels to ensure that we are able to satisfy the requirements for loan disbursements and maturity of our liabilities. All our loan agreements contain a number of covenants including financial covenants. Based on our anticipated cash flows from operating activities, together with our sources of funding, we believe that our working capital is sufficient for our Company present requirements For details, see *"Financial Indebtedness*" and *"Risk Factors No. No.5 – We are subject to certain conditions under our debt financing arrangements. Any failure to meet such conditions and restrictions could result in the termination of our credit facilities or acceleration of our debt payment obligations*", on pages 468 and 39 respectively.

For more information about our liquidity management, see "*Our Business*" beginning on page 195.

Capital and other commitments

We have any capital and other commitments in regards of partially disbursed loans ₹73.66 million, ₹150.49 million, ₹178.57 million and ₹290.04 million as of June 30, 2024, March 31, 2024 and March 31, 2023 and As of March 31, 2022.

Securitization arrangements: -

As of June 30, 2024, and Fiscals 2024, 2023, the carrying amount of associated liabilities in respect of securitization arrangements were NIL, whereas as on March 2022 the carrying amount of associated liabilities in respect of securitization arrangements is Rs. 29.64 million.

Assignment transactions:

As of June 30, 2024, June 30 2023, and March 31, 2024, 2023 and 2022, the carrying amount of transferred assets measured at amortized cost are worth ₹ 1041.39 million, ₹ 873.04 million, ₹ 1156.83 million, ₹ 964.98 million and ₹ 728.26 million, respectively. The assignment transactions do not form part of the Gross Loans on the dates indicated.

Leases-

We have entered into leases agreements as part of our operations. For details, see "*Risk Factors No.24 - in relation to* ." and "*Our Business –Description of our Business and Operations – Properties*" on pages 51 and 224, respectively.

Contingent liabilities:
The table sets forth our contingent liabilities as per Ind AS 37 as at June 30, 2024:

Particulars	**Three months period ended June 30, 2024**
Claims against the company not acknowledged as debt (i) Probable GST Liability related to corporate guarantee issued/taken	1.90

For details in relation to our contingent liabilities as at June 30, 2024 as per Ind AS 37, see "*Financial Information Restated Financial Statements* – Note 47- *Provisions, Contingent Liabilities, Contingent Assets*" and "*Outstanding Litigations and Material Developments*" on pages 316 and 471, respectively.

Off-balance sheet commitments and arrangements
Except as disclosed under "– ***Assignment transactions***" on page 314, we have off-balance sheet arrangements, of business corresponding, Co-Lending, Direct Assignments relationships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Analysis of Market Risks
We are exposed to various types of market risks during the normal course of business. For further details, see "*Our Business –Description of our Business and Operations – Risk Management*" beginning on page 215.

Auditor qualifications and emphasis of matter
There are no auditor qualifications or emphasis of matters which have not been given effect to in the Restated Financial Statements. For details of emphasis of matter in the Restated Financial Statements, see "*Risk Factors – 40 - Our Statutory Auditor has included certain qualifications and emphasis of matter in our Restated Financial Statements*" on page 57.

Unusual or infrequent events or transactions
There have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known trends or uncertainties -
Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "- *Significant Factors Affecting our Financial Conditions and Results of Operations*" and the uncertainties described in "*Risk Factors*" on page 35. Except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material impact on our income.

Future relationship between cost and revenue-
Other than as described in "*Risk Factors*" and this section, there are no known factors that might affect the future relationship between cost and revenue.

Related party transactions-Please take from Auditor Certificates
We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Other Financial Information – Related Party Transactions*" on page 426.

Competitive conditions

We operate in a competitive environment. Please refer to "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 35, 143 and 195, respectively, for further information on our industry and competition.

Seasonality and cyclicality of business

Our business operations and the vehicle financing and non-banking financial services industries may be affected by seasonal trends in the Indian economy. Generally, the period from October to March is the peak period in India for retail economic activity. For further details, see *"Risk Factors –Our business may be affected by seasonal trends in the Indian economy. Any significant event or economic slowdowns during this peak season would materially and adversely affect our business, financial condition, results of operations, cash flows and growth."* on page 49.

Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Changes in revenue in the last three Fiscals and three months ended June 30, 2024 are as described in "*– Our Results of Operations – Three months ended June 30, 2024 – Total Income – Revenue from Operations*", "*– Our Results of Operations – Fiscal 2024 compared to Fiscal 2023 – Total Income – Revenue from Operations*" and "*– Our Results of Operations – Fiscal 2023 compared to Fiscal 2022 – Total Income– Revenue from Operations*" above on pages 454 , 455 and 457 , respectively.

Significant dependence on single or few customers-

We do not believe our business is dependent on any single or a few customers as on the date of this Draft Red Herring Prospectus.

New products or business verticals:

Except as disclosed in "*Our Business*" on page 195, and products that we announce in the ordinary course of business, we have not announced and do not expect to announce in the near future any new products or business verticals.

Significant developments occurring after June 30, 2024: Please consider Auditor Certificates

Except as set out below, to our knowledge, there are no significant developments occurring since June 30, 2024, which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities in the next 12 months:

Recent accounting pronouncements:

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

FINANCIAL INDEBTEDNESS

Our Company has availed loans and enter into other financing arrangements in the ordinary course of business for the purposes of onward lending activities and to meet its business requirements.

For details regarding the borrowing powers of our Board, please see "*Our Management – Borrowing powers of the Board*" on page 278.

Set forth below is a table of the aggregate borrowings of our Company, as on October 31, 2024:

(₹ in million)

Category of Borrowing	**Sanctioned Amount**	**Outstanding Amount***
Secured Loans		
Fund-based facilities		
Term Loans		
- Bank	8625.00	5963.93
- NBFC & FI	5396.70	3347.93
- Vehicle Loan	14.73	8.33
Non-Convertible Debentures	400.00	322.56
Working Capital Limits		
- Cash credit	60.00	-
- Overdraft credit	315.00	90.01
- EPC (Bank)	-	
Non-Fund Based Facilities	-	-
Unsecured loans	186.45	161.96
Total	**14997.88**	**9894.72**

* *As certified by M/s. S. C. Bapna & Associates, Chartered Accountants, Statutory Auditors of the Company, by way of their certificate dated December 15, 2024.*

Principal terms of the subsisting borrowings availed by our Company:

1. ***Tenor***: The tenor of the term loans availed by our Company typically ranges from approximately 3 years to 5 years. The maturity period of the NCDs issued by the Company is typically 33 months to 36 months. The tenor of subordinate debt in form of term loan is typically 66 months.

2. ***Interest***: The interest rates for the term loans availed by our Company typically ranges from 7.70% per annum to 14.50% per annum, which is linked to the marginal cost of fund-based lending rate or external benchmark rates.

Our Company has also issued NCDs to various subscribers. For such borrowings, we enter into debenture trust deeds ("**DTDs**") and in terms of such DTDs, a specified interest or coupon rate is to be paid per annum. The interest rate for the NCDs issued by our Company as of October 31, 2024 typically ranged from 11.49% to 15.53% per annum.

Subordinated debt in the form of term loan interest rates is 16.00% per annum. Cash credit, working capital and overdraft facilities (including overdraft facilities against fixed deposits limits) entered into by us prescribe interest rates ranging from 11.15% to 12.50% per annum.

3. ***Security***: In terms of our borrowings, including NCDs, where security needs to be created, we are typically required to create security primarily by way of:

(a) Charge by way of hypothecation or assignment on the specific book debts arising out of the loans extended, including present and future book debts;
(b) Personal guarantees issued by our Promoters namely, Deepak Baid, Aneesha Baid, Prem Devi Baid
(c) Corporate guarantees issued by our Promoters namely, Prem Deepak Hitech Motors Private Limited and Hirak Vinimay Private Limited;
(d) Mortgage of immovable properties of the Company;
(e) Pari passu or first charge on hypothecation of standard loan receivables under the facility, as applicable;
(f) Asset cover for the loan by way of charge over the book debts at a minimum prescribed limit;
(g) Cash collaterals and security cover; and
(h) Demand promissory notes and letters of continuity for specified amounts in the form approved by the relevant lender.

4. ***Repayment:*** The cash credit and working capital facilities are typically repayable on demand. The repayment period for the term loan facilities availed by us is typically in equal monthly or quarterly instalments. The NCDs issued by our Company are repayable on maturity.

5. ***Prepayment:*** We usually have the option to prepay the lenders, subject to payment of prepayment charges at such rate as may be stipulated by the lenders which typically ranges up to 5.00%. The NCDs, issued by our Company typically have early redemption provisions, which allow for early redemption with prior notice on payment of certain penalties.

6. ***Penalty:*** The facilities issued and availed by our Company contain provisions prescribing penalties, over and above the prescribed interest rate, for delayed payment or default in the repayment obligations of our Company, which typically range from 1.00% to 36.00% of the amounts involved with respect to term loans and 2.00% to 5.00% with respect to NCDs.

7. ***Key covenants***: In terms of our facility agreements, sanction letters, DTDs and securitization arrangements, we are required to comply with various financial covenants, restrictive covenants and conditions restricting certain corporate actions, and we are required to take prior consent from the lender or the trustee (acting on the instructions of the majority debenture holders) and/or intimate the respective lender or trustee (acting on the instructions of the majority debenture holders) before carrying out such actions, including, but not limited to the following:

i to effect any adverse changes to or effect a major change in its capital structure;
ii to formulate or effect any scheme of amalgamation or merger or reconstruction;
iii to undertake any activity other than the activities indicated in the objects clause of the memorandum of association of our Company;
iv for any transfer of the controlling interest or the management set up;
v to undertake guarantee obligations on behalf of any other person;
vi for declaring any dividend if any instalment towards principal or interest remains unpaid on its due date; and
vii to change constitutional documents.

8. ***Events of default:*** In terms of our facility agreements, sanction letters and DTDs, the following, among others, constitute events of default:

(a) failure to pay any sum payable under the facilities or debentures on the due dates;
(b) failure to perform or comply with any obligations or terms and conditions under the facilities or debentures by our Company;
(c) incorrect or misleading representation, warranty or statement under the facility or debenture documents;
(d) failure to create and perfect security;
(e) any notice or action in relation to actual or threatened proceedings relating to bankruptcy, liquidation or insolvency being initiated against us;
(f) our Company ceasing or threatening to cease to carry on its business;
(g) occurrence of a material adverse change that can affect the Company's ability to repay the loan or redeem the debentures; and
(h) cross default in any indebtedness of the Company.

9. ***Consequences on occurrence of event of default***: In terms of our facility agreements, sanction letters and DTDs, the following, among others, are the consequences of occurrence of events of default, whereby our lenders or trustees (acting on the instructions of the majority debenture holders) may:

(a) accelerate repayment or declare all sums outstanding as immediately due and payable
(b) enforce their security interest over the secured 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) levy a default interest on the overdue amounts; and
(g) appoint nominee directors.

This is an indicative list and there may be additional terms that may require the consent of the relevant lender or the trustee (acting on the instructions of the majority debenture holders) that may amount to an event of default under the various borrowing arrangements entered into by us. Further, none of the banks or financial institutions from whom our Company has availed borrowings have accelerated payment of the facility in full or in part on account of default in the repayment of any instalment or interest due or for violation of any other terms of the outstanding debt facilities.

For the purpose of the Offer, our Company has made relevant applications to 43 lenders including 1 debenture trustees (acting on behalf of the debenture holders), as applicable, for seeking their consent / no-objection (NOC) to undertake the activities relating to the Offer including any consequent actions. As on date of this Draft Red Herring Prospectus, we have received consents / NOCs from 8 lenders. For further details on risk factors related to our indebtedness, refer - *No.5 – We are subject to certain conditions under our debt financing arrangements. Any failure to meet such conditions and restrictions could result in the termination of our credit facilities or acceleration of our debt payment obligations*", on page 39.

Details of listed non-convertible debentures issued by our Company

The following table sets forth the ISIN and scrip code of the non-convertible debentures issued by our Company and listed on the debt segment of the BSE, as of October 31, 2024:

ISIN	**Scrip Code**	**Face Value (in ₹)**	**Maturity Date**	**Coupon Rate (p.a.)**	**Outstanding principal amount* (in ₹ million)**
INE06WU07064	975797	100,000	June 28, 2027	11.487%	275

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS 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 first information report) involving the Company, the Promoters and its Directors (together, the "**Relevant Parties**"); (ii) actions taken by statutory or regulatory authorities against the Relevant Parties; (iii) claims related to direct and indirect taxes against the Relevant Parties, in a consolidated manner, giving details of number of cases and total amount; (iv) other pending litigation as determined to be material pursuant to the Materiality Policy involving the Relevant Parties; and (v) pending litigation involving our Group Companies which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by the SEBI or Stock Exchanges against our Promoters in the last five Financial Years, including any outstanding action. As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries or Group Companies.*

For the purpose of disclosure of pending material litigation in (iv) above, our Board in its meeting held on November 28, 2024 has considered and adopted the Materiality Policy, in terms of which, any outstanding litigations involving a claim or an amount which exceeds ₹ 11.24 million, being the amount equivalent to 5% of the profit after tax for the last completed Fiscal as per the Restated Financial Statements would be considered 'material'. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a material adverse bearing on the business, operations, performance, prospectus, reputation, results of operations or cash flows of our Company, irrespective of the amount involved in such litigation. This will also include civil litigations where the decision in one case is likely to affect the decision in similar cases even though the amount involved in an individual litigation may not exceed the amount equivalent to 5% of the profit after tax for the last completed Fiscal as per the Restated Financial Statements.

For the purposes of this section, pre-litigation notices (other than those received from governmental, statutory, regulatory, judicial or tax authorities), have not been considered material and/ or have not been disclosed as pending matters until such litigation proceedings have been initiated against the Relevant Parties before any judicial or arbitral forum.

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 "Trade Payables" as of the latest period in the Restated Financial Statements) of our Company having a monetary value which exceeds 5% of the total amounts due derived from the head "Trade Payables" in the Restated Financial Statements of our Company as of the latest period in Restated Financial Statements of the Company (i.e. June 30, 2024), shall be considered as 'material'. Accordingly, as on June 30, 2024, any outstanding dues exceeding ₹ 1.42 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.

I. Litigation involving our Company

A. Litigation against our Company

1. Criminal Proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material Civil Litigation

(i) A securitization application (No. SA/282/2020) has been filed on 04.11.2020 by Mrs. Priti Singh Ranawat ("**Applicant**") before the Debt Recovery Tribunal, Jaipur, Rajasthan ("**Hon'ble DRT**") *inter alia* (i) to declare that the security interest created in favour of our Company in respect of first floor situated at D6/247, 1st Floor without Roof, Chitrakoot Scheme, Ajmer Road, Jaipur, Rajasthan ("**said property**") was not legally and validly created and that the Applicant is the owner of the said property; (ii) to quash the notice for possession dated 26.11.2020 issued by our Company under Section 13 of the SARFAESI Act; and (iii) to quash and set aside entire SARFAESI proceedings and consequential actions thereto pertaining to the said property. Prior to the filing of the aforesaid securitization application, an order dated 21.10.2020 ("**Order**") had been passed by the Hon'ble Court of Chief Metropolitan Magistrate, Jaipur, Rajasthan under Section 14 of the SARFAESI Act allowing the authorized officer of our Company to take possession of the said property which was mortgaged in favour of Company to secure the loan of ₹ 6.1 million granted by us to Mr. Virendra Singh Hada ("*Borrower*") in 2017. As per aforesaid possession notice dated 26.11.2020, a sum of ₹12.18 million was outstanding as on 26.11.2020 in respect of the said loan account. The said securitization application is pending before the Hon'ble DRT.

B. Outstanding Litigation by our Company

1. Criminal Proceedings

(i) Our Company has, in the ordinary course of its business, filed 2717 complaints against various persons under Section 138 read with Sections 141 and 142 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques. These matters are currently pending at different stages of adjudication before the various judicial fora. To the extent quantifiable, the aggregate amount involved in these matters is ₹ 1262.18 million.

(ii) Our Our Company had filed a complaint (No. 824/2015) under Section 138 read with Sections 141 and 142 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheque for ₹ 0.2 million by one Mr. Rajendra Singh Shekhawat ("**Accused**") before the Hon'ble Special Metropolitan Magistrate, Jaipur, Rajasthan. Vide an order dated 19.02.2018 ("**Order**"), the said Hon'ble Special Metropolitan Magistrate had dismissed the aforesaid complaint due to non-appearance of the Company's advocate. Our Company has on 16.05.2018 filed a Criminal Leave to Appeal (No. 1480/ 2018) under Section 378 (4) of the Code of Criminal Procedure, 1973 before the Hon'ble High Court of Rajasthan seeking that the Order dated 19.02.2018 be set aside and the original complaint be restored. The matter is currently pending before the Hon'ble High Court.

II. Litigation involving our Promoters

A. Litigation filed against our Promoters

1. Criminal Proceedings

(i) One Mr. Jogendra Singh ("**Complainant**") has lodged a First Information Report ("**FIR**") dated 19.09.2024 bearing no 0380, against our Promoter, Mrs. Aneesha Baid and others under Section 406 and 420 of the Indian Penal Code, 1860 read with Section 316 (2) and 318 (4) of the Bhartiya Nyaya Sanhita, 2023, in respect of sale of a plot of land by our Promoter situated at Khasra No. 4677, Revenue Village-Ringus, Patwari Halka-Ringus, Sikar, Rajasthan, having area 0.80 Hectare, including the non-sanctioned land of passages of area 327.34 square yards, to one Mr. Anil Dhayal through a registered sale deed dated 19.12.2017 who further sold the said plot of land to the Complainant. Subsequently, in April 2023, the Municipal Corporation had demolished the construction done on the said land considering it as an encroachment. The Complainant has alleged that there has been a criminal conspiracy committed, due to which the Complainant claims to have suffered a loss of ₹ 2 million. The investigations are ongoing in the said matter.

(ii) One Mr. Rajendra Singh ("**Complainant**") had filed a complaint against one Baid Finance Company for allegedly misusing the Complainant's truck for illegal transportation of liquor after re-possessing the same due to default in payment of the loan instalment to Baid Finance. As per the said complaint, our Promoter Deepak Baid has been allegedly accused to be the proprietor/partner of Baid Finance. Pursuant to the aforesaid complaint, a First Information Report ("**FIR**") dated 26.11.2003 came to be lodged. After completion of the investigation, a negative final report came to be filed by the investigating officer. The Complainant filed a protest petition against the said final report before the Hon'ble Additional Judicial Magistrate (Communal Riots), Jaipur, Rajasthan and got himself examined u/s. 200 of Code of Criminal Procedure, 1973. Pursuant to order dated 05.01.2007 ("**Impugned Order**"), the Hon'ble Additional Judicial Magistrate proceeded on the statements of the Complainant, disallowed the final report and took cognizance of offences under Section 420, 406, 323, 504 and 506 of the Indian Penal Code, 1860 ("**IPC**") against the Accused. Our Promoter had challenged the Impugned Order before the Hon'ble Additional Chief Metropolitan Magistrate (Communal Riots), Jaipur, Rajasthan and the Hon'ble court, vide its order dated 06.07.2012, acquitted the Accused under Section 323 and 504 of IPC and further ordered framing of charges under Section 420, 406 and 506 of IPC. Thereafter, charges were framed against the accused in the matter vide order dated 24.07.2012. Subsequently, our Promoter had filed a revision petition before the challenging the orders dated 06.07.2012 and 24.07.2012 which petition came to be dismissed by the Additional Sessions Judge No. 3, Jaipur Metropolitan, Jaipur vide its order dated 19.07.2013. Thereafter, our Promoter filed a Criminal Miscellaneous Petition (No.: 4587 of 2013) before the Hon'ble Rajasthan High Court challenging the orders dated 19.07.2013 (by the Additional Sessions Judge No. 3, Jaipur) and orders dated 06.07.2012 and 24.07.2012 (by Additional Chief Metropolitan Magistrate (Communal Riots), Jaipur) which petition came to be dismissed pursuant to the Order dated 15.01.2014. The matter is currently pending before Hon'ble Additional Chief Metropolitan Magistrate (Communal Riots), Jaipur, Rajasthan.

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material Civil Litigation

Nil

B. Litigation filed by our Promoters

1. Criminal Proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material Civil Litigation

Nil

III. Litigation involving our Directors

A. Litigation against our Directors

1. Criminal Proceedings

(i) **Deepak Baid**

For litigation involving the Managing Director of our Company, who is also our Promoter, please see "*– Litigation involving our Promoters – Litigation filed against our Promoters*" on page 472.

(ii) **Aneesha Baid**

For litigation involving the Whole Time Director of our Company, who is also our Promoter, please see "*– Litigation involving our Promoters – Litigation filed against our Promoters*" on page 472.

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material Civil Litigation

Nil

B. Litigation filed by our Directors

1. Criminal Proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material Civil Litigation

Nil

IV. Claims related to Direct and Indirect Taxes

1. Except as disclosed below, there are no proceedings related to direct and/ or indirect taxes pending involving our Company, Directors and Promoters:

Nature of Cases	Number of Cases	Amount involved (in ₹ million)
Our Company		
Direct Tax	5	10.66

Indirect Tax	-	-
Our Promoters		
Direct Tax	8	9.10
Indirect Tax	-	-
Our Directors**		
Direct Tax	-	-
Indirect Tax	-	-

*** excluding Individual Promoter*

OUTSTANDING DUES TO CREDITORS

In terms of the Materiality Policy, outstanding dues to any creditor of our Company having a monetary value which exceeds 5% of the total amounts derived from the head "Trade Payables" as of the latest period in Restated Financial Statements of the Company (i.e. June 30, 2024), shall be considered as 'material'. The total amounts due derived from the head "Trade Payables" in the latest Restated Financial Statements of the Company (i.e. June 30, 2024), was ₹ 28.42 million and accordingly, creditors to whom outstanding dues as of June 30, 2024, exceed ₹ 1.42 million have been considered as "material creditors" for the purposes of disclosure in this Draft Red Herring Prospectus. Details of outstanding dues towards our material creditors are available on the website of our Company at www.lifc.co.in.

Details of outstanding dues owed to material creditors, micro, small and medium enterprises and other creditors as of June 30, 2024, are set out below:

Type of Creditors	Number of Creditors	Amount involved (in ₹ million)
Micro Small and Med Enterprises	2	0.26
Material Creditors	6	22.31
Other Creditors	169	5.85

Material Developments

Except as disclosed in the chapter titled *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* on page 429 of this Draft Red Herring Prospectus, in the opinion of our Board, there have not arisen, since the date of the last financial information as disclosed in this Draft Red Herring Prospectus, any circumstances that materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay material liabilities within the next twelve months from the date of filing.

GOVERNMENT AND OTHER APPROVALS

*We have set out below a list of licenses, registrations, permissions and approvals issued by relevant governmental and regulatory authorities required to be obtained by our Company which are considered material and necessary for the purposes of undertaking our present business activities and operations ("**Material Approvals**") and except as mentioned below, no further Material Approvals are required to carry on our present business activities. Unless otherwise stated, these approvals and licenses are valid as on the date of this Draft Red Herring Prospectus. Some of our Material Approvals may expire periodically in the ordinary course and applications for renewal of such expired Material Approvals are submitted in accordance with applicable requirements and procedures, as necessary.*

For further details, in connection with the regulatory and legal framework within which we operate, please see the sections titled "*Risk Factors*" and "*Key Regulations and Policies*" on pages 35 and 225, respectively.

I. Material Approvals in relation to the Offer

For details regarding the approvals and authorizations obtained by our Company in relation to the Offer, please see *"Other Regulatory and Statutory Disclosures–Authority for the Offer"* on page 479 of this Draft Red Herring Prospectus.

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 our incorporation*

1. Certificate of incorporation dated May 10, 1996, issued to our Company by the Registrar of Companies, NCT of Delhi and Haryana under its former name, Laxmi India Finleasecap Private Limited.

2. Fresh certificate of incorporation dated October 11, 2011, issued to our Company by the Registrar of Companies, West Bengal at Kolkata, pursuant to the shifting of its registered office from Delhi to West Bengal.

3. Fresh certificate of incorporation dated January 20, 2021, issued to our Company by the Registrar of Companies, Rajasthan at Jaipur, pursuant to the shifting of its registered office from West Bengal to Rajasthan.

4. Fresh certificate of incorporation dated March 10, 2023, issued to our Company by the Registrar of Companies, Rajasthan at Jaipur, consequent upon the change of name of our Company from Laxmi India Finleasecap Private Limited to Laxmi India Finance Private Limited.

5. Fresh certificate of incorporation dated October 08, 2024, issued to our Company by the Registrar of Companies, Rajasthan at Jaipur, pursuant to conversion of our Company from private limited to public limited.

6. Our Company has been allotted the corporate identity number U65929RJ1996PLC073074.

B. *Material Approvals in relation to our business and operations*

1. The RBI, New Delhi granted a certificate of registration dated March 28, 2001, allotting registration number B-14.02353, pursuant to which our Company (under its erstwhile name, 'Laxmi India Finleasecap Private Limited') was registered as an NBFC under Section 45-IA of the RBI Act.

2. The RBI, Kolkata granted a certificate of registration dated April 25, 2018, allotting registration number B-05.07063, pursuant to which our Company under its former name (under its erstwhile name, 'Laxmi India Finleasecap Private Limited') was registered as an NBFC under Section 45-IA of the RBI Act.

3. The RBI, Jaipur granted a certificate of registration dated March 15, 2021 to our Company (under its erstwhile name, 'Laxmi India Finleasecap Private Limited') and endorsed our Company as a NBFC-ICC, with registration number B-10.00318 as an NBFC under Section 45-IA of the RBI Act.

4. The RBI, Jaipur granted a certificate of registration dated March 31, 2023, to our Company (under its erstwhile name, 'Laxmi India Finance Private Limited') and endorsed our Company as a NBFC-ICC, with registration number B-10.00318, as an NBFC under Section 45-IA of the RBI Act.

5. Our Company is registered with the Central Registry of Securitization Asset Reconstruction and Security Interest of India ("**CERSAI**") for registration of security interest bearing registration number JC711.

6. Trade certificates as a dealer of light transport vehicles bearing no. RJ14TCFG0126, trade certificates as a dealer of two wheeler vehicles bearing no. RJ14T01250, trade certificates as a dealer of light motor vehicles bearing no. RJ14TC0870, trade certificates as a dealer of two wheeler vehicles bearing no. RJ14TCP0041, issued by the District Transport Officer under the Central Motor Vehicles Rules 1989.

7. Our Company has been registered as a principal entity bearing registration number 1701159820652766 pursuant to a certificate of registration issued by Smart Enterprise Solutions under the Telecom Commercial Communications Customer Preference Regulations, 2018, dated June 21, 2024 which is valid till June 23, 2026.

8. The Legal Entity Identifier (LEI) code number 335800MDV5VWLAWACQ10 has been granted by the Legal Entity Identifier India Limited which is valid up to June 4, 2025.

C. ***Tax related Material Approvals***

1. The permanent account number of our Company is AAACL2151N.

2. The tax deduction account number of our Company is JPRL01980G.

3. Our Company has obtained registration certificates under the Central Goods and Service Tax Act, 2017, issued by the Government of India and the State Governments for GST payments:

S. No.	State	Registration Number
1.	Rajasthan	08AAACL2151N1ZG
2.	Gujarat	24AAACL2151N1ZM
3.	Madhya Pradesh	23AAACL2151N1ZO
4.	Chhattisgarh	22AAACL2151N1ZQ

4. Our Company has obtained professional tax registrations, in relation to certain of our branches in the states of Rajasthan, Gujarat, Madhya Pradesh and Chhattisgarh.

D. ***Employment related Material Approvals***

1. Our Company has obtained registration under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, bearing code number RJRAJ1724593000 issued by the Employee Provident Fund Organisation, dated May 01, 2018 which is valid until cancelled.

2. Under the provisions of the Employees' State Insurance Act, 1948, our Company has been allotted the following ESIC code:

S. No.	State	ESIC Code
1.	Rajasthan	15000589140001001
2.	Gujarat	37150589140011000
3.	Madhya Pradesh	18150589140011001
4.	Chhattisgarh	59150589140011000

3. Registrations from the state labour welfare boards for the following states where the Company is eligible:

S. No.	State Labour Welfare Board	Registration Number
1.	Gujarat	HO/0018642
2.	Madhya Pradesh	SKML247853
3.	Chhattisgarh	32806

4. Registration of establishment under the Rajasthan Shops and Commercial Establishments Act, 1958 of the registered office in the state of Rajasthan is SCA/2017/14/135656 issued on December 08, 2021 which is valid until cancelled.

5. Our Company has obtained registrations in the ordinary course of business for our branch offices across various states including registrations under applicable shops and establishments legislation of the states of Rajasthan, Gujarat, Madhya Pradesh and Chhattisgarh, in which the Company operates its branches.

III. Material Approvals applied for but not yet received

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no Material Approvals which our Company has applied for, but which have not been received*:*

1. Registration of establishments under applicable shops and establishments legislation for 9 of our branches in the states of Rajasthan, Gujarat, Chhattisgarh and Madhya Pradesh.

2. Certificate of registration issued by RBI pursuant to conversion of the Company and consequent change in the name to 'Laxmi India Finance Limited'.

IV. Material Approvals required but not obtained or applied for

Registration of establishments under Gujarat Shops and Establishments Act, 1948 for 8 of our branches situated in the states of Rajasthan, Gujarat, Chhattisgarh and Madhya Pradesh.

V. 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 or which renewal is to be applied for.

VI. Material Approvals obtained in relation to intellectual property rights

As of the date of this Draft Red Herring Prospectus, our Company has one trademark in India registered under Class 36 which is valid till 02.02.2029.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

The Offer including the Fresh Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on November 28, 2024 and our Shareholders pursuant to a special resolution passed at their meeting held on November 29, 2024.

The Draft Red Herring Prospectus has been approved pursuant to a resolution passed by our Board on December 15, 2024.

Authorization of the Selling Shareholders

Each of the Selling Shareholders has, severally and not jointly, confirmed and approved its participation in the Offer for Sale in relation to its respective portion of the Offered Shares, as set out below:

Name of the Selling Shareholders	Aggregate number of Equity Shares being offered in the Offer for Sale	Date of board resolution / authorization	Date of consent letter
Promoter Selling Shareholders			
Deepak Baid	Up to 3,084,952	N.A.	November 29, 2024
Prem Devi Baid	Up to 913,070	N.A.	November 29, 2024
Aneesha Baid	Up to 1,261,902	N.A.	November 29, 2024
Deepak Hitech Motors Private Limited	Up to 180,000	November 29, 2024	N.A.
Prem Dealers Private Limited	Up to 90,000	November 29, 2024	N.A.
Promoter Group Selling Shareholders			
Preeti Chopra	Up to 54,348	N.A.	November 29, 2024
Rashmi Giria	Up to 54,348	N.A.	November 29, 2024

Each of the Selling Shareholders specifically confirm, severally and not jointly, that they are in compliance with Regulation 8 of the SEBI ICDR Regulations and have held the Offered Shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus.

Our Company has filed an application dated December 11, 2024 with the RBI seeking prior written permission under the Scale Based Regulations to undertake the Offer. Pursuant to letter dated [●] from the RBI, our Company has received the RBI's permission to undertake the Offer.

In-principle Listing Approvals

Our Company has received in-principle approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or any other regulatory authorities

Our Company, Promoters, Directors, members of our Promoter Group, the Selling Shareholders, the persons in control of our Company, (being our Promoters), are not prohibited from accessing the capital market for any reason or debarred from buying, selling or dealing in securities, under any order or directions by the SEBI or any other securities market regulator in any other jurisdiction or any other authority/ court as on the date of this Draft Red Herring Prospectus.

Our Company, Promoters or Directors have neither been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI. Further, there have not been any violations of securities laws by our Promoters and our Directors.

Further, none of our Promoters or Directors have been declared as Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Each of our Company, our Promoters, the Promoter Group and the Selling Shareholders, severally and not jointly, are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent in force and applicable, as on the date of this Draft Red Herring Prospectus.

Directors associated with the securities market

None of our Directors are associated with the securities market in any manner including securities market related business. Further, no outstanding action has been initiated against any of our Directors by SEBI in the five years preceding the date of this Draft Red Herring Prospectus or any other entity with which our Directors are associated as promoters or directors.

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 Financial Statement, as at and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, is set forth below:

(₹ in million, except percentages)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Pre-tax operating profit/loss,	277.56	208.8	188.53
Net Worth	2,012.15	1,523.27	1,261.87
Net tangible Assets	2,016.18	1,525.11	1,266.05
Monetary Assets*	639.11	1206.30	468.80
Monetary Assets as restated as a % of Net tangible Assets	31.70%	79.10%	37.03%

**As at March 31, 2023, the Company had monetary assets more than 50% of net tangible assets, however, such excess monetary assets were utilized towards (i) repayment obligations under their loans within the period of 2 months from the end of the Financial Year 2023; and (ii) disbursement of new loans, without taking into consideration fresh borrowings availed by the Company during this period, as per the proviso to Regulation 6(1) of the SEBI ICDR Regulations.*

Note: -

1. Pre-tax operating profit is computed by deducting finance costs, employee benefits expenses, depreciation and amortization, impairment on financial instruments and other expenses from total revenue from operations
2. 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, as per the

restated financial statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

3. Monetary assets has been computed as the sum of cash and cash equivalents, freehold deposits with banks.
4. Net tangible Assets calculated as Total Equity less intangible assets.

Our Company is in compliance with the conditions specified in Regulation 5 and Regulation 7(1) of the SEBI ICDR Regulations, as follows:

a. Our Company, each of the Selling Shareholders, our Promoters, the members of our Promoter Group, and our Directors are not debarred from accessing the capital market by SEBI;
b. None of our Promoters or our Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI;
c. None of our Company, our Promoters or our Directors have been categorized as a Wilful Defaulter or a Fraudulent Borrower;
d. None of our Promoters or Directors have been declared as Fugitive Economic Offenders; and
e. As on the date of this Draft Red Herring Prospectus, except for options granted under ESOS 2023, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or any other right which would entitle any person any option to receive Equity Shares of face value of ₹5 each. For further information on ESOS 2023, see "Capital Structure" on page 110.
f. Our Company along with Registrar to the Offer has entered into tripartite agreement dated November 04, 2024 with NSDL and tripartite agreement dated November 04, 2024 with CDSL, for dematerialisation of the Equity Shares;
g. The Equity Shares held by our Promoters are in the dematerialised form;
h. 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
i. As the Net Proceeds will not be utilised for financing a specific project, the requirement to make firm arrangement of finance through verifiable means towards at least 75% of the stated means of finance is not applicable to this Offer.

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.

We are eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulations 6(1) of the SEBI ICDR Regulations. Accordingly, in accordance with Regulation 32(1) of the SEBI ICDR Regulations we are required to allot not more than 50% of the Net Offer to QIBs, 5% of which shall be allocated to Mutual Funds exclusively. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application money shall be refunded to the Bidders.

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 THE DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED

HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, PL CAPITAL MARKETS PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS 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 BOOK RUNNING LEAD MANAGER, PL CAPITAL MARKETS PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, PL CAPITAL PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 15, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLM ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS."

All applicable legal requirements pertaining to this Offer will be complied with at the time of filing this Draft Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All applicable legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, the Directors, the Selling Shareholders and the BRLM

Our Company, the Directors, the Selling Shareholders and the BRLM 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 https://lifc.co.in/,or the respective websites of any affiliate of our Company would be doing so at his or her own risk. It is clarified that none of the Selling Shareholders, nor their respective directors, affiliates, associates and officers, accept and/or undertake any responsibility for any statements made or undertakings provided other than those specifically made or undertaken by such Selling Shareholders in relation to itself and/or the respective portion of the Equity Shares offered by it through the Offer for Sale.

The BRLM accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided for in the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, each of the Selling Shareholders, severally and not jointly (to the extent that the information pertain to its and its respective portions of the Offered Shares) and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, the Underwriters and their respective directors, partners, designated partners, trustees, 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, each of the Selling Shareholders, the Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity.

The BRLM and their respective associates and affiliates, in their capacity as principal or agents, may engage in transactions with, and perform services for, our Company, our Promoters, the Selling Shareholders and their respective directors, officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, our Promoters, the Selling Shareholders and their directors, officers, respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer from the Selling Shareholders

Each of the Selling Shareholders, its respective directors, affiliates, associates, and officers accept no responsibility for any statements made in this Draft Red Herring Prospectus other than those specifically made or confirmed by such Selling Shareholder in relation to himself/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

This 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 equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds (subject to applicable law), 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, AIFs, and other eligible foreign investors, if any, provided 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 an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, other than in India, 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 himself 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 Mumbai, Maharashtra, 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 this Draft Red Herring Prospectus which comprises this Draft Red Herring Prospectus. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

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 had been filed with SEBI for its observations and this Draft Red Herring Prospectus has been filed with RoC, SEBI and the Stock Exchanges. Accordingly, the Equity Shares of face value of ₹5 represented hereby may not be offered or sold, directly or indirectly, and the 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 our affairs or in the affairs of our Company or the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

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 have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "**Securities Act**") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "**U.S. persons**" (as defined in Regulation S under the Securities Act), 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 may be offered and sold (i) within 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**") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions 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. For the avoidance of doubt, the term "**U.S. QIBs**" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "**QIBs**".

The Equity Shares of face value of ₹5/- have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and were not offered or sold, and Bids were not 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 March 31, 2023 is as follows:

"*The company is having a valid certificate of Registration dated March 31, 2023issued 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 shall 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 the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall 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 to the RoC filing.

Listing

The Equity Shares offered through the Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares of face value of ₹5 each. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the listing and trading permission is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the Bidders 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. Each of the Selling Shareholders, severally and not jointly, confirms that it shall extend reasonable support and co-operation (to the extent of its portion of the Offered Shares) as required by law for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares on the Stock Exchanges within three Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed. 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 at the rate of 15% per annum for the delayed period, in accordance with applicable law.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Banker(s) to the Company, legal counsel, CAREEdge Research, the BRLM, the Registrar to the Offer, Statutory Auditors, the Syndicate Members, the Bankers to the Offer, Escrow Collection Bank, Public Offer Account Bank, Refund Bank, Sponsor Banks, to act in their respective capacities, obtained and will be 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 Draft Red Herring Prospectus to the RoC and Prospectus for filing with the ROC.

Experts to the Offer

Our Company has received written consents from the following persons to include their names as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an "Expert" as defined under Section 2(38) of the Companies Act and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus:

(i) Consent dated December 15, 2024, from M/s. S.C. Bapna & Associates, Chartered Accountants, to the extent and in their capacity as our Statutory Auditor in respect of (i) the examination report dated November 13, 2024 on the Restated Financial Statements; (ii) their report on Statement of Possible Special Tax Benefits dated December 15, 2024; and (iii) in respect of the certificates issued by them in their capacity as an Statutory Auditor to our Company included in this Draft Red Herring Prospectus;

(ii) Consent letter dated December 15, 2024 from M/s. UCC & Associates LLP, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name, in this Draft Red Herring Prospectus, as an 'expert' as defined under Section 2(38) of Companies Act in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

However, the term "expert" and the consent thereof shall not be construed to mean an "expert" or consent within the meaning as defined under the U.S. Securities Act.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public issue or rights issue (as defined under the SEBI ICDR Regulations) during the last five years, preceding the date of this Draft Red Herring Prospectus.

Other than as disclosed in *"Capital Structure"* on page 88, our Company has not made any rights issue during the last five years, preceding the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entity during the last three years

- Other than as disclosed in *"Capital Structure – Notes to the capital structure - Share Capital History of our Company – Equity Share Capital"* on page 88 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 on previous issues of the Equity Shares of face value of ₹5 each 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 in the five years preceding the date of this Draft Red Herring prospectus.

Performance vis-à-vis objects – public/ rights issue of our Company or the listed subsidiaries/listed Promoter of our Company

Other than as disclosed in *"Capital Structure"* on page 88, our Company has not undertaken any public issue or rights issue in the five years preceding the date of this Draft Red Herring Prospectus**.** As on the date of this Draft Red Herring Prospectus, none of our Corporate Promoters are listed on any stock exchange. As on the date of this Draft Red Herring Prospectus, our Company does not have a listed Subsidiary or Listed Promoter

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public issue or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Price Information and track record of past issued handled by the Book Running Lead Manager

Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by ***PL Capital Markets Private Limited***

Sr. No.	Issue Name	Issue Size (₹ in Million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/-% change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/-% change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
Main Board								
1	Gala Precision Engineering Limited	16,792.7	529	September 09, 2024	750	48.89% [+0.09%]	86.92% [-0.06%]	-

Source: www.bseindia.com

(1) [●] as Designated Stock Exchange.

Notes:

- Issue size derived from Prospectus/final post issue reports, as available.
- The CNX NIFTY is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
- Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

Summary statement of price information of past public issues handled by PL Capital Markets Private Limited

Financial year	Total no. of IPO*	Total funds Raised (₹ Cr)	Nos of IPOs trading at discount on 30th Calendar Day from listing date			Nos of IPOs trading at premium on 30th Calendar Day from listing date			Nos of IPOs trading at discount on 180th Calendar Day from listing date			Nos of IPOs trading at premium on 180th Calendar Day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less Than 25%
Main Board														
FY 2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2023-24	1	167.927	-	-	-	-	1	-	-	-	-	-	-	-
FY 2024-25	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Track record of past issues handled by the Book Running Lead Manager

For details regarding the track record of the BRLM, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website.

Sr. No.	Name of the BRLM	Website
1.	PL Capital Markets Private Limited	www.plindia.com

Stock market data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares of face value of ₹5 each are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares of face value of ₹5 each.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for 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 or any such later period as may be prescribed under the applicable law to enable the Bidders to approach the Registrar to the Offer for redressal of their grievances.

All grievances (other than of Anchor Investors) in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. 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.

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 Book Running Lead Manager where 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 or the entire duration of delay exceeding three Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM 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 no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 ("March 2021 Circular"), amended by the 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/2021/570 dated June 2, 2021 ("June 2021 Circular"), each to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations, has identified the need to put in place measures in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/ SCSBs, failure to unblock funds for cancelled/ withdrawn/ deleted cases in the stock exchange platforms, failure to unblock funds in cases of partial allotment by the next working day from the finalization of basis of allotment, failure to unblock the funds in cases of non-allotment by the Issue Closing Date, SCSBs blocking multiple amounts for the same UPI mechanism, and SCSBs blocking more amount in the investors' accounts than the application amount.

As per the SEBI ICDR Master Circular read with the March 2021 Circular, and the June 2021 Circular, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022,each to the extent applicable and not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations, SEBI has prescribed certain mechanisms for initial public offerings to ensure proper management of investor issues arising out of the UPI Mechanism, inter alia including (i) identification of a nodal officer by SCSBs for IPO applications processed through UPI as a payment mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) periodic sharing of statistical details of mandate blocks/ unblocks, performance of apps and UPI handles, network latency or downtime, etc., by the Sponsor Bank(s) to the intermediaries forming part of the closed user group vide email; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for nonallotted/ partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalization of the Basis of Allotment.

In terms of the SEBI ICDR Master Circular read with the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the SEBI circular 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, each to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations, 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 the SEBI ICDR Master Circular read with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021,each to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations, 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.

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 the SEBI ICDR Master Circular read with the SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI Circular No: 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 SEBI Master Circular no. SEBI/HO/MIRSD/POD1/P/CIR/2023/70 dated May 17, 2023, to the extent applicable, and not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations..

Separately, pursuant to the SEBI ICDR Master Circular and the March 2021 Circular (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations), the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism 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	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹ 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	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹ 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 finalization 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 ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of SEBI ICDR Regulations

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.

Disposal of Investor Grievances by our Company

Our Company has applied for registration on the SEBI SCORES platform and shall obtain authentication and comply in terms of the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 and SEBI Circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 in relation to redressal of investor grievances through SCORES.

Our Company has not received any investor complaints during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus. 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. 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, specifically, severally and not jointly, has authorized our Company Secretary and Compliance Officer, and the Registrar to the Offer to redress any complaints received from Bidders in respect of its respective portion of the Offered Shares.

Our Company has appointed Sourabh Mishra, as the Company Secretary & Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems. For further details, see "*General Information - Company Secretary and Compliance Officer*" on page 80.

Our Company has also constituted a Stakeholders' Relationship Committee comprising of Surendra Mehta, Aneesha Baid and Deepak Baid as members, to review and redress Shareholder and investor grievances. For further details, see "*Our Management – Committees of the Board - Stakeholders' Relationship Committee*" on page 283.

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

Our Company has not sought for any exemptions from complying with any provisions of securities laws from the SEBI, as on the date of this Draft Red Herring Prospectus.

Other confirmations

No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Offer, except for fees or commission for services rendered in relation to the Offer.

SECTION VII - OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares of face value of ₹5 each being Offered and Allotted shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the CAN or Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents or certificates that may be executed in respect of the Offer. The Equity Shares of face value of ₹5 each shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time or such other conditions as may be prescribed by SEBI, the Government of India, the Stock Exchanges, RBI, the RoC and/or other authorities, while granting their approval for the Offer or as in force on the date of the Offer and to the extent 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 the sharing of Offer expenses amongst our Company and each of the Selling Shareholders, see "*Objects of the Offer– Offer related expenses*" on page 115.

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 of face value of ₹5 each being Offered and Allotted shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR our MoA and AoA and shall rank *pari passu* in all respects with the existing Equity Shares of face value of ₹5 each including in respect of the right to receive dividend, voting and other corporate benefits. For further details, "*Description of Equity Shares and Main Provisions of Articles of Association*" beginning on page 527.

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 MoA and AoA 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 of face value of ₹5 each in the Offer, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Main Provisions of Articles of Association*" beginning on pages 302 and 527 respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹5 and the Offer Price is ₹[●] per Equity Share. The Floor Price is ₹[●] per Equity Share and at the Cap Price is ₹[●] per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Offer Price, Price Band, and the minimum Bid Lot will be decided by our Company in consultation with the BRLM, and advertised in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Hindi daily newspaper (Hindi also being the regional language of Rajasthan, 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, which shall be available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company in consultation with the BRLM, after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point of time, there shall be only one denomination of 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 our AoA, 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 and "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 of face value of ₹5 each, subject to applicable laws including any NHB and RBI rules and regulations and foreign exchange laws; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, our AoA and applicable law.

For a detailed description of the main provisions of the AoA relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see "*Description of Equity Shares and Main Provisions of Articles of Association*" beginning on page 427.

Allotment only in dematerialized form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares of face value of ₹5 each shall be Allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of the Equity Shares of face value of ₹5 each shall only be in dematerialized form on the Stock Exchanges. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated November 04, 2024 amongst our Company, CDSL and the Registrar to the Offer; and
- Tripartite agreement dated November 04, 2024 between our Company, NSDL and the Registrar to the Offer.

For details in relation to the Basis of Allotment, see "*Offer Procedure*" beginning on page 407.

Market lot and trading lot

Since trading of the Equity Shares of face value of ₹5 each is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialized and electronic form in multiples of [●] Equity Share(s) subject to a minimum Allotment of [●] Equity Shares. For further details on the Basis of Allotment, see "*Offer Procedure*" beginning on page 504.

Joint holders

Subject to the provisions contained in our AoA, where two or more persons are registered as the holders of the Equity Shares of face value of ₹5 each, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, Maharashtra, India.

Period of subscription list of the Offer

For details, see "*– Bid/Offer Programme*" on page 494.

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 Bidders

In accordance with Section 72 of the Companies Act 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 of face value of ₹5 each 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 of face value of ₹5 each 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 or 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 of face value of ₹5 each 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/ cancel nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the Registrar and Transfer Agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act 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 of face value of ₹5 each, 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 of face value of ₹5 each, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares of face value of ₹5 each, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares of face value of ₹5 each in the Offer will be made only in dematerialized 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 their nomination, they are requested to inform their respective Depository Participant.

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 BRLM, reserve the right not to proceed with the Offer, in whole or in part thereof, 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 simultaneously. The BRLM, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders using the UPI Mechanism, subject to the Bid Amount being up to ₹0.20 million), to unblock the bank accounts of the ASBA Bidders and shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, 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. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares of face value of ₹5 each are proposed to be listed. 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 BRLM, withdraw the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares of face value of ₹5 each, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to (i) the filing of the Prospectus with the RoC; and (ii) obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

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 [T+1]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [T+2]
Credit of Equity Shares to demat accounts of Allottees	On or about [T+2]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [T+3]

1. *Our Company may, in consultation with the BRLM, 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 in accordance with the SEBI ICDR Regulations.*
2. *Our Company may, in consultation with the BRLM, 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.*
3. *UPI mandate end time and date shall be at 5:00 p.m. on the Bid/ Offer Closing Date.*

* *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 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, 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 BRLM and shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated by the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, 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 circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and the SEBI ICDR Master Circular, 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. 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 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.*

The above timetable other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company or any of the Selling Shareholders or the BRLM.

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 of face value of ₹5 each on the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or such other time as prescribed by SEBI, the timetable may be subject to change due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLM, revision of the Price Band by our Company, in consultation with the BRLM or any delay in receiving the final listing and trading approval from the Stock Exchanges. Our Company shall within two Working days from the closure of the Offer or such period as may be prescribed, refund the subscription amount received in case of non-receipt of minimum subscription or in case our

Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. The commencement of trading of the Equity Shares of face value of ₹5 each will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. In order to facilitate the process of listing and commencement of trading of the Equity Shares of face value of ₹5 each on the Stock Exchanges within such time prescribed by SEBI, to the extent necessary, each of the Selling Shareholders, severally and not jointly, shall provide all required support and cooperation as required under applicable law or reasonably requested by our Company and/or the BRLM in this respect to the extent such reasonable support and cooperation is in relation to such Selling Shareholders and its respective portion of the Offered Shares.

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 T+3 days listing basis, 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 BRLM 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 or such other time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

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 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, in the manner specified in the UPI Circulars, to the extent applicable, which for the avoidance of doubt, shall be deemed to be incorporated herein. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

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. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date*	
Submission of electronic applications (online ASBA through 3-in-1 accounts) – For RIBs, other than QIBs and Non-Institutional Investors	Only between 10.00 a.m. and 5.00 p.m. IST
Submission of electronic applications (Bank ASBA through online channels like internet banking, mobile banking and syndicate UPI ASBA applications)	Only between 10.00 a.m. and 4.00 p.m. IST
Submission of electronic applications (syndicate non-retail, non-individual applications)	Only between 10.00 a.m. and 3.00 p.m. IST
Submission of physical applications (Bank ASBA)	Only between 10.00 a.m. and 1.00 p.m. IST
Submission of physical applications (syndicate non-retail, non-individual applications)	Only between 10.00 a.m. and 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Upward revision of Bids by QIBs and Non-Institutional Bidders categories#	Only between 10.00 a.m. and 4.00 p.m. IST on Bid/ Offer Closing Date
Upward or downward revision of Bids or cancellation of Bids by RIBs	Only between 10.00 a.m. and 5.00 p.m. IST

** UPI mandate end time and date shall be at 05:00 p.m. on 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 Employees Reservation Portion.

On the Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by RIBs after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/Offer Opening Date until 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 the confirmation to the BRLM and the Registrar to the Offer on a 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.

It is clarified that 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 pm 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 will be accepted only during Monday to Friday (excluding Saturdays and any 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.

Investors 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 and any revision in Bids shall not be accepted on Saturdays, Sundays and public holidays as declared by the Stock Exchanges. 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 BRLM reserve 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 any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company, in consultation with the Book Running Lead Manager 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, will 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 BRLM and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of a revision of the 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. The Floor Price shall not be less than the face value of the Equity Shares.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or; the minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; or subscription level falls below aforesaid minimum subscription after the Bid/Offer Closing Date due to 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 of face value of ₹5 each so offered under the Offer Document, our Company shall forthwith refund/unblock the entire subscription amount received in accordance with applicable law including the SEBI circular bearing number

SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, including the SEBI master circular number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024. If there is a delay beyond two days, our Company, to the extent applicable, shall pay interest at the rate of 15% per annum on the Bid Amount as per the SEBI circular (mentioned above). The Selling Shareholders, severally and not jointly, shall be liable to refund money raised in the Offer only to the extent of the Equity Shares offered by such Selling Shareholders in the Offer, together with any interest on such money, as required under appliable law, to the Bidder, provided no Selling Shareholders shall be responsible to pay such interest unless such delay is solely by, or is directly attributable to, an act or omission of such Selling Shareholders in relation to its respective portion of the Offered Shares and in such cases our Company shall be responsible to pay such interest. All refunds made, interest borne, and expenses incurred (with regard to payment of refunds) by our Company on behalf of any of the Selling Shareholders (only to the extent of its respective portion of the Offered Shares) will be adjusted or reimbursed by such Selling Shareholders to the Company as agreed among our Company and the Selling Shareholders in writing, in accordance with applicable law.

The requirement for minimum subscription of 90% is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares will be allotted in the following order: (i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue is subscribed; (ii) upon (i), all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted (in proportion to the Offered Shares being offered by each Selling Shareholders); and (iii) once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Issue portion.

Undersubscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the BRLM, and the Designated Stock Exchange.

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 of face value of ₹5 each will be Allotted will be not less than 1,000 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.
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

Since the Equity Shares of face value of ₹5 each will be traded in dematerialised form only, and the market lot for our Equity Shares of face value of ₹5 each will be one Equity Share, no arrangements for disposal of odd lots are required.

Restrictions, if any on transfer and transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Share capital of our Company, subject to some exceptions as provided under
SEBI ICDR Regulations, lock-in of the Promoter's minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 88 and except as provided in the AoA, there are no restrictions on transfer or transmission of Equity Shares. For details see "*Description of Equity Shares and Main Provisions of Articles of Association*" beginning on page 527.

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 16,092,195 Equity Shares of face value of ₹5 at an Offer Price of ₹[●] per Equity Share for cash (including a share premium of ₹[●] per Equity Share) aggregating up to ₹[●] million comprising a Fresh Issue of up to 10,453,575 Equity Shares of face value of ₹5 each aggregating up to ₹[●] million and an Offer of Sale of up to 5,638,620 Equity Shares of face value of ₹5 each aggregating up to ₹[●] million by the Selling Shareholders consisting up to 3,084,952 Equity Shares of face value of ₹5 each aggregating up to ₹[●] million by Deepak Baid, up to 913,070 Equity Shares of face value of ₹5 each aggregating up to ₹[●] million by Prem Devi Baid, up to 1,261,902 Equity Shares of face value of ₹5 each aggregating up to ₹[●]million by Annesha Baid, up to 180,000 Equity Shares of face value of upto of 5 each aggregating to ₹[●] million by Deepak Hitech Motors Private Limited, and up to 90,000 Equity Shares of face value of ₹5 each aggregating up to ₹[●] million by Prem Dealers Private Limited, up to 54,348 Equity Shares of face value of ₹5 each aggregating up to ₹[●]million by Preeti Chopra, and up to 54,348 Equity Shares of face value of ₹5 each aggregating up to ₹[●]million by Rashmi Giria. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company. The Net Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company. The face value of the Equity Shares is ₹5 each.

The Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹[●] million, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer less the Employee Reservation Portion is the Net Offer.

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	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees#
Number of Equity Shares available for Allotment/allocation* (2)	Not more than [●] Equity Shares	Not less than [●] Equity Shares of face value of ₹5 each available for allocation or Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares of face value of ₹5 each available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders	Up to [●] Equity Shares##
Percentage of Offer Size available for Allotment/allocation	Not more than 50% of the 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 Offer. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability of Equity Shares of face value of ₹5 each in the Non-Institutional Portion and the remaining available Equity Shares of face value of ₹5 each, if any, shall be available for allocation out of which (a) one third of such portion available to Non Institutional Bidders shall be reserved for applicants with an application size of more than ₹0.20 million and	Not less than 35% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Investors will be available for allocation	The Employee Reservation Portion shall constitute up to [●]% of the post - Offer paid-up Equity Share capital of our Company

		up to ₹1.00 million; and (b) two third of such portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹1.00 million, 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		
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): a) up to [●] Equity Shares of face value of ₹5 each shall be available for allocation on a proportionate basis to Mutual Funds only; and b) up to [●] Equity Shares of face value of ₹5 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 ₹5 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	The Equity Shares of face value of ₹5 each available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: a) one third of the portion available to Non-Institutional Bidders being [●] Equity Shares of face value of ₹5 each are reserved for Bidders Biddings more than ₹0.20 million and up to ₹1.00 million; and b) two third of the portion available to Non-Institutional Bidders being [●] Equity Shares of face value of ₹5 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 sub- category of Non-	The allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares of face value of ₹5 each in the Retail Portion and the remaining available Equity Shares of face value of ₹5 each if any, shall be Allotted on a proportionate basis. For further details, see "*Offer Procedure*" on page 504.	Proportionate[#]; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding ₹500,000

		Institutional Portion in accordance with SEBI ICDR Regulations. 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 504		
Minimum Bid	[●] Equity Shares of face value of ₹5 each in multiples of [●] Equity Shares of face value of ₹5 each such that the Bid Amount exceeds ₹0.20 million	Such number of Equity Shares of face value of ₹5 each in multiples of [●] Equity Shares of face value of ₹5 each such that the Bid Amount exceeds ₹0.20 million	[●] Equity Shares of face value of ₹5 each and in multiples of [●] Equity Shares of face value of ₹5 each thereafter	[●] Equity Shares
Maximum Bid	Such number of Equity Shares of face value of ₹5 each in multiples of [●] Equity Shares of face value of ₹5 each not exceeding the size of the Offer, (excluding the Anchor portion) subject to applicable limits	Such number of Equity Shares of face value of ₹5 each in multiples of [●] Equity Shares of face value of ₹5 each not exceeding the size of the Offer, (excluding the QIB portion) subject to limits applicable to the Bidder	Such number of Equity Shares of face value of ₹5 each in multiples of [●] Equity Shares of face value of ₹5 each so that the Bid Amount does not exceed ₹0.20 million	Such number of Equity Shares in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000
Mode of Bidding	Through ASBA process only (except Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI Mechanism.			
Bid Lot	[●] Equity Shares of face value of ₹5 each and in multiples of [●] Equity Shares of face value of ₹5 each thereafter			
Mode of Allotment	Compulsorily in dematerialised form			
Allotment Lot	A minimum of [●] Equity Shares of face value of ₹5 each and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply[4]	Public financial institutions as specified in Section 2(72) of the	Resident Indian individuals, Eligible NRIs, HUFs (in the name	Resident Indian individuals,	Eligible Employees

	Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 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.	of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI	Eligible NRIs and HUFs (in the name of the karta)	
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(3)] **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank(s) through the UPI Mechanism (other than Anchor Investors) that is specified in the ASBA Form at the time of submission of the ASBA Form			

* *Assuming full subscription in the Offer.*

^ *SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, 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 ₹0.50 million, shall use UPI. Individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹0.20 million and up to ₹0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bidcum-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. Further SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIIs and RIIs 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.*

 # Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of undersubscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. The undersubscribed portion, if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

Our Company, in consultation with the BRLM, 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 may, in consultation with the BRLM, 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 of face value of ₹5 each, 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 our Company in consultation with the BRLM.

(2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares of face value of ₹5 each representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them 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 of face value of ₹5 each available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, subject to availability of Equity Shares of face value of ₹5 each in the respective categories, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the 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.

(3) Anchor Investors are not permitted to use the ASBA process.

(4) In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. 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 would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

(5) 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 Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

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.

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, designated partners, partners, trustees, associates, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

The Bids by FPIs with certain structures as described under "*Offer Procedure - Bids by Foreign Portfolio Investors*" on page 513 and having same PAN will be collated and identified as a single Bid in the Bidding process. The Equity Shares of face value of ₹5 each 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 BRLM 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*" beginning on page 491

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 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 BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. 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; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) sub* XIV *mission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, had introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by UPI Bidders through Designated Intermediaries (other than SCSBs), the process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism for such Bids with the timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 had extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective 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.*

The Offer will be undertaken pursuant to the processes and procedures as notified in the T+3 Notification under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its 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/CIR/P/2022/51 dated April 20, 2022 and SEBI master circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154dated November 11, 2024 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars are deemed to form partof 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. This circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of these circular are deemed to form part 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 of face value of ₹5 each that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus. Further, our Company, each of the Selling Shareholders, the BRLM and the members of the Syndicate are not liable for any adverse occurrence consequent to the implementation of the UPI Mechanism for application in the Offer.

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 (opening on or after September 1, 2022) 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.

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.
In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

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 in accordance with applicable law. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such dela 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 by the in SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be available for allocation, on a proportionate basis, to QIBs, provided that our Company in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors 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 such them at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill over from 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, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, 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 ₹ 5 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. The Employee Reservation Portion bid shall not exceed 5% of our post -Offer paid-up equity share capital subject to valid Bids having been received at or above the Offer Price, net of Employee Discount.

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 BRLM, 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 post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount). 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 Central Board of Direct Taxes ("CBDT") notification dated February 13, 2020, read with press release dated June 25, 2021 and September 17, 2021, CBDT circular no.7 of 2022, dated March 30, 2022 and March 28, 2023, and any subsequent press releases in this regard.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares of face value of ₹5 each will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms, which do not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (in case of UPI Bidders using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares of face value of ₹5 each in physical form. However, they may get the Equity Shares of face value of ₹5 each rematerialized subsequent to Allotment of the Equity Shares of face value of ₹5 each in the Offer, subject to applicable laws.

Phased implementation of Unified Payments Interface

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 UPI Bidders 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 had 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 had 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 till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

Phase III: This phase was applicable on a voluntary basis for all issues opening on or after September 1, 2023 and has become mandatory 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 has been reduced to three Working Days. 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.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (the "**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 Streaming 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 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. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post–Offer BRLM will be required to compensate the concerned investor.

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.

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.

Further, pursuant to SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount more than ₹ 200,000 and is up to ₹500,000 shall use UPI and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

(i) a syndicate member;
(ii) a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
(iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);
(iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

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 relevant Bidding Centres, and at our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (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 BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The UPI Bidders can additionally Bid through the UPI Mechanism.

ASBA Bidders (i.e., those not using the UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. The ASBA 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.

All ASBA Bidders are required to provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable to be rejected.

The UPI Bidders Bidding using the UPI Mechanism 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 shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of Electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centers only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of Electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. 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. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

Since the Offer is made under Phase III (on a mandatory basis), ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIBs (other than the RIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
(ii) UPI Bidders using the 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.
(iii) QIBs and NIBs not using the UPI Mechanism may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs.
(iv) ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

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.

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 is available with the BRLM.

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 QIBs, Non-institutional Investors and Retail Individual Investors, each resident in India 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	[●]

* *Excluding electronic Bid cum Application Form.*
*** Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLM.*
Electronic Bid cum Application forms and the Abridged Prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).
Bid cum Application Forms for Eligible Employees shall be available at the Registered Office of the Company

The 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. Stock Exchanges shall 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. 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 up to 5.00 p.m. on Bid/ Offer Closing Date. 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.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate a UPI Mandate Request to such Retail Individual Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) 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 Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLM for analysing the same and fixing liability. 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 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR /2022/75 dated May 30, 2022.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 05:00 p.m. 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 off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

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 with reference no. 25/2022, 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 p.m. 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 4.00 p.m for QIBs and Non-Institutional Bidders categories and up to 5.00 p.m. for Retail Individual and Eligible Shareholders Bidders categories on the initial public offer closure day;
d) QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids;
e) The Stock Exchanges shall display Offer demand details on its website and for UPI bids the demand shall include/consider UPI bids only with latest status as RC 100–black request accepted by Investor/ client, based on responses/status received from the Sponsor Bank(s).

The Equity Shares of face value of ₹5 each 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.

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 till 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 till 5:00 pm IST 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.

Participation by Promoter, Promoter Group, the BRLM and the Syndicate Members and persons related to Promoter/Promoter Group/the Book Running Lead Manager

The BRLM and the Syndicate Members shall not be allowed to purchase Equity Shares of face value of ₹5 each in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members may Bid for Equity Shares of face value of ₹5 each 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 BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLM nor any associate of the BRLM can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the BRLM;
(ii) insurance companies promoted by entities which are associate of the BRLM;
(iii) AIFs sponsored by the entities which are associate of the BRLM; or
(iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the BRLM; or
(v) Pension funds sponsored by entities which are associate of the BRLM.
(vi) any person related to the Promoters or Promoter Group shall apply in the Offer under the Anchor Investor Portion

Further, the Promoter and members of the Promoter Group shall not participate by applying for Equity Shares of face value of ₹5 each in the Offer. Further, persons related to the Promoter and Promoter Group shall not apply in the Offer under the Anchor Investor Portion. However, a qualified institutional buyer who has any of the following rights in relation to our Company shall be deemed to be a person related to the Promoter or Promoter Group of our Company:

(i) rights under a shareholders' agreement or voting agreement entered into with the Promoter or Promoter Group of our Company;
(ii) veto rights; or
(iii) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if:
(i) 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
(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
(iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLM.

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 BRLM 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 such 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, exchange traded 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 Employ

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000.

However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Allotment in the Employee Reservation Portion will be as detailed in the section "*Offer Structure*" on page 498.

However, Allotments to Eligible Employees in excess of ₹200,000 shall be considered on a proportionate basis, in the event of under-subscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. Subsequent under-subscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer.

Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

(i) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).
(ii) Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.
(iii) In case of joint bids, the Sole Bidder or the First Bidder shall be the Eligible Employee.
(iv) Bids by Eligible Employees may be made at Cut-off Price.
(v) Only those Bids, which are received at or above the Offer Price would be considered for allocation under this portion.
(vi) The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹500,000.
(vii) Eligible Employees bidding in the Employee Reservation Portion can Bid through the UPI mechanism

(viii) If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
(viii) 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.
(ix) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form or Revision Form

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure*" on page 478.

Bids by Eligible Non-resident Indians ("NRIs")

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour). Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorize 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 NRE accounts, or Foreign Currency Non-Resident 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 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 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.

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 426.

Eligible 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*" beginning on page 426.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA 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 recognized 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 applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares of face value of ₹5 each is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer Equity Share capital on a fully diluted basis. Further, in terms of the FEMA Rules, the total holding by each FPI, of an investor group, shall be below 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 the sectoral caps applicable to our Company, which is 100% of the total paid-up equity share capital of our Company. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group 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. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilize the multi-investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

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).

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.

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 SEBI master circular bearing reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022 ("**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.

With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

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(2) 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 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 utilizing the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this 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 Issue size and/or investment limit or maximum number of the Equity Shares of face value of ₹5 each 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 BRLM 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 subject to such terms and conditions that our Company, in consultation with the BRLM, may deem fit.

Bids by SEBI registered venture capital funds, alternative investment funds and foreign venture capital investors

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 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 one investee company directly or through investments in the units of other AIFs. A category III AIFs cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. 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 and the BRLM 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 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 BRLM 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 the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM reserve the right to reject any Bid without assigning any reason, thereof, subject to applicable law.

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 lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and nonfinancial 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; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. 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 (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in paragraph 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended(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.

Bids by Self-Certified Syndicate Banks ("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 BRLM reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers 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**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates 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 BRLM reserves 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 BRLM, 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 BRLM.
2. The Bid must be for a minimum of such number of Equity Shares of face value of ₹5 each 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 BRLM 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 of face value of ₹5 each allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLM 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. 50% of the Equity Shares of face value of ₹5 each Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares of face value of ₹5 each Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
9. 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.
10. The Equity Shares of face value of ₹5 each Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations.

11. Neither the (a) BRLM (s) or any associate of the BRLM (other than mutual funds sponsored by entities which are associate of the BRLM or insurance companies promoted by entities which are associate of the BRLM or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLM or FPIs, pension funds sponsored by entities which are associate of the BRLM or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLM) or pension fund sponsored by entities which are associate of the BRLM nor (b) the Promoter, Promoter Group or any person related to the Promoter or members of the Promoter Group shall apply under the Anchor Investors category.
12. 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 specified in this Draft Red Herring Prospectus 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 of face value of ₹5 each 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 BRLM 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 of face value of ₹5 each will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares of face value of ₹5 each or the Bid Amount) at any stage. RIBs and Eligible Employees bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

***Do's*:**

1. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023;

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 the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an UPI Bidder bidding using the UPI Mechanism in the Bid cum Application Form and if you are an UPI Bidder using the UPI Mechanism 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 General Information Document;
8. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM;
9. UPI Bidders Bidding in the Offer shall ensure that they 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.
10. RIBs not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs.
11. Ensure that you mandatorily have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
12. 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);
13. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms;
14. 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;
15. The ASBA bidders shall ensure that bids above ₹0.50 million, are uploaded only by the SCSBs;
16. 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;
17. 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;
18. 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;
19. 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;
20. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
21. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization 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 authorize 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;
22. 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;

23. Ensure that the Demographic Details are updated, true and correct in all respects;
24. 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;
25. 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;
26. 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;
27. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
28. 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 authorize blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;
29. 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;
30. UPI Bidders 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 authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA
Account;
31. 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;
32. Anchor Investors should submit the Anchor Investor Application Forms to the BRLM;
33. 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;
34. 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 noninstitutional category for allocation in the Offer;
35. 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 authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization 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 authorized the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and
36. 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).
37. 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.
38. 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. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid Lot;
2. 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 a Designated Intermediary;
3. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
4. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;
5. Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms;
6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit the Bid for an amount more than funds available in your ASBA account;
11. 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;
12. In case of ASBA Bidders, do not submit more than one ASBA Form from an ASBA Account;
13. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
14. If you are an UPI Bidder, do not submit more than one Bid cum Application Form for each UPI ID;
15. Anchor Investors should not Bid through the ASBA process;
16. Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms or to our Company;
17. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
18. Do not submit the General Index Register (GIR) number instead of the PAN;
19. 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;
20. Do not submit a Bid in case you are not eligible to acquire Equity Shares of face value of ₹5 each under applicable law or your relevant constitutional documents or otherwise;
21. 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);
22. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
23. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
24. 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;
25. Do not Bid for Equity Shares of face value of ₹5 each more than what is specified for each category;
26. If you are a QIB, do not submit your Bid after 3 p.m. IST on the QIB Bid/Offer Closing Date;
27. 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;
28. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares of face value of ₹5 each or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;
29. 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;

30. 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;
31. Do not Bid if you are an OCB;
32. 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;
33. Do not submit the Bid cum Application Forms to any non-SCSB bank;
34. 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);
35. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
36. 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
37. 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.

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 may be 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 using the UPI Mechanism 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 BRLM;
(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 of face value of ₹5 each 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 and by Non-Institutional Bidders after 4:00 p.m. on the Bid/ Offer Closing and Bids by RIBs, on the Bid/ Offer Closing Date, unless extended by the Stock Exchange. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed 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 shall reach out to our Company Secretary and Compliance Officer. For further details of our Company Secretary and Compliance Officer, see "*General Information*" and "*Our Management*" beginning on pages 80 and 269, 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 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 BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The BRLM 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 BRLM 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 finalizing the Basis of Allotment in a fair and proper manner

The authorized employees of the Stock Exchanges, and our Company along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalized 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 of face value of ₹5 each 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 to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares of face value of ₹5 each 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 of face value of ₹5 each to Anchor Investors shall be on a discretionary basis.

Subject to the availability of Equity Shares of face value of ₹5 each in the respective categories, the allotment of Equity Shares of face value of ₹5 each to each of the RIBs and NIBs shall not be less than the minimum bid lot or the minimum application size, as the case maybe, and the remaining available Equity Shares of face value of ₹5 each, if any, shall be allotted on a proportionate basis.

The allocation of Equity Shares of face value of ₹5 each to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares of face value of ₹5 each in the Non-Institutional Portion, and the remaining Equity Shares of face value of ₹5 each, if any, shall be allocated on a proportionate in accordance with the conditions specified in this regard mentioned in SEBI ICDR Regulations.

Payment into Anchor Investor Escrow Accounts

Our Company in consultation with the BRLM will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares of face value of ₹5 each 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 [●] editions of English national daily newspaper, [●], [●] editions of Hindi national daily newspaper, (Hindi also being the regional language of Maharashtra, where our Registered Office is located) each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment advertisement

The Allotment Advertisement shall be uploaded on the websites of our Company, BRLM and Registrar to the Offer, before 9 p.m. IST, on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the equity shares of the Issuer are proposed to be listed, 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 all the Stock Exchanges is received post 9:00 p.m. IST on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the equity shares of the Issuer are proposed to be listed, then the Allotment Advertisement shall be uploaded on the websites of our Company, BRLM and Registrar to the Offer, following the receipt of final listing and trading approval from all the Stock Exchanges.

Our Company, the BRLM and the Registrar shall publish an allotment advertisement not later than one day after the date of commencement of trading, disclosing the date of commencement of trading in [●] editions of English national daily newspaper, [●], [●] editions of Hindi national daily newspaper, [●] and [●] editions of the Hindi daily newspaper [●] (Hindi being the regional language of Rajasthan, 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 and the BRLM 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 of face value of ₹5 each 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, each of the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalization of the Offer Price, 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.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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, for fraud involving an amount of at least ₹1.00 million or 1% of the turnover of our 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 one per cent 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.

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 of face value of ₹5 each are proposed to be listed are taken within three Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed;
- if Allotment is not made within two Working Days from the Bid/Offer Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws 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 applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- the Promoter's contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees, in accordance with the applicable provisions of the SEBI ICDR Regulations;
- 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 days 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
- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares of face value of ₹5 each from all the Stock Exchanges where listing is sought has been received; and
- except for any exercise of options vested pursuant to the ESOP Scheme(s), no further issue of the Equity Shares of face value of ₹5 each shall be made till the Equity Shares of face value of ₹5 each offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

Each of the Selling Shareholders, severally and not jointly, undertakes, in relation to itself as a Selling Shareholders and its respective portion of the Offered Shares that:

- it is the legal and beneficial owner of its Offered Shares, and that such Offered Shares shall be transferred in the Offer, free from encumbrances;
- it shall transfer its Offered Shares to an escrow account in accordance with the Share Escrow Agreement; and
- it shall not have recourse to its respective portion of proceeds of the Offer for Sale until final approval for trading of the Equity Shares of face value of ₹5 each from the Stock Exchanges has been received.

Only the statements and undertakings provided above, in relation to each of the Selling Shareholders and its respective portion of the Offered Shares, are statements which are specifically confirmed or undertaken, severally and not jointly, by each of the Selling Shareholders in relation to itself and its respective portion of the Offered Shares. No other statement in this Draft Red Herring Prospectus will be deemed to be "made or confirmed" by a Selling Shareholders, even if such statement relates to such Selling Shareholders.

Utilization of Net Proceeds

The Company declares that:

- all monies received out of the Fresh Issue 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;
- 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
- 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.

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 notes, 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 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 FEMA (Non-debt Instruments) Rules 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 Bid/ Offer Period.

As per the FEMA Non-debt Instruments Rules and FDI Policy read with Press Note, 100% foreign direct investment under the automatic route is permitted in 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.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. 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*" on pages 512 and 513.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares of offered in the Offer have not been and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares of face value of ₹5 each are being offered and sold (i) within the United States solely to persons who are reasonably believed to be U.S. QIBs 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 reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, and the Book Running Lead Manager 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 are advised to make their independent investigations and ensure that the number of Equity Shares of face value of ₹5 each Bid for does not exceed the applicable limits under laws or regulations.

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

COMPANY LIMITED BY SHARES
[1]ARTICLES OF ASSOCIATION
OF
LAXMI INDIA FINANCE LIMITED

THE COMPANIES ACT, 2013

(COMPANY LIMITED BY SHARES)
(INCORPORATED UNDER THE COMPANIES ACT, 1956)
ARTICLES OFASSOCIATION[2]
OF
LAXMI INDIA FINANCE LIMITED[3]

PRELIMINARY

The present Articles have been drawn based on Table 'F' of Schedule I to the Companies Act, 2013 read with provisions of Section 5 of the Companies Act, 2013 and shall regulate the management of the Company. If any regulation of these Articles is in contradiction with the regulation of Table F or the provisions of the Companies Act, 2013, then in that case the regulation of Table F or the provisions of the Companies Act, 2013 shall prevail.

DEFINITION AND INTERPRETATION

1. In these Articles unless there be something in the subject matter or context inconsistent therewith:

i. **"Act"** means the Companies Act, 2013 and includes any statutory modification(s) or re-enactment thereof for the time being in force and/or as may be re-enacted from time to time.
ii. **"Articles"** means Articles of **Association** of the Company as originally framed or altered from time to time
iii. **"Beneficial Owner"** shall have the **meaning** assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.
iv. **"Board" or "Board of Director" means** the Board of Directors of the Company.
v. **"Chairman"** means the Chairman of the Board of the Directors of the Company.
vi. **"The Company"** means Laxmi India Finance Limited.
vii. "**Depositories Act, 1996**" shall .mean **Depositories** Act, 1996 and include any statutory modification or re enactment thereof for the time being in force.
viii. **"Depository"** shall have the **meaning** assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.
ix. **"Directors"** mean the Directors for the **time** being of the Company.
x. **"Dividend"** includes any interim dividend.
xi. **"Document"** means a document **as** defined in Section 2 (36) of the Companies Act, 2013.
xii. **"Equity Share Capital",** with **reference** to any Company limited by shares, means all share capital which is not preference share capital;
xiii. **"KMP"** means Key **Managerial** Personnel of the Company provided as per the relevant sections of the Act.

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[2] Restated Articles of Association have been adopted vide Special Resolution passed by the Members of the Company at the Extra Ordinary General Meeting held on 9th August, 2024.
[2] Restated Articles of Association have been adopted vide Special Resolution passed by the Members of the Company at the Extra Ordinary General Meeting held on 9th August, 2024.

[3] The name of the Company changed from "Laxmi India Finance Private Limited" to "Laxmi India Finance Limited" by removing the word "PRIVATE" before the word "LIMITED" in its name due to conversion of the Company from Private Limited to Public Limited by way of passing Special resolution by the Members of the Company at the Extra Ordinary General Meeting held on 9th August, 2024.

[3] The Board of Directors shall be required to appoint the person nominated by the debenture trustee(s) in terms of clause (e) of sub regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a director on its Board of Directors. This clause have been inserted vide Special Resolution passed at Extra Ordinary General meeting of the shareholders of the company held on June 01, 2023.

xiv. **"Managing Director"** means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.
xv. **"Month"** means Calendar month.
xvi. **"Office"** means the registered office for the time being of the Company.
xvii. **Paid-up share capital" or "share capital paid-up"** means such aggregate amount of money credited as paid up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;
xviii. **"Postal Ballot"** means voting by post or through any electronic mode.
xix. **"Proxy"** includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.
xx. **"Public Holiday"** mean a Public Holiday within the meaning of the Negotiable Instruments, Act 1881(XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
xxi. **"Registrar"** mean the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar, a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.
xxii. **"Rules"** means the applicable rules as prescribed under the relevant sections of the Act for time being in force.
xxiii. **"SEBI"** means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.
xxiv. **"Securities"** means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)
xxv. **"Share"** means share in the Share Capital of the company and includes stock except where a distinction between stock and share is expressed or implied.
xxvi. **"Seal"** means the common seal of the Company.
xxvii. **"Preference Share Capital",** with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to-
(a) payment of dividend, either is a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and
(b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;

Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.

Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these articles become binding on the Company.

'In writing' and 'written' includes printing, lithography and other modes of representing or reproducing words in a visible form.

Share Capital

2. The Authorized Share Capital of the company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any)and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.

3. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

Issue of Sweat Equity Shares

4.Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.

Issue of Debentures

5. The Company shall have powers to issue any debentures; debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

Issue of Share Certificates

6.
i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months from date of incorporation, in case of subscribers to the memorandum or within a period of two months from the date of allotment or within a period of one month from date of receipt by the company instrument of transfer under section 56(1) or intimation of transmission under section 56(2), in case of transfer or transmission of securities.

a) One certificate for all his shares without payment of any charges; or
b) Several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.

ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub division, consolidation , renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary ;

iii. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

7. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back 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 deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.

8. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulation s or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

9. The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.

Power to pay Commission in connection with the Securities issued

10.
i. The Company may exercise the powers of paying commissions conferred by subsection (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub section (6) of section 40.

iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

Variations of Shareholder's rights

11.
i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, 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-fourths of the issued shares of that class, or by means of a special resolution passed at a separate meeting of the holders of the issued shares of that class.
ii. To every such separate meeting, the provisions of these articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

12. 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.

Issue of Preference Shares

13. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

Further Issue of shares

14. (i) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:

(a) to persons who, at the date of the offer, are holders of 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 specified in the relevant provisions of Section 62 of the Act and the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

(b)to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.

(c) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.

(ii) The notice referred in clause (a) above 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 days before the opening of the issue.

(iii) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company.

Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.

Lien

15.

i. The Company shall have a first and paramount lien upon all Shares /Debentures/Securities (other than fully paid up Shares/Debentures) 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 such Shares/Debentures/Securities and no equitable interest in any Shares shall be created except upon the footing, and upon the condition that this Article will have full effect and any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares/ Debentures/Securities.

Provided that, fully paid shares shall be free from all lien and that in case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

16. 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 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 the person entitled thereto by reason of his death or insolvency.

17.
i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.
iii. 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 in reference to the sale.

18.
i. The proceeds of the 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.
ii. 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.

Joint Holdings

19. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-
a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.
b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.
e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be
deemed served on all the joint-holders.
f) (i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-bolder present by attorney or by proxy stands first in Register in respect of such shares.
(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.
g)The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.

Calls on shares

20.
i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of 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 shares or be payable at less than one month from the date fixed for the payment of the last preceding call.

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.

ii. Each member shall subject to receiving at least fourteen 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.

iii. A call may be revoked or postponed at the discretion of the Board.

21.A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

22. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

23.
i.If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.

24.
i.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 regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
ii. In case of non-payment of such sum, all the relevant provisions of these regulations 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.

25. The Board-
i. may, 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; and
ii. 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 not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

26. Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.

Provided however that any amount paid to the extent called - up, shall be entitled to proportionate dividend and voting right

27. The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.

28. The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.

<u>Transfer of shares</u>

29.

i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.
ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

30. The Board may, subject to the right of appeal conferred by section 58 decline to register-

i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
ii. any transfer of shares on which the Company has a lien.

31. The Board may decline to recognize any instrument of transfer unless-
i. the instrument of transfer is in the form as prescribed in rules made under sub-section (I)of section 56;
ii. the instrument of transfer is accompanied by the certificate of the 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.
Provided that, transfer of shares in whatever lot shall not be refused.

32. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year

33. The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.

Register of Transfer

34. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.

Dematerialisation of Securities

35. i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.

a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to The Depositories Act, 1996.

b. Option for Investors:

Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.
If a person opts to hold its Security with a Depository, the Company shall intimate such depositorythe details of allotment of the Security

c. Securities in Depository to be in fungible form:-
i) All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.
ii) Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

d. Rights of Depositories & Beneficial Owners:-
Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.

e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

Transmission of Shares

36.

i. On the death of a member, the survivor or survivors where the member was a joint bolder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other person.

37.

i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-

a. to be registered himself as holder of the share; or

b. to make such transfer of the share as the deceased or insolvent member could have made.

ii. The Board shall, in either case, have the same right to decline or suspend registration as it would had, if the deceased or insolvent member had transferred the share before his death or insolvency.

38.

i. 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.

ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers 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.

39. A person becoming entitled to a share by reason of the death or insolvency of the holder shall 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 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 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

40. The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.

Forfeiture of shares

41. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

42. The notice aforesaid shall-

i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

ii. 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.

43. 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

44.

i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

45.

i. 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 to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

ii. 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.

i. 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;

ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;

iii. The transferee shall thereupon be registered as the holder of the share; and

iv. 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 or disposal of the share.

47. 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.

48. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers herein above 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.

49. 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.

50. The Board may, subject to the provision 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.

51. The Provisions of these regulations 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 bad been payable by virtue of a call duly made and notified.

52. The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Initial payment not to preclude forfeiture

53. Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.

Alteration of capital

54. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

55. Subject to the provisions of section 61, the Company may, by ordinary resolution,-
i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum;
iv. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Conversion of Shares into Stock

56. Where shares are converted into stock,-

i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations 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.

ii. 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.

iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in these articles shall include "stock" and "stock-holder" respectively.

Reduction of Capital

57. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident Authorised and consent required by law,-

i. its share capital;
ii. Any capital redemption reserve account; or
iii. Any share premium account

Share Warrants

58.i. The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly 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) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.

ii. The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.

iii. Not more than one person shall be recognized as depositor of the share warrant.

iv. The Company shall, on two days written notice, return the deposited share warrants to the depositor.

v. Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

vi. The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.

vii. The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.

Capitalisation of profits

59.
i. The Company in general meeting may, upon the recommendation of the Board, resolve.
a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-

a. paying up any amounts for the time being unpaid on any shares held by such members respectively;
b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;

c. partly in the way specified in sub clause (a) and partly in that specified in sub-clause (b);

d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

e. The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

60. i. Whenever such a resolution as aforesaid shall have been passed, the Board shall-

a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares if any; and

b. generally to do all acts and things required to give effect thereto.

ii. The Board shall have power-

a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for that case of shares becoming distributable in fractions; and

b.to authorise 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 to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

iii**.** Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

61. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other 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 Meeting

62. All general meetings other than annual general meeting shall be called extra-ordinary general meetings.

63. i. The Board may, whenever it thinks fit, call an extraordinary general meeting.

ii.If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

64.

i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

ii. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company. In any other case, the quorum shall be decided as under:

a) Fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;

b) Thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

65. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

66. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

67. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

68. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

69. A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the meeting of the Company, shall be conclusive evidence of the fact of passing of such resolution or otherwise, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

70.

i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.

ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking poll

71.

i. A poll demanded for adjournment of meeting or appointment of Chairman shall be taken forthwith.

ii. A poll demanded on any other question other than adjournment of the meeting or appointment of Chairman shall be taken at such time not being later than 48 (forty-eight) hours from the time when the demand was made, as the Chairman of the meeting may direct.

iii. Before or on the declaration of the result of the voting on any resolution on show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion, and shall be ordered to be taken by him on a demand made in that behalf,— (a) in the case a company having a share capital, by the members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power or holding shares on which an aggregate sum of not less than five lakh rupees or such higher amount as may be prescribed has been paid-up; and (b) in the case of any other company, by any member or members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power.

iv. Where a poll is to be taken, the Chairman of the meeting shall appoint such number of persons, as he deems necessary, to scrutinise the poll process and votes given on the poll and to report thereon to him in the manner as may be prescribed.

v. Subject to the provisions of this section, the Chairman of the meeting shall have power to regulate the manner in which the poll shall be taken.

vi. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Adjournment of meeting

72.

i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

73. Subject to any rights or restrictions for the time being attached to any class or classes of shares-

i. on a show of hands, every member present in person shall have one vote; and

ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.

74. A member may exercise his vote at a meeting by electronic means in accordance with section l08 and shall vote only once.

75.

i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

76. 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 guardian may, on a poll, vote by proxy.

77. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

78. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

79. 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.

80.

i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned 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.

ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Casting Vote

81. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Representation of Body Corporate

82.

i. A body corporate, whether a Company within the meaning of the Act or not, may-

a) if it is a member of a company within the meaning of this Act, by resolution of its Board of Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the company, or at any meeting of any class of members of the company;

(b) if it is a creditor, including a holder of debentures, of a company within the meaning of this Act, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.

ii. A person authorised by resolution under clause i mentioned above shall be entitled to exercise the same rights and powers, including the right to vote by proxy and by postal ballot, on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the company.

Circulation of member's resolution

83. The Company shall comply with the provisions of Section 111 of the Companies Act. 2013, relating to circulation of member's resolution.

Resolution requiring special notice

84. The Company shall comply with the provisions of Section 115 of the Act relating to resolutions requiring special notice.

Resolutions passed at adjourned meeting

85. The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company or the Board of Directors of the Company and the resolutions shall for all purposes as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

Registration of resolutions and agreements

86. The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.

Minutes of proceedings of general meeting and of Board and other meetings

87.

i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered .

ii. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:

A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.

C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:

a. the names of the Directors present at the meetings, and

b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.

iii. There shall not be included in the minutes, any matter which, in the opinion of the Chairman of the meeting-

a. is or could reasonably be regarded, as defamatory of any person

b. is irrelevant or immaterial to the proceedings; or

c. in detrimental to the interests of the Company.

iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

Minutes to be considered to be evidence

88. The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.

Proxy

89. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of 'a poll, not less than 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.

90. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 of the Act.

91. 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 the 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.

Board of Directors

92. The First Directors of the Company shall be:

1. Gupteshwar Singh
2. Vinay Kumar

93. The Directors need not hold any "Qualification Share(s)".

94. Appointment of Senior Executive as a Whole Time Director subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:

He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act .Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.

Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.

95.
i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them-
a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
b. in connection with the business of the company.

96. The Board may pay all expenses incurred in getting up and registering the company.

97.The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

98. 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 may be, by such person and in such manner as the Board shall from time to time by resolution determine.

99. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

100.

i. Subject to the provisions of section 149, 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.

ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

Retirement and Rotation of Directors

101. Not less than two-thirds of the total number of Directors of the Company, excluding the independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.

102. The remaining Directors shall be appointed in accordance with the provisions of the Act.

103. At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.

104. Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.

105. Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.

106. Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.

Nominee Director

107. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or 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 by the Corporation on behalf of the Company remains outstanding, the Corporation shall 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 Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.

108. The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.

109. The Nominee Directors so appointed shall hold the said office only so long as any money remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.

110. The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to 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 Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.

Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.

[3]The Board of Directors shall be required to appoint the person nominated by the debenture trustee(s) in terms of clause (e) of sub regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a director on its Board of Directors.

111. Provided also that in the event of the Nominee Directors being appointed as whole time directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

<u>Removal of Directors</u>

112. A company may, by ordinary resolution, remove a director, not being a director appointed by the Tribunal under section 242, before the expiry of the period of his office after giving him a reasonable opportunity of being heard:

Provided that nothing mentioned in clause 116 shall apply where the company has availed itself of the option given to it under section 163 to appoint not less than two-thirds of the total number of directors according to the principle of proportional representation.

113. A special notice shall be required of any resolution, to remove a director, or to appoint somebody in place of a director so removed, at the meeting at which he is removed.

114. On receipt of notice of a resolution to remove a director, the company shall forthwith send a copy thereof to the director concerned, and the director, whether or not he is a member of the company, shall be entitled to be heard on the resolution at the meeting.

115.Where notice has been given of a resolution to remove a director and the director concerned makes with respect thereto representation in writing to the company and requests its notification to members of the company, the company shall, if the time permits it to do so,—
(a) in any notice of the resolution given to members of the company, state the fact of the representation having been made; and
(b) send a copy of the representation to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representation by the company), and if a copy of the representation is not sent as aforesaid

due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting.

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

116.A vacancy created by the removal of a director may, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given under clause

117. A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.

118. If the vacancy is not filled as per clause 118, it may be filled as a casual vacancy in accordance with the provisions of this Act: Provided that the director who was removed from office shall not be re-appointed as a director by the Board of Directors.

119. Nothing mentioned in clause 116 to clause 123 shall be taken— (a) as depriving a person removed, of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director;(b) as derogating from any power to remove a director under other provisions of this Act.

Remuneration and sitting fees to Directors including Managing and whole time Directors

120. Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.

In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel other expenses incurred by them.

a. In attending and returning from meetings of the Board of Directors and committee thereof , all General Meetings of the company and any of their adjourned sittings, or

b. In connection with the business of the Company.

121. Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1, 00,000/-(Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. lf any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.

Powers and duties of Directors:

Certain powers to be exercised by the Board only at the meeting

122.

i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by resolutions passed at meetings of the Board.

a. The power to make calls on shareholders in respect of money unpaid on their shares;
b. The Power to authorize buy-back of securities under Section 68 of the Act.
c. Power to issue securities, including debenture, whether in or outside lndia
d. The power to borrow moneys

e. The power to invest the funds of the Company,
f. Power to Grant loans or give guarantee or provide security in respect of loans
g. Power to approve financial statements and the Board's Report
h. Power to diversify the business of the Company
i. Power to approve amalgamation, merger or reconstruction
j. Power to take over a Company or acquire a controlling or substantial stake in another Company
k. Powers to make political contributions;
l. Powers to appoint or remove key managerial personnel (KMP);
m. Powers to appoint internal auditors and secretarial auditor;

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.

ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.

iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.

iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.

v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.

Restriction on powers of Board

123.
i. The Board of Directors of a company shall exercise the following powers only with the consent of the company by a special resolution, namely: —
a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking.
b) invest, otherwise in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;
c) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves and securities premium, apart from temporary loans obtained from the company’s bankers in the ordinary course of business: or
d)to remit, or give time for the repayment of, any debt due from a director.

ii. Nothing contained in sub-clause (a) above shall affect:

a) the title of a buyer or other person who buys or takes on lease any property, investment or undertaking as is referred to in that clause, in good faith; or
b)the sale or lease of any property of the company where the ordinary business of the company consists of, or comprises, such selling or leasing.

iii. Any special resolution passed by the Company permitting any transaction such as is referred to in sub clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction.
Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in this Act.

iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (c) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

Company to Contribute to Bona Fide and Charitable Funds

124. The Board of Directors of a company may contribute to bona fide charitable and other funds:

Provided that prior permission of the company in general meeting shall be required for such contribution in case any amount the aggregate of which, in any financial year, exceed five per cent of its average net profits for the three immediately preceding financial year.

General Powers of the Company vested in Directors

125. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Special powers given to Directors

126. Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:

i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;

ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;

iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;

vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;

vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other movable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;

viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;

ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;

x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;

xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;

xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;

xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;

xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.

xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.

xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependents or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;

xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at any time Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well-being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;

xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.

xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.

xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or attorneys a aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;

MANAGING DIRECTORS

Power to appoint Managing or Whole-time Directors

127.

i) Company shall not appoint or employ at the same time a managing director and a manager.

ii) Company shall not appoint or re-appoint any person as its managing director, whole-time director or manager for a term exceeding five years at a time.

iii) Company shall not appoint or continue the employment of any person as managing director, whole-time director or manager who —

(a) is below the age of twenty-one years or has attained the age of seventy years:

Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

(b) is an undischarged insolvent or has at any time been adjudged as an insolvent;

(c) has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or

(d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months

iv) Subject to the provisions of section 197 and Schedule V, a managing director, whole-time director or manager shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in that Schedule.

v) Subject to the provisions of the Act, where an appointment of a managing director, whole-time director or manager is not approved by the company at a general meeting, any act done by him before such approval shall not be deemed to be invalid.

Proceedings of the Board

128.

a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

129. The quorum for meetings of the Board/Committees shall be as provided in the Act or under the rules.

130. a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

131. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

132. The participation of directors in a meeting of the Board/Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

133.
a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
b)If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their member to be Chairperson of the meeting.

Delegation of Powers of Board to Committee

134.
a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

135.
a) A committee may elect a chairperson of its meetings.
b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

136.
a) A committee may meet and adjourn as it thinks fit.
b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

137. All acts done in any meeting of the Board or 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 every such director or such person had been duly appointed and was qualified to be a director.

138. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company secretary or Chief financial Officer

139. Subject to the provisions of the Act,-
a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, Company secretary or 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.

140. A provision of the Act or these regulations 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 director and as, or in place of, chief executive officer, manager, company secretary or chief Financial Officer.

Dividends and Reserve

141. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

142. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

143.

a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising 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, thinks fit.

b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

144.

a) 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.

b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

c) 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.

145. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

146.

a) Any dividend, interest or other monies payable in cash in respect of shares may be paid 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.

b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

I47. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

148. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

149. No dividend shall bear interest against the Company.

150. Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration. the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.

No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provision of Sections 124 and 125 of the Act in respect of all unclaimed or unpaid dividends.

The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.

151. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause herein before contained, entitled to become a member, until such person shall become a member in respect of such shares.

152. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

Accounts

153.

a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.

b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

Inspection of statutory Documents of the Company:

154. Minutes Books of General Meetings

a) The books containing the minutes of the proceedings of any general meeting of a Company or of a resolution passed by postal ballot shall

i. be kept at the registered office of the Company, and

ii. be open, during business hours to the inspection by any member without charge subject to such reasonable restrictions as the Company may, by its articles or in general meeting, impose, so, however, that not less than two hours in each business day are allowed for inspection.

b) Any member shall be entitled to be furnished, within seven working days after he has made a request in that behalf to the Company, with a copy of any minutes of any general meeting on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof:

155. Register of charges

a) The Company shall keep at its registered office a Register of charges and enter therein particulars of all charges and floating charges affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.

Provided that a copy of the instrument creating the charge shall also be kept at the registered office of the company along with the register of charges.

b) The register of charges and instrument of charges kept under, as per clause (a) above, shall be open for inspection during business hours-

a. by any member or creditor without any payment of fees; or

b. by any other person on payment of such fees as may be prescribed in the Act.

Audit

156. a)The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and in the case of failure of the Board to appoint such auditor, it shall inform the members of the company, who shall within ninety days at an extraordinary general meeting appoint such auditor and the Auditors so appointed shall hold office till the conclusion of the first Annual General Meeting.

b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.

c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.
d)Any casual vacancy in the office of an auditor shall be filled by the Board of Directors within thirty days, but if such casual vacancy is a result of the resignation of an auditor, such appointment shall also be approved by the company at a general meeting convened within three months of the recommendation of the Board and the auditor appointed shall hold the office till the conclusion of the next annual general meeting.

Winding up

157. Subject to the provisions of Chapter XX of the Act and rules made there under-

i. 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
ii For the purpose aforesaid, the liquidator may set such value as be deems fair upon any property to be divided as aforesaid and may determine bow such division shall be carried out as between the members or different classes of members.
iii.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 others securities whereon there is any liability.

Indemnity

158. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in 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.

Secrecy

159.

(a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.

(b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of this Draft Red Herring Prospectus which will be delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents and contracts for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Red Herring Prospectus until the Bid/ Issue Closing Date (except for such agreements executed after the Bid/ Issue Closing Date). Copies of the documents for inspection referred to hereunder, will also be available on the website of the Company at www.lifc.co.in from the date of this Draft Red Herring Prospectus until the Bid/ Issue Closing Date (except for such agreements executed after the Bid/Issue 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 with the provisions of the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Offer Agreement dated December 15, 2024 entered into between our Company, Selling Shareholders and the BRLM;
2. Registrar Agreement dated December 11, 2024 entered into amongst our Company, Selling Shareholders and the Registrar to the Offer;
3. Cash escrow and sponsor bank agreement dated [●] amongst our Company, the Registrar to the Offer, the BRLM, the Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Banks and the Refund Bank(s);
4. Syndicate agreement dated [●] amongst our Company, the BRLM, the Syndicate Members and the Registrar to the Offer;
5. Underwriting agreement dated [●] amongst our Company and the Underwriters; and
6. Monitoring agency agreement dated [●] amongst our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time;
2. Certificate of incorporation dated May 10, 1996 issued by the RoC and fresh Certificate of incorporation dated October 08, 2024 issued by the RoC consequent to conversion into public limited company;
3. Resolution of the Board of Directors dated November 28, 2024 and special resolution dated November 29, 2024 passed by our Shareholders in relation to the Offer and other related matters;
4. Resolution of our Board of Directors dated December 15, 2024 approving this Draft Red Herring Prospectus;
5. Examination report dated November 13, 2024, of our Statutory Auditors on our Restated Financial Statements, included in this Draft Red Herring Prospectus;
6. Copies of the annual reports of the Company for Fiscals 2024, 2023 and 2022;
7. The statement of possible special tax benefits dated December 15, 2024 from the Statutory Auditors;
8. Consents of our Promoters, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Legal Counsel to the Issuer, the Book Running Lead Manager, the Registrar to the Offer, Banker to our Company, to act in their respective capacities;
9. Consent dated December 15, 2024, from M/s. S.C. Bapna & Associates, Chartered Accountants, to the extent and in their capacity as our Statutory Auditor in respect of (i) the examination report dated November 13, 2024 on the Restated Financial Statements; (ii) their report on Statement of Possible Special Tax Benefits dated December 15, 2024; and (iii) in respect of the certificates issued by them in their capacity as an Statutory Auditor to our Company included in this Draft Red Herring Prospectus;

10. Consent letter dated December 15, 2024 from M/s. UCC & Associates LLP, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name, in this Draft Red Herring Prospectus, as an 'expert' as defined under Section 2(38) of Companies Act in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company;
11. Certificate dated December 15, 2024 by M/s. UCC & Associates LLP, Chartered Accountants certifying the key performance indicators (KPI) of our Company.
12. Consent dated December 13, 2024 from CARE Report, to include contents or any part thereof from their report titled "*Research Report on NBFC Industry*" dated December 2024 in this Draft Red Herring Prospectus;
13. Report titled "*Research Report on NBFC Industry*" dated December 2024, prepared and issued by CARE Report and commissioned by our Company for an agreed fees;
14. Tripartite agreement dated November 04, 2024 between our Company, NSDL and the Registrar to the Offer;
15. Tripartite agreement dated November 04, 2024 between our Company, CDSL and the Registrar to the Offer;
16. Inter-se Agreements all dated November 15, 2024 between our Promoters, Aneesha Baid and Deepak Hitech Motors Private Limited and Shareholders of Other Rights;
17. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively;
18. Due diligence certificate dated December 15, 2024, addressed to the SEBI from the BRLM; and
19. SEBI final observation letter bearing reference number [●] dated [●].

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Deepak Baid
Managing Director

Date: December 15, 2024
Place: Jaipur

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Prem Devi Baid
Whole Time Director

Date: December 15, 2024
Place: Jaipur

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Aneesha Baid
Whole Time Director

Date: December 15, 2024
Place: Jaipur

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Anil Patwardhan
Non-Executive Independent Director

Date: December 15, 2024
Place: New York, USA

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Surendra Mehta
Non-Executive Independent Director

Date: December 15, 2024
Place: Jaipur

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Brijmohan Sharma
Additional Non-Executive Independent Director

Date: December 15, 2024
Place: Bikaner

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Gopal Krishan Sain
Chief Financial Officer

Date: December 15, 2024
Place: Jaipur

DECLARATION BY SELLING SHAREHOLDER

I, Deepak Baid, acting as a Promoter Selling Shareholder hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, severally and not jointly, as a Promoter Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any statements, disclosures and undertakings made or confirmed by or relating to the Company, any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Deepak Baid

Date: December 15, 2024
Place: Jaipur

DECLARATION BY SELLING SHAREHOLDER

I, Prem Devi Baid, acting as a Promoter Selling Shareholder hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, severally and not jointly, as a Promoter Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any statements, disclosures and undertakings made or confirmed by or relating to the Company, any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Prem Devi Baid

Date: December 15, 2024
Place: Jaipur

DECLARATION BY SELLING SHAREHOLDER

I, Aneesha Baid, acting as a Promoter Selling Shareholder hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, severally and not jointly, as a Promoter Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any statements, disclosures and undertakings made or confirmed by or relating to the Company, any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Aneesha Baid

Date: December 15, 2024
Place: Jaipur

DECLARATION BY SELLING SHAREHOLDER

We, Deepak Hitech Motors Private Limited, acting as a Promoter Selling Shareholder hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, severally and not jointly, as a Promoter Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any statements, disclosures and undertakings made or confirmed by or relating to the Company, any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY/FOR AND ON BEHALF OF DEEPAK HITECH MOTORS PRIVATE LIMITED

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Authorised Signatory

Name: Deepak Baid
Designation: Director

Date: December 15, 2024
Place: Jaipur

DECLARATION BY SELLING SHAREHOLDER

We, Prem Dealers Private Limited, acting as a Promoter Selling Shareholder hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, severally and not jointly, as a Promoter Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any statements, disclosures and undertakings made or confirmed by or relating to the Company, any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY/FOR AND ON BEHALF OF PREM DEALERS PRIVATE LIMITED

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Authorised Signatory

Name: Prem Devi Baid
Designation: Director

Date: December 15, 2024
Place: Jaipur

DECLARATION BY SELLING SHAREHOLDER

I, Preeti Chopra, acting as a Promoter Group Selling Shareholder hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, severally and not jointly, as a Promoter Group Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any statements, disclosures and undertakings made or confirmed by or relating to the Company, any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Preeti Chopra

Date: December 15, 2024
Place: Kolkata

DECLARATION BY SELLING SHAREHOLDER

I, Rashmi Giria, acting as a Promoter Group Selling Shareholder hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, severally and not jointly, as a Promoter Group Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any statements, disclosures and undertakings made or confirmed by or relating to the Company, any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Rashmi Giria

Date: December 15, 2024
Place: Bangalore